



Nowhere to Turn:

Strengthening the safety net for children and families facing crisis

Campaign Report

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1. Methodology

This report draws mainly on two sets of data:

1.1 Freedom of information requests

Freedom of information requests were sent to all 152 'upper tier' local authorities in England (the county councils and unitary authorities) in September 2018. A total of 147 councils (97%) responded. Only 5 did not respond or refused to answer.

In three areas, the upper tier authority (county council) has passed responsibility for local welfare provision down to their lower tier authorities (district or borough councils). We therefore sent freedom of information requests to these lower tier authorities. To ensure we are counting areas on a like-for-like basis, we have represented local welfare support in each of these counties by aggregating responses received from the relevant districts.

The questions were focused on councils' 'Local Welfare Assistance Schemes' (LWAS) and covered a range of topics, such as expenditure, claim numbers, type of support, eligibility criteria, referrals and questions specifically about families with children.

1.2 Interviews in local authority case study areas

We also draw on findings first reported in more depth in 'Not Making Ends Meet', a joint report by The Children's Society and the Church of England published in May 2018.¹ These findings are based on interviews with parents who have experienced a financial crisis, and with frontline workers from 42 public and voluntary sector organisations across seven local authority case study areas. These workers include council officers, family support workers, welfare rights advisers, and food bank managers.

We asked about the factors that trigger a financial crisis and the nature and effectiveness of the support available to people in a financial crisis. This included exploring the broad network of local crisis support provision beyond the council's LWAS.

¹ The Children's Society and the Church of England. *Not making ends meet: The precarious nature of crisis support in England*. May 2018. <https://www.childrensociety.org.uk/what-we-do/resources-and-publications/not-making-ends-meet>

2. Background

2.1 Families facing financial crisis

Many families in this country will at some time find themselves facing a ‘financial crisis’ point – a financial problem which puts the immediate health and well-being of family members at risk. Examples include running out of money for food or for fuel during a period of cold weather, or a key household item such as a fridge or boiler breaking down. If these immediate crises are not rectified quickly, then the impact could be severe, even in the short term.

In some cases, crises may be a one-off caused by an event which would have been impossible to predict, such as the sudden onset of a disability or benefit income going unpaid due to an administrative error.

However, in other cases a crisis may be predictable and/or repeated, as a result of a chronic vulnerability like ongoing ill-health or a regular shortfall in income compared to outgoings. While crisis support may be effective in delaying the impacts of the problem, additional support may be needed to address the underlying difficulties that led to the crisis point.

2.2 The impact on families with children

Alongside the immediate financial strain and practical struggles of finding and applying for support during a crisis, our in-depth interviews highlighted the common emotional impacts on families with children.

One was stigma. Walking into a food bank, or applying for support to buy basic essentials for children like beds, were not things parents wanted to be regularly reminded about.

Our other research has shown that stigma associated with not being able to afford essentials can also affect children themselves. For example, one child told our Children’s Commission on Poverty:²

‘If your shirt, like mine, has got tags with a different name...they automatically know that it’s like handed down from someone else. And like you notice if someone’s sleeves are too small or their top rides up or they’ve got trousers that are too short for them and if they’ve got really tattered shoes. It’s really noticeable.’

Another said:

‘I’m nervous about getting bullied and getting lost [at secondary school]. There is a girl, she thinks I’m acting like a boy – but I’m not – ‘cause I wore trousers...I wanted a skirt for ages. My mum couldn’t afford a skirt so I wore trousers.’

² The Children’s Commission on Poverty, supported by The Children’s Society. *At what cost? Exposing the impact of poverty on school life*. October 2014. <https://www.childrensociety.org.uk/what-we-do/resources-and-publications/publications-library/at-what-cost-exposing-the-impact-of-poverty-on-school-life-full-report>

The Children's Commission found that struggling with school costs often led to embarrassment and bullying. Nearly two-thirds of children in families who said they were 'not well off at all' reported being embarrassed because they couldn't afford a cost of school, such as the right uniform or a school meal. More than a quarter said they had been bullied as a result.³

Parents interviewed for Not Making Ends Meet also expressed a feeling that they were failing their children. They said things such as:⁴

'We managed but I just felt at that time that I couldn't really provide for my children.'

