

compassion in crisis

how do people in poverty stay
afloat in times of emergency?





Church Action on Poverty is a national ecumenical Christian social justice charity, committed to tackling poverty in the UK. We work in partnership with churches and with people in poverty themselves to find solutions to poverty, locally, nationally and globally. Further information can be found at www.church-poverty.org.uk. Registered charity number 1079986. Company limited by guarantee, registered in England and Wales, number 3780243.

End Hunger UK is a coalition that has a vision of a UK where everyone has access to good food, and nobody has to go to bed hungry. It is supported by many national organisations, including: Baptists Together; Child Poverty Action Group; Church Action on Poverty; the Church of England; the Church of Scotland; Fareshare; First Steps Nutrition; Food Bank As It Is; Food Ethics Council; Fabian Commission on Food and Poverty; The Food Foundation; the Independent Food Aid Network; Food Matters; Magic Breakfast; the Methodist Church; Nourish Scotland; Oxfam; Quaker Peace and Social Witness; Sustain: the alliance for better food and farming; The Trussell Trust; and the United Reformed Church.

This report was researched and collated by Gavin Aitchison, Poverty Media Coordinator at Church Action on Poverty..

This report was published by Church Action on Poverty in October 2018.

Church Action on Poverty, 28 Sandpiper Court, Water's Edge Business Park, Modwen Road, Salford M5 3EZ

The report is available to download at www.church-poverty.org.uk/endhunger

This report is published under a Creative Commons Licence CC-BY-NC-ND. This means that you are free to share (copy, distribute and transmit) the report, under the following conditions:

- **Attribution.** You must indicate that the report is by Church Action on Poverty, and can be downloaded from www.church-poverty.org.uk/foodfuelfinance (but not in any way that suggests that Church Action on Poverty endorses you or your use of the material).
- **Non-commercial.** You may not use the material for commercial purposes.
- **No derivative works.** You may not alter, transform, or build upon the material.

For any reuse or distribution, you must make clear to others the license terms of this work.

Any of the above conditions can be waived if you get permission from Church Action on Poverty.

Nothing in this licence impairs or restricts the author's moral rights.
Your fair dealing and other rights are in no way affected by the above.

This is a human-readable summary of the Creative Commons Legal Code (see <http://creativecommons.org/licenses/by-nc-nd/3.0/legalcode>).

Introduction and summary

We all want to live in a society in which everyone has access to good food and no one needs to go to bed hungry. We all need help in moments of crisis and our public services exist to ensure that everyone's needs are met. Just as the NHS is there to help us through medical emergencies, so the welfare system should be there to help us in moments of financial crisis or hardship. Yet for increasing numbers of people across the country, this is no longer the case.

Thousands of people are being swept further into poverty or forced to turn to foodbanks and other charitable responses, as a result of cuts to crisis support in England. In 2013 the Government abolished the system of emergency grants and loans provided via the Social Fund and instead told each top-tier local authority in England to set up its own Local Welfare Assistance Scheme (LWAS). At the same time, central Government funding for this vital support fell from £330 million in 2010–11 to £178 million in 2013–14.

Our new research reveals the steep decline in Local Welfare Assistance Schemes across England. Over the past five years, at least 28 local authorities have closed their schemes completely and almost all the remaining schemes have been drastically cut back. In total, the amount spent on Local Welfare Assistance by councils who responded to our Freedom of Information requests has been cut by 72.5% since 2013–14.

The Local Welfare system has become so fragmented and threadbare that thousands of people are now left struggling to stay afloat in times of need and people's ability to access emergency support during times of crisis depends on where they happen to live.

People who need crisis support and cannot access it are at increased risk of hunger, debt and destitution. As a compassionate society, we need to ensure the system can prevent people being swept further into difficulty.

