Leave No Family Behind: Strengthening Local Welfare Assistance during Covid-19
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Introduction

Local Welfare Assistance Schemes (LWAS) should provide a vital mechanism for councils to support low-income households in times of financial crisis. They should provide a rapid and dignified means of supporting the most vulnerable, reducing the likelihood that people will be unable to heat their home, or need to turn to a food bank to get their next meal. At their best, effective local welfare schemes utilise the existing knowledge that councils have of need in their local communities, as well as strong working relationships with voluntary and community sector partners, to provide the immediate support required in the event of a crisis, but also to address longer term causes of financial crisis.

However, a toxic combination of reduced funding, lack of guidance from Government, and the absence of a statutory requirement for local authorities to deliver this type of service has left local welfare provision in many areas hollowed out. Many local councils have reduced funding for local welfare assistance year-on-year at a time when demand for emergency support has continued to rise, but when their budgets have faced increased pressures.

The long-term causes driving families and individuals towards financial crisis are well established: debt, changes to benefits, mental ill-health, insecure housing, sustained low income and immigration restrictions can all leave households at the precipice of disaster. Without savings or their own safety net to rely on, one unexpected event can result in a financial crisis, leaving families without the ability to heat their home, pay the rent or feed their children. Local welfare assistance should be there to help in these circumstances, but its erosion has meant that in too many places people are then left with nowhere to turn.

Now more than ever, with the coronavirus pandemic threatening an unprecedented shock to incomes and the economy, it is vital that we ensure there is a comprehensive safety net in place to support families and households facing financial crisis.

Yet as we have found, 1 in 7 local authorities still do not have a LWAS in place. Furthermore, funding for local welfare provision has declined by 55% in real terms in England since 2010.

That is why The Children’s Society is now calling for Government to make an additional funding allocation of approximately £250 million to higher tier local authorities in England. It is vital that the government provides the resources, certainty and guidance to local authorities to ensure that they can provide effective discretionary crisis support to vulnerable individuals and households during this unprecedented period.
Previous research

The Children’s Society has been conducting research on the topic of emergency financial support for several years. We know that even a short-term financial crisis can have a profound impact on the children and young people living in a household experiencing it. Alongside the immediate financial strain and practical struggles of finding and applying for help during a crisis, our past work has highlighted the common emotional impacts of crises on families with children:

- Nowhere to Turn (2013)\(^1\): This report revealed that money given to local authorities to replace the Department for Work and Pension’s (DWP) Social Fund was almost halved compared to equivalent spending since 2010. It also showed that almost two-thirds of local authorities were no longer providing interest-free emergency loans through their replacement schemes.
- Not Making Ends Meet (2016)\(^2\): This research, undertaken in partnership with The Church of England, demonstrated that with many local welfare schemes being scaled back, more and more people in crisis were turning to foodbanks and other charities for help;
- Nowhere to Turn (2019)\(^3\): This report explored why families are falling into crisis, the impact it has on families with children, and the changes to the system of crisis support since the system was localised.

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Our practice: Coordinated Community Support (CCS)

The Children’s Society has also sought to develop and implement practical policy solutions at a local level to improve the systems in place to support those facing financial crisis. Through the Coordinated Community Support programme, we are currently working with partners to pilot a new coordinated approach across four local authorities in England and Wales. The programme aims to address the gaps in emergency support provision through better networking of different local agencies involved in emergency assistance, as well as to reduce repeat instances of financial crisis by addressing underlying causes of crises.

We work closely in partnership with the four councils and help them work with the local and voluntary community sector to better coordinate emergency support provision, through targeted funding to local organisations, mapping of crisis support need and provision in local areas, coordination of local project steering and supporting learning and evaluation.

More than ever, during the COVID-19 crisis, such coordination is vital.

In response to the pandemic, the CCS programme has supported a local area to establish a foodbank.

A school, voluntary and community organisations and the local authority are working together to help vulnerable families and young people. The school serves around 1400 children, of which 800 are in receipt of pupil premium funding (and so are eligible for free school meals).

Staff were asked to identify those children and families likely to be in critical need following the school closure announcement and 320 families were identified.

The school has moved quickly, with support from the CCS programme team, to set up a food bank offer for these students and families. It is now looking at how best to expand the breadth of the offer to meet additional needs, including access to baby products, as parents told the school that these are hard to find.

Through the CCS programme team, the school has also set up a robust referral service into a local advice agency so families can quickly access free and independent advice around debt, employment and housing.

The school was well placed to set up delivery of the foodbank for a number of reasons:

- It already has relationships and links to the families identified as in need
- It is well known in the community and easy to find
- It has significant space it can repurpose and outdoor space to ensure social distancing protocols
- It has a number of staff it can redeploy to support with the effort.