'When I asked the social worker for help it made me feel worthless as a parent.'

Often these feelings were exacerbated by the crisis support itself. Poor administration of schemes made parents anxious about how long they had to wait and if they would ever receive any support. Some parents felt that professionals were judgmental and critical.

Many of the parents we talked to discussed how the crisis situation had affected their children's well-being or mental health. They spoke about how their children's behaviour had changed and become withdrawn, anxious, or angry.

Even for those families who had not experienced a traumatic crisis, having to ask for financial support could be a challenge for children's well-being. Often this was related to the process – the long forms and waiting periods meant that children often knew their parents had asked for help and were keen to know when they would receive an answer.

Of course, not all parents were comfortable sharing the details of the family's financial situation with their children. One mother explained how whilst she knew her eldest child was aware that she wasn't working, she had not told any of the children that she had needed to use a food bank.

However, in other research, we have found that children often know much more than their families think. Despite parents trying to protect them, children were often well aware of their family's financial difficulties. Our recent Fair Shares and Families research showed that children in lower income households were actively involved in helping the family cope with material hardship.⁵ This included engaging in a range of 'economising' behaviours to help their families:⁶

- Fifty five percent of children in poverty said that in the last six months they had pretended to their family that they didn't need something which they really did need – compared to 37% of those not in poverty.

³ Ibid., Pg 9.

⁴ The Children's Society and the Church of England. *Not making ends meet: The precarious nature of crisis support in England*. May 2018. <https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/not-making-ends-meet>

⁵ Dr Gill Main (University of Leeds) and Dr Sorcha Mahony (The Children's Society). *Fair Shares and Families: Rhetoric and reality in the lives of children and families in poverty*. September 2018. <https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/fair-shares-and-families-rhetoric-and-reality-in-the-lives-of>

⁶ Dr Gill Main (University of Leeds), writing in 'Poverty' (journal of Child Poverty Action Group) Issue 160. *Fair Shares and Families study*. Summer 2018. <http://cpag.org.uk/content/fair-shares-and-families-study>

- Fifty three percent of children in poverty said that in the last six months they had worn clothes or shoes that were old and worn out, or didn't fit any more – compared to 28% of those not in poverty.

The strong desire of children to help their families with financial strain also came through clearly in our longitudinal study of children living in poverty, *Understanding Childhoods*.⁷ Some of the children in the study talked about holding back from asking family for money or material items:

'If my friends say "can I stop at yours tonight?" and my mum says yes but then they say "will you ask your mum if you can buy loads of munchies for us so we can have like a proper munch out" and then I say "yes of course I'll ask her, I'll go ask her" and then I'll just walk downstairs, sit downstairs, watch TV for five minutes then come back and tell them that I've asked her and she said no...because I don't really want to ask her for loads of things because if she says no, I'm going to feel bad.'

We also found this in research looking at families facing problem debt, with one child telling us:⁸

'I've sort of stopped asking for my art supplies as well now. Because it's like as much as I like to do my arts and crafts, we can't really afford it now so...I would rather the family get the food and necessities rather than me get my own things for my benefit. Because I feel like I'm being selfish then.'

2.3 Why are families falling into financial crisis?

During our local area case study research we explored the key drivers that were pushing families to financial crisis point. These are summarised here:

The benefits system

Problems with the benefits system were the most commonly cited cause of crisis, although they were often interlinked with other issues such as poor mental health and debt. The main specific issues included:

- **Changes to disability benefits:** These were at the top of the list for most of the frontline workers we interviewed. Examples included protracted delays, unfair decisions and insensitive or negligent treatment of claimants.
- **Benefit cap:** Respondents in some areas highlighted the impact of lowering the household benefit cap in November 2016 (from £26,000 nationally to £23,000 in Greater London and £20,000 outside London). The benefit cap heavily impacts families with children and is a particular issue in areas with relatively high private rents and a shortage of social housing. It may explain why some food banks were reporting a growth in the number of families with children using their services.