In 2017, Church Action on Poverty spoke with 'Emma', a mum of two teenagers in North East England. She became trapped in poverty when her benefits were stopped without warning for eight months. Struggling to stay afloat, she turned to her local council for help but found the lifeline she thought was there was not. She said: "When I was only getting child benefit support for the girls, I was told that did not constitute a crisis. The crisis support that is there is not working properly."

Local Welfare is a very small proportion of the overall public budget but a vital emergency resource that any one of us could find ourselves needing without warning. It is an emergency life-belt that must be retained.

National and local governments must work together to ensure robust, well-funded support is in place, so that when people suddenly encounter crisis, a lifeline is available, wherever in England they happen to live.

It cannot be right that local authorities are free to close Local Welfare support entirely and to leave people adrift in times of greatest hardship. Government must act – firstly, to make it a statutory duty for top-tier local authorities to run a LWAS that includes grants, loans and in-kind support; secondly, to provide sufficient ring-fenced funds in the forthcoming spending review to ensure they can meet the local need; and thirdly, to provide central guidance on LWASs, including minimum standards of provision.

Just as the NHS is there to help us through medical emergencies, so the welfare system should be there to help us in moments of financial crisis or hardship. Yet for increasing numbers of people across the country, this is no longer the case

The research

Background

It has long been recognised that social security payments offer only a subsistence level of income, so they do not allow families to build up a financial buffer to withstand unexpected crises, such as a sudden bereavement or a broken boiler. Because of this, until 2013, there was a national system of crisis support in the form of the Social Fund, which provided crisis loans and community care grants. The loans helped people deal with sudden crises, such as a fire or flood in their home, while the grants helped vulnerable people to remain in their own home and community, such as after a relationship breakdown, an instance of homelessness, a period in care, time in custody or other relocation.

The Welfare Reform and Work Act 2012 abolished this fund. In its place, the Scottish and Welsh governments and Northern Irish Executive created centralised schemes to administer payments. In England, top-tier local authorities were told to set up a LWAS. The Government provided full funding for 2013–14 and 2014–15, but thereafter said the cost should be met from councils' core funding allocation.

Many councils, facing wide-ranging financial pressures, have chosen to close entirely or to dramatically reduce their local welfare provision. Many charities, faith groups and research organisations have raised concerns, including The Trussell Trust, The Centre For Responsible Credit, The Children's Society, The Church of England, and Greater Manchester Poverty Action, all within the past 16 months.

Methodology

We wanted to gain a clearer understanding of the extent, nature and impact of the changes in LWAS provision. We sought to find out how many people were affected by this issue, and whether there were positive examples that other authorities could learn from. We used Freedom of Information requests to ask 163 local authorities to provide the following information:

- Whether they still operated a LWAS;
- Details of its budget for each year from 2013–14 to 2018–19 inclusive;
- The number of applications it had received in each year;
- The number of those that had been successful in each year;
- Any already-existing reports they held about their scheme and/or the nature of applications or awards.

The number of local authorities contacted was higher than the number of top-tier authorities, because some county councils said they had passed this responsibility to district councils.

The findings below are based on the responses received, Government data from previous years, and other public data. Around 10 councils did not reply to us. This report also draws, in places, on recent research by Greater Manchester Poverty Action (GMPA).

Findings

- At least **28 local authorities** have closed their LWAS provision completely.
- At least **three others** have stopped direct public access, allocating all funds to other organisations or projects. (Peterborough, Poole, Hampshire)
- Councils that responded have **cut their LWAS budget by an average of 72.5%** since 2013–14.
- Around a **quarter of a million people in England** sought help from a LWAS in 2017–18.
- In the first five years of the schemes, there have been **more than 1.5 million applications** nationwide.
- In the final year of the old Discretionary Social Fund (2012–13), it issued **more than 1.7 million Crisis Loans**, worth a total of £103.2 million, and **197,000 Community Care Grants** worth a total of £137 million. (Total: £240.2 million)
- In 2013–14, **Government funds for English councils' LWAS schemes totalled £172 million.**
- In 2017–18, **English councils' combined LWAS budgets totalled an estimated £46.6 million**, recent research by Greater Manchester Poverty Action suggests.