By working across a range of organisations and building on existing relationships with families, the local area has been able to support vulnerable families to access essentials and address additional needs. When local welfare provision works effectively, it can be a lifeline for families who might have nowhere else to turn.
Methodology

The report draws primarily on three data sets.

Freedom of Information Requests
Freedom of information requests were sent to all 151 ‘upper tier’ local authorities in England (county councils and unitary authorities) in October 2019. We received responses from 149 local authorities.

Based on the September 2018 freedom of information requests sent to local authorities, a small number of the upper tier authority (country council) had passed responsibility for local welfare provision down to their lower tier authorities (district or borough councils). We therefore also sent freedom of information requests to these lower tier authorities.

This year, only one upper tier authority reported devolving responsibility for local welfare provision to their lower tier authorities. We did not receive data from all of the lower tier authorities in this county and so all were excluded from the analysis to ensure that we are counting areas on a like-for-like basis (upper tier authorities only).

The questions in the 2020 freedom of information request were focused on councils’ ‘Local Welfare Assistance Schemes’ (LWAS) and covered budget, expenditure, application numbers and award numbers.

Polling Data
We surveyed 1,000 parents of school age children in February 2020 across the UK (England, Scotland, Wales and Northern Ireland) about the cost of school uniforms and other essentials, the means of support they use in times of financial crisis and their awareness of Local Welfare Assistance Schemes in their area. This survey was carried out by Opinium Research. The polling was carried out prior to the COVID-19 crisis, but provides a useful indication of awareness of LWAS among families with school-age children.

Case Studies
Five local authority areas provided us with evidence on how COVID-19 has affected their local welfare provision and we have included these as case studies in the report.

We have also included case studies and examples from an emergency support providers’ evidence collection form, which was launched in reaction to COVID-19.

The total number of local authorities has changed from 152 to 151 due to the reorganisation and merging of a small number of local authority areas since the 2018 freedom of information request and so the results are not directly comparable.

https://forms.office.com/Pages/ResponsePage.aspx?id=SOAKNBzYqO6lpLDjH6ikCHR939zAbv9Ag3l6KKCCb1xUODM1NkIaOFdUlc1MURFv82GjQwTDBTC4u
Policy Context

Until April 2013
Before April 2013, emergency financial assistance was provided through the nationally administered Discretionary Social Fund. This included:

- Budgeting Loans: Interest-free cash loans to help with costs that were difficult to budget for on a low income, such as furniture, clothing, removal expenses or travel costs.
- Crisis Loans: Interest-free cash loans to help with immediate needs in a crisis. So-called ‘Alignment Payments’ were also provided to support claimants who were waiting for a first payment of benefit.
- Community Care Grants: Non-repayable cash grants to help people who had spent a period in institutional care to resettle independently in the community, or to ease exceptional financial pressures facing a family.

Reforms in April 2013
From April 2013, the Government completely reformed this support:

Crisis Loans (other than Alignment Payments) and Community Care Grants were abolished. Instead, funding was transferred to the 152 upper tier local authorities in England to establish their own ‘Local Welfare Assistance Schemes’ (‘LWAS’). The devolved governments in Scotland and Wales were also given responsibility for provision in their areas.

Budgeting Loans remained nationally administered and are now called Budgeting Advances under Universal Credit. Crisis Loan Alignment Payments also remained under central control and became Short-Term Benefit Advances for those on legacy benefits or Advance Payments for those on Universal Credit.
Funding for LWAS since April 2013

The Department for Work and Pensions provided dedicated LWAS grant funding to each local authority for the first two years after the reforms (2013/14 and 2014/15). Each council’s share was based on the proportion of total spending on Crisis Loans and Community Care Grants in its area in the first half of 2011.\(^6\)

The Government then decided that for 2015/16 onwards there would be no separate LWAS funding stream. Instead, it would become part of the general Revenue Support Grant that central government provides to councils to support their spending on any local services.

It was agreed to continue publishing a notional figure each year showing how much of each council’s Revenue Support Grant would be expected to be allocated for local welfare provision. This was set at £129.6 million each year from 2015/16 until 2019/20.

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across all higher tier councils in England, until the 2020/21 local government finance settlement included an increased notional figure of £131.7 million.\(^7, 8, 9, 10\)

To give a sense of scale of this funding, total ‘core spending power’\(^11\) of the 152 upper tier local authorities in England in 2019/20 was £39.7 billion.\(^12\) The total local welfare funding allocation therefore represents around 0.3% of total core council spending across England. This percentage varies area by area from 0.1% to 0.7%.

However, this funding is not ring-fenced, so councils do not have to spend it on local welfare provision and there are no statutory obligations for them to provide this type of support.

Furthermore, this funding represents a significant cut compared to funding for comparable provision at the start of the decade. Figure 2 illustrates how funding for local welfare in England fell in real terms from around £290.5 million in 2010/11 to £131.7 million in 2020/21 (55%):\(^13, 14, 15, 16\)

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\(^11\) Core spending power is an estimate of the amount of funding available to each local authority to spend on their core services. It includes Revenue Support Grant, council tax and business rate income, as well as other government grants. It does not include ring-fenced grants such as the Dedicated Schools Grant which passes through local authorities and funds spending on schools.