⁷ The Children's Society. *Understanding childhoods: Growing up in hard times*. March 2017. <https://www.childrensociety.org.uk/what-we-do/resources-and-publications/understanding-childhoods-growing-up-in-hard-times>

⁸ The Children's Society and StepChange Debt Charity. *The Debt Trap: Exposing the impact of problem debt on children*. May 2014. <https://www.childrensociety.org.uk/what-we-do/resources-and-publications/publications-library/debt-trap-exposing-impact-problem-debt-ch>

- **Benefit sanctions:** Some respondents reported individuals being tipped into crisis as a result of having their benefits sanctioned, although there was a mixed picture, with some reporting a rise in the number of clients who had been sanctioned, and some reporting a fall.
- **Errors and poor administration:** People often experienced a crisis as a result of poor administration, either through unintentional errors or a failure to take proper account of claimants' vulnerabilities, such as mental health problems, learning disabilities, and low levels of digital literacy.
- **Universal Credit:** At the time of our local interviews, Universal Credit had not yet been rolled out to all new claimants, so frontline workers had limited experience of families affected by it. Nonetheless there were already emerging problems due to the minimum five week waiting period for the first payment (the wait can be considerably longer in some cases) and the treatment of self-employed claimants. When asked to anticipate changes in the demand for crisis support, respondents were concerned about Universal Credit due to the waiting period, the capacity of some families to cope with monthly budgeting, the digitalisation of the claims process, and the fact that by default the whole payment goes to one person in a household, increasing the risk of financial abuse.⁹

It's also worth noting that people move on to Universal Credit when there is a change in their circumstances, such as the breakdown of a relationship or the onset of a disability. These may already be a crisis point for families, which is then exacerbated by Universal Credit problems.

Debt

Many local organisations also told us that benefits suddenly stopping, or the long waiting period for the first Universal Credit payment, were common reasons behind their clients being pushed into debt, or deeper into debt. Some also linked a recent rise in the number of families in crisis to the growth of high-cost credit and 'rent-to-own' lenders.

More generally, they see a lot of people who have accumulated credit card debt or arrears on their rent, water or electricity bills, as they struggle to buy food for their families. Many use credit, juggle bills and borrow money from friends or relatives to deal with unexpected changes in their income or outgoings. But debts also create an additional strain on already tight budgets, pushing many families over the edge.

This picture is consistent with our previous research on problem debt, which showed how some parents battle to pay the bills and find enough money for food, childcare and other everyday basics.¹⁰ This leads to a 'debt trap' – where families feel they have no option but to take on credit to pay for essentials, but the costs of keeping up debt repayments leads to further pressure on household budgets.

⁹ In her speech of 11 Jan 2019, the Work and Pensions Secretary announced that her department were exploring 'what more we can do to enable the main carer to receive the Universal Credit payment, and we will begin to make those changes later this year.' <https://www.gov.uk/government/speeches/universal-credit-personal-welfare>

¹⁰ The Children's Society and StepChange Debt Charity. The Debt Trap: Exposing the impact of problem debt on children. May 2014. <https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/publications-library/debt-trap-exposing-impact-problem-debt-ch>

This can end in crisis and children missing out on the basics. The Debt Trap research found that 6 in 10 parents in arrears on at least one household bill or credit commitment had cut back on food for their children to make a debt repayment within the last 12 months. The same research found that 6 in 10 had cut back on heating, and 8 in 10 had cut back on clothing.¹¹

Mental health

Mental health came up repeatedly as a significant and growing issue in our interviews with both voluntary and statutory organisations. Food banks and advice agencies commented on the disproportionate number of people with mental health problems using their services, who might previously have received statutory support.