Regional examples

South West England

In 2013–14, councils across South West England received a total of £12.38 million for LWAS provision. In 2018–19, the total budget stands at £3.15 million, a reduction of 75%.

Responses from the region's councils also reveal the inconsistency between areas, and the tightening squeeze on the funds.

Cornwall County Council has protected its LWAS provision more than most councils. It received £1.19 million from the Government in 2013–14. It set a budget of £985,000 for the first two years, then reduced it by 34% to £792,000. It has remained at that level from 2015–16 to 2018–19 inclusive. The proportion of applications it has approved has reduced only slightly, from 59% in 2013–14 to 56% the following year, to 54% in the subsequent two years, and then to 52% in 2017–18.

By contrast, Devon County Council received £1.37 million in 2013–14 but instead of setting up a LWAS, it decided to distribute the funds to the smaller district authorities in its area but most of those schemes have since been closed. As a result, most of Devon now has no LWAS provision.

North Devon District Council closed its LWAS in March 2016 and passed leftover funds to independent projects including Northern Devon Foodbank. South Hams, Torridge and West Devon councils also closed their LWASs at the end of 2015–16.

Exeter cut its budget from £270,570 in 2013–14 to zero this year, and says it now operates “very limited emergency/crisis support” using the leftover funds from the county council. Whereas it helped 2,399 people in 2013–14, this number had gone down to just 467 in 2017–18.

The unitary Plymouth City Council stopped funding its LWAS at the end of 2017–18, transferring the remaining £15,628 equally to two local organisations. The council now provides no direct Local Welfare support at all but instead offers foodbank referrals, and also directs residents to other organisations that may be able to help or advise.

Further north, Bristol City Council's response showed the impact budget cuts have on decision-makers and people in poverty. The council said: “2017–18 was a challenging year for the fund, having experienced an intensive cut to the budget. The team worked hard to prioritise the most in need citizens while continuing to provide an efficient, empathetic service. We received around 8,000 applications. This is a similar figure to 2016–17 and as such we have had to make savings elsewhere, with a year-on-year 17% increase in refusals.”

The city had a budget of £1.7 million a year from 2013–14 to 2016–17 but the 2018–19 budget is £700,000, a reduction of £1 million or 59%.

Greater Manchester

Separate research conducted by Greater Manchester Poverty Action has shown that in Greater Manchester, spending on crisis support in 2017–18 was £3.9 million. This is over £15 million lower than spending under Crisis Loan and Community Care Grant provision in 2010–11.

The GMPA figures also reveal a dramatic collapse in the number of people being helped – down by more than 90% in seven years. The number of successful applications for support through local schemes in Greater Manchester in 2017–18 was just 10,077 – compared to 123,220 Community Care Grants and Crisis Loan awards made in 2010–11.

Personal stories

Reports by Manchester City Council in 2017 and 2018 show how Local Welfare funds can help to unlock poverty for people. This is a selection of the council's published stories (all names have been changed):

Jacky (80) was resettled via hospital from a poorly maintained house into a more suitable housing association bungalow. A staff member went round to carry out some home repairs and found that the applicant had no fridge or cooker as they had both stopped working. Jacky's food had long since gone off and he was still eating it. Although requested to replace broken items and aid a move between unfurnished properties, we awarded the supported resettlement package and awarded a single bed and bedding pack, fridge freezer, microwave, and kitchen starter pack.

Margaret (52) applied to the scheme for a fuel voucher. She had significant debts and bills and was previously awarded a fuel voucher within the last 12 months. She was supported by mental health team and suffers severe mental health problems and stage 3 cervical cancer. We made a discretionary award of another fuel voucher due to the vulnerable nature of the applicant and to reduce the risk of admission to hospital.