This funding cut mirrors a broader squeeze on council budgets. According to the National Audit Office, central government funding to local authorities halved in real terms between 2010/11 and 2017/18. This has severely restricted the amount that councils are able to spend on services, particularly those – such as LWAS – that councils have no statutory duty to provide and for which funding is not ring-fenced.

**Funding for LWAS since the onset of COVID-19**

As already noted, the 2020/21 local government finance settlement included the first uplift in nominal funding for local welfare provision since the 2015/16. The increase of £2.1 million equates to growth in line with inflation for a single year.

A £500million Hardship Fund for local authorities in England was announced within the budget in March 2020 as part of the Government’s response to COVID-19. This is new grant funding, intended “to support economically vulnerable people and households in their local [authority] area”\(^{18}\). Accompanying guidance set out the “strong expectation” that this funding be used to provide all recipients of local council tax support with a reduction to their bill of £150.\(^{19}\) Once local authorities have made

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the mandated deduction to council tax bills, they are then able to spend any remaining grant funding on discretionary support such as local welfare provision. However, it is uncertain whether there will be significant funding remaining to direct towards LWAS, and some authorities are also expected to hold funding back in anticipation of an increase in applications for council tax support throughout the year.

Further unrestricted funding of £3.2 billion has been provided to local authorities “to meet additional pressures arising from the pandemic and help continue to deliver frontline services”\textsuperscript{20}. However, a variety of voices within local government are already suggesting that this funding is unlikely to be sufficient to meet the challenge posed by increased cost pressures and decreasing revenues for councils.\textsuperscript{21,22}

**Comparison with crisis provision in devolved nations**

The tables below indicate how spending per capita on comparable emergency support schemes in the devolved nations of Scotland, Wales and Northern Ireland exceeded spending per capita in England before the onset of the COVID-19 pandemic.

Additional funding for these schemes to support vulnerable households has since been announced in each of the devolved nations to support the most vulnerable households through the crisis. The COVID-19 England figures exclude the Hardship Fund because, as already noted, it is uncertain whether there will be significant funding remaining to direct towards LWAS.

**Table 1: Per capita spend across UK - before COVID-19 crisis**

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<tbody>
<tr>
<td>England</td>
<td>£40,794,467</td>
<td>55.98m</td>
<td>£0.73</td>
</tr>
<tr>
<td>Wales</td>
<td>£10,577,817</td>
<td>3.138m</td>
<td>£3.37</td>
</tr>
<tr>
<td>Scotland</td>
<td>£35,285,712</td>
<td>5.438m</td>
<td>£6.49</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>£13,765,000</td>
<td>1.882m</td>
<td>£7.31</td>
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\textsuperscript{22} [https://www.countycouncilsnetwork.org.uk/councils-call-for-income-guarantee-to-see-them-through-coronavirus-pandemic/](https://www.countycouncilsnetwork.org.uk/councils-call-for-income-guarantee-to-see-them-through-coronavirus-pandemic/)

\textsuperscript{23} Most recent year for which figures are available for all nations.


Table 2: Expected per capita spend across UK – COVID-19 crisis spending\textsuperscript{27}

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<td>£6.88</td>
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<td>Scotland</td>
<td>£80,285,712\textsuperscript{29}</td>
<td>5.438m</td>
<td>£14.76</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>£18,765,000\textsuperscript{30}</td>
<td>1.882m</td>
<td>£9.97</td>
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\textsuperscript{27} Annual spending level at 2018/19 as before, plus the increases set out in recent announcements.

\textsuperscript{28} The Welsh Government has announced an additional £11m funding for the Discretionary Assistance Fund. May 2020: https://gov.wales/discretionary-assistance-fund-receives-11m-boost-wales

\textsuperscript{29} Scottish Government has announced £22m additional funding for the Scottish Welfare Fund, plus £23m in reserve to be targeted where most needed. April 2020: https://www.gov.scot/news/emergency-help-for-those-worse-affected-by-coronavirus/

\textsuperscript{30} The Discretionary Support scheme has had an additional £5m funding to be provided for short-term living expenses grants for people in crisis. https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/Budget%20Document%20May%202020-%20web%20version2.pdf
Local Welfare Assistance – Our findings

Areas that no longer have a LWAS

We found that 23 out of 151 ‘upper tier’ councils no longer have a LWAS.\(^{31}\) This is despite central government indicating that across these areas a total of £18.2 million per year for the purpose is available.\(^{32}\)

There are still around 1 in 7 local authorities that do not run a LWAS.

Local welfare provision in areas that still have a scheme

128 councils reported that they operate a LWAS.

Of these, we found that 121 schemes were operated by the ‘upper tier’ local authority.

One county told us that they had devolved the provision and budget to the district councils in their area.

There were six areas that told us they operate in partnership with other organisations, for example passing their budget for LWAS onto a local partner organisation such as a Citizen’s Advice Bureau.

Spending as a proportion of available funding

Of the 121 areas that provided us with spending data, we found that a total of £40.8 million was spent on local welfare provision in England in 2018/19.

However, in theory these areas have total funding of £104 million available for this purpose.\(^{33}\) This means that between them, these councils spent just 39% of their allocated local welfare funding on their LWAS.

The total of £40.8 million spent by local authorities on their LWAS in 2018/19 makes up just 0.13% of these councils’ total core spending power, highlighting what a small proportion of local authority budgets is spent on local welfare provision.\(^{34}\)

However, the proportion of central government funding for local welfare provision that each council spends on LWAS varies hugely across the country:

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\(^{31}\) Of the 149 areas (out of 151) that responded to our freedom of information request, 120 reported that they have a LWAS and 22 reported that they do not. Six areas reported that they run a LWAS in partnership. One area reported that responsibility is devolved to district level. We checked publicly available information for the two areas that did not respond to us, of which one has a LWAS and one does not.


\(^{33}\) Ibid.

\(^{34}\) Ibid.
- Five areas spent over 100% of the allocated central government funding on their LWAS. This is a decrease of two councils since 2017/18.
- Sixteen areas spent less than 10% of the allocated funding on their LWAS. This is an increase of one council since 2017/18.
- Around three quarters (76%) of councils spent less than 50% of the allocated budget on their LWAS.

Figure 3 highlights the range of variations in spend between councils.

**Figure 3: 2018/19 LWAS expenditure as percentage of allocated funding**

![Bar chart showing the range of LWAS expenditure as percentage of allocated funding in 2018/19.](image)

**Reductions in spending on LWAS**

The £40.8 million spent by councils on LWAS in 2018/19, whereas in 2015/16 £50.1 million was spent on LWAS.\(^{36}\)

The figure varies between local authorities but we found that 63% of councils reduced spending on their LWAS between 2015/16 and 2018/19.\(^{37}\)

Similarly, 21% of councils that provided us with spending data reduced spend on their LWAS by more than 50% between 2015/16 and 2018/19, while only 5% of councils increased spend by more than 50% during the same period.

Figure 4 below highlights the variations in changing spend.

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\(^{35}\) Based on 120 local authorities that still have a LWAS and provided spending data for 2018/19.

\(^{36}\) Based on 120 councils that provided spending data for 2018/19 and 120 councils that provided spending data for 2015/16. Although this is the same number of councils, the specific councils that make up the total in each year are slightly different.

\(^{37}\) The percentage changes compare only the 110 areas where data is available for both 2018/19 and 2015/16.
Numbers of applications and awards

The continued decline in spending on LWAS since 2015/16 is reflected by reductions in both the number of applications and awards over the same period.

It was reported that a total of 279,214 applications were made to local welfare assistance schemes across England in 2018/19, with 183,693 awards made.\(^3^9\)

The reported totals for 2015/16 were 319,949 applications and 207,530 awards.\(^4^0\)

On a like-for-like basis (only comparing those schemes that provided us with data in both years), total applications fell by 9% between 2015/16 and 2018/19. Total awards fell by 10% during the same period.\(^4^1\)

Figure 5 summarises the total LWAS spending, applications and awards across England in the last four financial years, as well as the equivalent figures from the Discretionary Social Fund from the final year before it was localised.

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\(^3^8\) Based on 110 councils that provided us with spending data for both 2015/16 and 2018/19.

\(^3^9\) Based on 109 councils that provided us with application data for 2018/19 and 117 councils that provided us with award data for 2018/19. These figures will underestimate the true totals because we do not have application and award data for all councils with a scheme.

\(^4^0\) Based on 113 councils that provided us with application data for 2015/16 and 117 councils that provided us with award data for 2015/16.

\(^4^1\) Based on 96 councils that provided us with data for numbers of applications and awards in both 2015/16 and 2018/19.
Variation in local welfare provision across England

In our 2019 *Nowhere to Turn* report, we highlighted the reasons for low and declining levels of local welfare provision. Councils have experienced continued funding pressures, due in part to a sustained squeeze in funding over the last decade.

As local welfare provision is not a statutory service and funding is not ring-fenced, it is unsurprising that funding has been reduced over the years. However, as the above analysis shows, although overall levels of spending on local welfare provision have declined, there is significant variation between areas.

Similarly, when comparing findings from 2017/18 and 2018/19, the overall picture appears relatively stable, with just some small overall changes. However, there were significant changes at local authority level.