Stacey (21) fled her property in the early hours of the morning with her two young children following a gas explosion which destroyed her neighbour's house and left her home uninhabitable. Stacey had no clothes, no ID and no money to support herself or her children. The Homeless Team placed her and the children into a supported accommodation and the Welfare Provision Scheme provided a £100 cash grant to cover the period until her next benefit payment.

Peter (45) was a long-term prison leaver who had been in a probation hostel and was supported into independent housing. Peter was also starting employment and needed assistance to travel to work. The welfare provision scheme provided a single bed, single bedding pack, fridge freezer, microwave, kitchen starter pack and £60 travel voucher. Peter has been living independently and is still in full time employment six months on from the award.

Scotland leads the way

In contrast to the dramatic decline in Local Welfare across England, the Scottish Government chose to create and retain the Scottish Welfare Fund (SWF) to provide an emergency lifeline for people on low incomes. It is a national scheme that helps Scottish households in need.

Between April 2013 and March 2018, the SWF helped 296,520 individual households, with awards totalling £164.8 million. A third of households were families with children, while just over half were single-person households with no children.

There are two types of grants in the Scottish Welfare Fund:

- **Crisis Grants**, which aim to help people on a low income who are in crisis because of a disaster (such as a fire or a flood) or an emergency (such as where money has been lost or an unexpected expense has arisen).
- **Community Care Grants**, which aim to help vulnerable people set up home or continue to live independently within their community. They are specifically aimed at families under exceptional pressure, people following a period of care or homelessness, helping people continue to live independently where there's a risk of care or homelessness and helping people meet additional costs associated with looking after someone on temporary release from prison or a young offenders' institution.

Recommendations

There is no statutory duty on local authorities in England to establish a local welfare scheme, no guidance on their operation, limited central monitoring, and no ring-fenced funding.

Local authorities have been given the freedom to decide how best to meet the needs of their residents in the context of unprecedented cuts to council funding and uncertainty over future funding levels. Some English local authorities have responded by abolishing their schemes completely, despite clear local need. Bournemouth Borough Council, for instance, received more than 21,000 applications to its LWAS between 2013 and 2018, but closed it at the end of 2017–18.

Others have restricted support to long-term residents, leaving some vulnerable groups such as refugees unprotected. Others provide signposting or referral services.

The social security system should be underpinned by provisions that allow all people to meet their basic needs wherever they live. This requires attention to the adequacy, consistency and accessibility of Local Authority Welfare Schemes across England.

We recommend:

- Government should make it a **statutory duty for top-tier local authorities in England to run a LWAS** that can provide cash grants, loans and in-kind support for people, as appropriate, in times of need.
- As part of the forthcoming spending review, **ring-fenced funding should be provided for Local Welfare Assistance Schemes** across England
- The UK Government should work with the Local Government Association, local councils and the devolved governments in Scotland, Wales and Northern Ireland to **identify and replicate best practice** across the UK.

References

Data

Church Action on Poverty has data for almost all English top-tier councils, showing the LWAS budget in 2013–14 and 2018–19, the approval rate for 2013–14 to 2017–18 inclusive, and the number of applications received in that period.

We are happy to share this data. If you would like the information for your area, or the complete dataset, please email gavin@church-poverty.org.uk or phone 0161 872 9294.

Further reading

- *Local welfare assistance schemes – the urgent need for a new approach* (Greater Manchester Poverty Action, 2018)
www.gmpovertyaction.org/local-welfare-assistance-scheme
- *The decline of local welfare schemes in England* (Centre for Responsible Credit, 2017)
www.responsible-credit.org.uk/decline-local-welfare-schemes
- *Not making ends meet* (Children's Society and Church of England, 2018)
www.childrenssociety.org.uk/sites/default/files/not-making-ends-meet-2018.pdf
- *A local jigsaw* (The Trussell Trust, 2017)
<https://s3-eu-west-1.amazonaws.com/trusselltrust-documents/A-Local-Jigsaw-Final.pdf>