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Figure 5: LWAS total spending, applications and awards across England (2015/16 to 2018/19) and the final year of Discretionary Social Fund (2012/13)\(^{42}\)

For 2018/19, figures are based on 120 councils for spending, 109 for applications and 117 for awards. For 2017/18, figures are based on 122 councils for spending, 114 for applications and 119 for awards. For 2016/17, figures are based on 122 councils for spending, 114 for applications and 120 for awards. For 2015/16, figures are based on 120 councils for spending, 113 for applications and 117 for awards. 2012/13 figures use published government data showing Discretionary Social Fund spending, application and award numbers by local authority and including only data for Community Care Grants and Crisis Loans (excluding Alignment Payments) in England. Department for Work and Pensions. *Discretionary Social Fund by local authority Apr 2012 to Mar 2013*. September 2014. [https://www.gov.uk/government/statistics/discretionarysocial-fund-by-local-authority-apr-2012-to-mar-2013](https://www.gov.uk/government/statistics/discretionarysocial-fund-by-local-authority-apr-2012-to-mar-2013)
For example, seven councils decreased their 2017/18 spend by over 50% in 2018/19.\textsuperscript{43} One local authority's expenditure on its LWAS declined by 82% between 2015/16 and 2017/18. We then found that the remainder declined by 92% in 2018/19.

\section*{No budget for Local welfare provision}

In addition to variations between spend, local authorities reported variations in how their LWAS are funded. We asked councils what their budget for local welfare provision was for 2019/20 and of those councils that provided data, 13 councils reported that they did not have a specific budget for 2019/20.\textsuperscript{44} This is an increase from seven councils that reported no specific budget for 2018/19.\textsuperscript{45} A small number of councils also reported that their expenditure on local welfare provision comes from council reserves rather than a specific budget.

\section*{Comparing different schemes}

A small number of local authorities provided further details on how the budget for their LWAS is used.\textsuperscript{46} Even within this, there were significant variations in how budgets were used. For example, three local authorities reported that they only provide loans, rather than grants, to residents in a financial emergency. One local authority reported they offer loans and food parcels to residents.

Another local authority reported that from within its budget, funding contributions are made to a number of local foodbanks and community projects that support residents.

One local authority provided £50,000 of its budget to another team within the council to assist with homelessness prevention.

Six local authorities reported that they deliver a LWAS in partnership – some of these operate loan only schemes, one scheme is run entirely by the local Citizens Advice Bureau, and others operate a procurement process with local voluntary and community organisations.

While local discretion is important to allow councils to respond flexibly to the needs of residents, these variations also demonstrate how local welfare provision is a patchwork of support that can vary greatly between areas. Inevitably, the design of LWAS will vary from area-to-area, based on established local need and the emergency support which community and voluntary sector partners provide. However, without adequate oversight and guidance from government regarding the minimum level of support which LWAS should be expected provide, it is likely that some of those needing support will continue to fall through the cracks.

\textsuperscript{43} Out of 110 councils that provided us with spend data for both 2018/19 and 2017/18
\textsuperscript{44} Out of 119 councils that both have a scheme and provided us with data on their 2019/20 budget. We excluded councils that operate a loan only scheme.
\textsuperscript{45} Some of the councils that reported no budget for 2018/19 did report a budget for 2019/20 or vice versa. But overall, the number of councils that reported no specific budget for 2018/19 has increased in 2019/20.
\textsuperscript{46} 22 local authorities provided this additional information.
Awareness and Applications

Suppression of demand
Our previous research has highlighted reasons for lower levels of provision. When we interviewed LWAS managers, they attributed declining levels of provision not to a fall in underlying need or demand for crisis support, but rather to various factors that helped suppress the number of people who tried to apply to council schemes. Key examples include:

- **Limited types of support**: For example, scheme managers cited the move from cash awards to ‘in-kind’ awards and (in some areas) from grants to loans as having acted as a disincentive to potential applicants.

- **Restrictive eligibility criteria**: Limiting the use of LWAS to those claiming out-of-work benefits is one example – there was no such restriction on the old Crisis Loans. Some schemes won’t consider applications until families have first exhausted multiple other potential sources of support. Other schemes are not open to applications from 16 or 17 year olds living independently, despite these young people facing significant financial difficulties. It also appears that not enough councils are fully considering flexibilities for families with children.

- **Onerous application processes**: The process of applying for support caused a huge amount of additional stress for the families with children with whom we spoke. They often had to juggle difficult and time-consuming LWAS application processes with childcare and other issues arising from the underlying cause of crisis. Limited methods of applying to schemes exacerbates this and can make them hard to access for vulnerable groups. For example, one advice centre worker told us: ‘With the energy vouchers, [the LWAS] say they’ll look into it, and then you have to wait around for hours to get an email from them. I then have to get the email to the client, which they are supposed to print off and take to a Paypoint to top up their credit. So, to be honest it’s a bit onerous, and if the client hasn’t got access to the internet, the client’s then got to come back and collect a print-out from us.’

- **Low awareness**: In many areas, LWAS are not advertised widely or promoted proactively by the council, in part because they were worried about stimulating demand that could not be met. We also found that awareness and understanding local schemes among potential professional referrers was very low, especially in the voluntary sector. Very few participants in our previous research mentioned these schemes unprompted, although most were able to list a range of other organisations that offered help to people in crisis.

Given that people are typically referred to LWAS by other local organisations, it is concerning that many frontline workers are not even aware of their existence. Even those organisations who knew about the LWAS frequently made little use of it for their clients because it was generally easier and quicker to access other forms of support. Local food banks were widely used in preference to LWAS.
Alternative options applicants must have explored

In our 2019 report *Nowhere to Turn*, we found that many schemes specifically require applicants to have tried other potential sources of support before being eligible for an award. The research found that:

- Sixty percent of councils told us that they require applicants to have explored at least one of the routes listed in Table 3 before being able to receive LWAS support.

- Thirty percent of councils required applicants to have tried at least three of these other options.\(^{47}\)

Table 3: Other support that needs to have been explored before LWAS\(^{48}\)

<table>
<thead>
<tr>
<th>Percentage of councils that require applicants to have tried the following alternatives before being able to receive LWAS support:</th>
</tr>
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<tbody>
<tr>
<td>DWP advance payment of benefit</td>
</tr>
<tr>
<td>DWP Budgeting Loan</td>
</tr>
<tr>
<td>Borrowing from friends/family</td>
</tr>
<tr>
<td>Borrowing from a commercial credit provider</td>
</tr>
<tr>
<td>Local grant making charities</td>
</tr>
<tr>
<td>Food bank</td>
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</tbody>
</table>

It is particularly concerning that more than a quarter of councils require applicants to have tried borrowing from friends or family before they can receive support from their local scheme. Seven percent of councils expect applicants to have explored borrowing from commercial credit providers.

This was reflected in polling of parents with school-aged children that we carried out in February 2020, when 55% of those polled did not know whether their council had a local welfare assistance scheme or equivalent.\(^{49}\) Parents who had struggled to afford essentials (including food, school uniform costs, homewares or car repairs)\(^{50}\) in the past 12 months said they were more likely to have borrowed from friends and family (26%), a commercial lender (12%) or received help from a charity (including a foodbank – 10%) than received help from their local council (9%), for example through a LWAS. Eight per cent of respondents facing such circumstances said they had taken out a payday loan.\(^{51}\)

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\(^{48}\) Ibid.

\(^{49}\) Based on a sample of 1,000 parents of school aged children. The polling was carried out by Opinium Research.

\(^{50}\) There were 468 respondents who had struggled to afford an essential item/service in the past 12 months. The list of essentials were: Boiler repair/servicing, Electrical item repair/replacement, Home furnishings (furniture/ carpets/curtains), School related costs (uniforms, meals, school trips etc), Bereavement/ funeral costs, Moving home out of necessity, Children moving school, Costs of items for a new child in the family, Car repair or servicing, Food, Utilities (gas/electric).

\(^{51}\) Responses are not mutually exclusive and respondents could pick more than one option.
Although this data was collected prior to the COVID-19 crisis, it indicates low levels of awareness around LWAS amongst parents with school age children. In light of the significant income shocks that many, particularly families with children, are facing because of COVID-19, it remains crucial for people to have access to and awareness of LWAS in case of financial crisis.
Local Welfare Assistance – Responding to COVID-19

Meeting increased demand
In the context of COVID-19, local authorities are reporting that they are seeing significantly increased demand for support through Local Welfare Assistance Schemes. Many have allocated additional funding and staff to meet this growing need, and are working closely with local voluntary and community sector organisations to support their most vulnerable residents. This section demonstrates some of this emerging good practice, but highlights that for it to be sustained, it must be underpinned by improved funding and guidance.

Case study 1 – County Council
One council told us that their LWAS received 670 applications in April 2020, compared to 172 in April 2019 – a rise of just under 75%.

The council has redeployed 6 temporary staff from other departments to support the scheme’s operation during this period. Despite the scheme being allocated additional funding it is currently running around 25% over budget each month. This overspend is expected to increase further when applications placed on hold are revisited.

Case study 2 – Metropolitan Borough Council
Another council reported that their scheme has seen a 164% increase in applications over the first seven weeks of the pandemic. Between 16th March and 27th April the scheme made 3923 urgent needs awards and spent an additional £212,000 compared to the same period in 2019.

An additional £2 million of funding has been allocated to the scheme for 2020/21. The council has redeployed staff to meet this extra demand and most urgent needs awards are made within 24 hours of applications being submitted.

Similarly, two other areas in the sample of local authorities that provided evidence on how they have responded to COVID-19 reported that they have allocated additional funding to their LWAS for 2020/21 to help meet increased need – with the areas allocating an extra £100,000 and £480,000. However, with council budgets likely to be stretched even further over the coming year – with incomes dropping and extra pressures on statutory duties – the budget increases for local welfare provision may not be enough to support all families that need assistance.
We have also seen how councils have been offering more generous awards during the pandemic and making the application process less onerous.

**Case study 3 – County Council**

The council told us that the application process has been shortened and simplified for applications for cash support. Cash awards have been extended to include a larger 3-day award for applicants who have made an application for Universal Credit and a 7-day award for those who have been furloughed or are self-employed and awaiting verification of their Universal Credit application.

The scheme will take retrospective evidence of a Universal Credit claim to ensure a response is provided to those in crisis and will also make awards to applicants in the process of challenging their Habitual Residence Test status.

The scheme is awarding new white goods as opposed to reused appliances due to supplier closure and one supplier’s inability to install goods.

**Case study 4 – London Borough Council**

The council has increased the value of both fuel and food awards to cover the average households’ costs for a week’s worth of shopping instead of the previous amount which was calculated to last for 2-3 days.

They have also removed the previous limit on the number of applications for those requiring Covid related support. Prior to the lockdown residents were only eligible for one emergency application within a 12-month period. They can now make multiple applications for Covid related support.

While these are positive changes, it is important that such changes are sustainable and continue after the initial health crisis, as it is likely the financial impacts of COVID-19 for households will continue for many months. That is why we are calling for Government to provide the resources, certainty and guidance to local authorities to ensure that they can provide effective discretionary crisis support to vulnerable individuals and households throughout this unprecedented period.

Voluntary organisations also told us how they have been experiencing increased demand and were concerned how COVID-19 would affect their service delivery going forward.
Working in partnership
LWAS work best when delivery is supported by local authorities, voluntary, community and faith sector organisations working in partnership. A coordinated response is the most effective way to ensure all those households who require emergency financial support throughout the pandemic receive the help they need, and nobody falls through the gaps. We have seen examples where local authorities and local organisations have been working together to reach those in need.

Case study 5 – organisation that supports vulnerable women
The organisation reported that many of the women it supports have no entitlement to benefits and many of them work on zero hours contracts, leaving them in a precarious financial position during the pandemic.
They have seen an increase in demand and currently have over fifty women waiting for help from the organisation.
The organisation told us that more collaborative working between the local authority and voluntary sector would help them to deliver assistance to those in need.

Case Study 6 – organisation that supports victims of domestic abuse
The organisation reported that at times it has been difficult to meet increases in demand. They are concerned that demand will continue to rise in the coming months as people who have not previously needed support find themselves at crisis point:

“We are seeing a new type of beneficiary needing support, namely, those that have always had an income but in a low wage job with no ability to save and who have now been laid off or who have no work. They need help to navigate the benefit system, access to emergency food and help to budget and deal with now unaffordable debt.”
The organisation has been successful in securing some immediate additional funding to help their service users with food and emergency support but they are concerned about a reduction in income over time.
They expressed the need for local authorities to engage with local charities to help them access funding and support their service users.
We also heard how one local authority that works closely with local voluntary organisations to deliver its LWAS has been supporting the local organisations to access additional resources during the pandemic.

Case study 7, local organisation
One organisation working in London told us about the importance of a locally centralised system that can support financially vulnerable people. The organisation told us that their council had adapted quickly to COVID-19 and was able to support people in the area but that too often this is not the case:

“Those with COVID 19 have to isolate but there is no centralised system to get them food, medicine, energy top ups etc. Those with no family or friends to help struggle to get the basic necessities… There needs to be a coordinated strategy to ensure those people get the necessities delivered, it is not enough to rely on mutual aid or community groups, people need a direct line to get help quickly… There has been different responses to the situation by different local authorities, some good some not so good. It should not be a postcode lottery as to how much help you get. Our council set up a helpline which was widely advertised across the borough so people knew where to go for help, this service worked in tandem with mutual aid groups and other services.”

Case study 8 – County Council
One Council has established a ‘COVID-19 Support Grant’ scheme funded by the council. This scheme is working with community organisations to help individuals and families who are most in need or most at risk to access food, utility, and other household essentials to support them through a 14-day period of self-isolation. The scheme will award supermarket vouchers of fixed amounts and coordinate grocery shopping for vulnerable residents self-isolating. The awards can also be used towards PayPoint utility top-ups.

We also heard how one local authority that works closely with local voluntary organisations to deliver its LWAS has been supporting the local organisations to access additional resources during the pandemic.

Case study 9 – London Borough
The council has also been supporting residents by supporting the wider VCS sector and in delivering an emergency food response. For example, the Mayor has agreed to grant rent relief to community-based organisations that lease premises from the council for the period 1 April to 30 June 2020. This amounts to £98,210 in financial support. The council and the local CVS are working together to provide a series of funding and networking online support sessions and support with writing grant applications.
Recommendations and Conclusions

Recommendations

Now more than ever, with the coronavirus pandemic threatening an unprecedented shock to incomes and the economy, it is vital that we ensure there is a comprehensive safety net in place to support families and households facing financial crisis.

That is why The Children’s Society is calling for Government to provide the resources, certainty and guidance to local authorities to ensure that they can provide effective discretionary crisis support to vulnerable individuals and households during this unprecedented period and beyond. Local authorities, for their part, must ensure that they have a Local Welfare Assistance Scheme in place which is fit for purpose, able to support their most financially vulnerable residents at a time when unexpected bills or emergency purchases may be much harder to cover.

Recommendations for Government

 We recommend that the UK Government urgently make an additional funding allocation of £250 million to higher-tier local authorities in England for use in the year 2020/21.

 This would represent a ‘levelling-up’, bringing total funding more closely in line with comparable emergency support schemes in Scotland (the Scottish Welfare Fund), Wales (the Discretionary Assistance Fund) and Northern Ireland (Discretionary Support) before the onset of COVID-19, and enable local authorities to meet growing levels of need.

 An additional £25 million (equivalent to 10% of the additional funding) should also be provided to ensure that each local authority has capacity to administer their LWA scheme effectively, and that local authorities without a scheme can re-establish one.

 This funding should have accompanying guidance which sets out strong expectations for how the money should be spent. This guidance should include a minimum level of provision which all local authorities would be required to deliver (in line with the recommendations for local authorities below).

 Methodology for calculating the additional funding should take into account that local authorities are currently only spending a small proportion of the funding indicated within the visible funding lines in the local government finance settlement, and that local authorities are likely to have little funding remaining from the Hardship Fund once the uplift in council tax support is administered for local welfare provision.
**Recommendations for local authorities**

- All local areas in England should have a local welfare assistance scheme in place to support households requiring emergency support in the event of a financial crisis.
- The types of support available through LWA schemes must reflect the needs of families with children and young people facing financial crisis.
- LWA schemes should closely coordinate with, and complement, existing community, faith and voluntary sector support, such as food banks, mutual aid networks and other providers of emergency support.
- LWA schemes should provide direct support to households facing financial crisis. Wherever possible local schemes should also include cash grant provision, providing a practical and flexible way of supporting people during this crisis. Assistance should not be limited to benefits in-kind (such as food or energy), which do not always meet the range of needs of families.
- There should be multiple ways to apply to the local scheme, covering at least online, telephone, face-to-face (when social distancing rules allow) and via referral from another organisation.
- Schemes should be able to make decisions within 24 hours in emergency cases. Where there is not an immediate crisis, decisions should still be timely and within five working days at most, and support should be delivered in full within 15 working days of the decision.
- Local schemes should never exclude lower income working families, nor those receiving contribution-based out-of-work benefits. Support should be available to those with No Recourse to Public Funds and local residency requirements should not prevent applicants from accessing their local scheme.
- Applicants should not be required to try borrowing from consumer credit providers or friends and family before accessing the scheme.
- Repeat applications and awards should not result in individuals being automatically ineligible to apply. Decisions should be made on a case by case basis responding to current need.
Conclusion

Local Welfare Assistance Schemes should provide a cornerstone for the local support offer to families facing financial crisis. However, a significant funding squeeze and lack of guidance or leadership has meant that in too many parts of the country, inadequate or even non-existent provision is hampering efforts to provide an effective safety net.

Now, with extra pressures on resources created by COVID-19, LWAS will see their limited resources stretched even further. We also heard how voluntary sector organisations are also trying to support an increasing number of clients with capacity increasingly under pressure.

The additional funding and changes to application processes and awards that some local authorities have introduced during the crisis are welcome and will undoubtedly provide essential financial support to many households experiencing a financial crisis. Yet without adequate funding from central government to meet the surge in demand created by COVID-19, many councils will be unable to continue delivering these changes over the coming months and many families will be unable to get the financial support they need.

The additional funding provided by central government through the Hardship Fund and additional £3.2 billion is not sufficient and at this time of national emergency, the government should ensure that all local authorities have the targeted funding and guidance they need to provide effective local welfare assistance.

We know that local welfare provision is at its best when local government works effectively with voluntary, community and faith organisations to deliver a coordinated response to financial crisis. It is now crucial that central government provides councils with the necessary funding to enable them to work in partnership to deliver strong Local Welfare Assistance Schemes that support all families experiencing financial crisis.
The Children’s Society and our supporters have been there for vulnerable children and young people for more than 130 years.

We believe that every young person should have the support they need in order to enjoy a safe, happy childhood.

That’s why we run services and campaigns to make children’s lives better and change the systems that are placing them in danger.

Together with our supporters, we’re improving the lives of children today and long into the future.

Further information

For more information on this study, or to sign up to receive regular updates, please email policy@childsoc.org.uk

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