Mental health problems are closely interlinked with housing, debt and benefits issues, which between them can easily tip people into crisis.¹² Several respondents talked in very strong terms about how difficult and stressful it can be to navigate the benefits system, and the detrimental impact this has on their clients' mental health.

Sustained low income

Families not having enough money to live on, even though they may be working and receiving all the support to which they are entitled, was widely cited as a growing problem. Nearly all the food bank managers we spoke to said they were seeing more people being referred due to 'low income'.

Increasing reliance on private rented accommodation

The proportion of low income families with children living in the private rented sector has increased dramatically in recent years. This contributes to financial problems because in many areas there is a widening gap between rent levels and maximum housing benefit entitlements, leaving families to make up the difference.

In addition, private landlords are generally less sympathetic to tenants in rent arrears and can legally evict them after two months. This is a particular concern under Universal Credit – with its built-in waiting period for the initial payment – which can leave new claimants struggling to meet their rent commitments.

Immigration restrictions

Immigration policies and restrictions were also identified as a cause of crisis, with many people excluded from support through the mainstream benefits system altogether. Two groups were commonly mentioned:

¹¹ Ibid., pg 20.

¹² There is a wide variety of evidence to show that children who live in poverty are exposed to a range of risks that can have a serious impact on their mental health, including debt, poor housing, and low income. Our original analysis (in 2016) found that children living in poverty are more likely to feel like a failure, useless and hopeless about their future than their more affluent peers: The Children's Society. Poor Mental Health: The links between child poverty and mental health problems. March 2016. https://www.childrenssociety.org.uk/sites/default/files/poor_mental_health_report.pdf

- **Non-EEA nationals:** Individuals and families who are subject to immigration control will generally have ‘no recourse to public funds’ (NRPF), either because they are undocumented or have an unresolved immigration status, or because they have an NRPF condition attached to their ‘leave to remain’ in the UK.¹³ Having no recourse to public funds means that families cannot access ‘public funds’ like most benefits, universal credit, tax credits, housing benefit, and other support, including LWAS. For families with children this often means that they can’t access the disadvantaged two-year-old offer for nursery places, child benefit and free school meals.¹⁴ Undocumented migrant families, including those with British children¹⁵, cannot access ‘public funds’ until they regularise their status. However, routes to regularisation have become increasingly limited without legal aid for families¹⁶ to help them resolve immigration issues, and due to soaring Home Office application and health surcharge fees, which pose barriers to regularisation. Undocumented families are entitled to very little public support and are therefore at high risk of prolonged destitution and crisis.
- **EEA nationals:** Our 2018 research highlighted that EU nationals often encountered problems arising from them being unable to demonstrate they have been working in the UK. While EEA nationals are currently not subject to immigration control and do not have the no recourse to public funds condition imposed on them, they may be prevented from claiming benefits or accessing social housing if they cannot show they have been ‘exercising treaty rights’ or have the ‘right to reside’. However, as EEA nationals become subject to immigration control through the Immigration and Social Security Co-ordination (EU Withdrawal) Bill currently making its way through parliament,¹⁷ those who do not secure EU Settled Status may become undocumented and similarly be prevented from accessing public funds through the current rules and regulations in place for non-EEA nationals.¹⁸ There are around 1.2m non-Irish EU parents and around 900,000 children of non-Irish EU parents living in the UK¹⁹, most of whom will need to apply to settle their status or secure British citizenship before the deadline. However, if only a small proportion of European families do not apply or secure their status, this would mean that potentially hundreds of thousands of children and families could be left undocumented without further safeguards.

For adults, there is currently no alternative support outside the benefits system other than that provided by the voluntary and community sector. For families with children, some support is available from local authorities under the Children Act 1989. Under

¹³ Those who are granted Indefinite Leave to Remain (ILR), or have an international protection status such as Refugee Status, are able to access benefits and services.

¹⁴ More information about what constitutes a public fund and some of the exemptions that apply: <http://www.nrpfnetwork.org.uk/information/Pages/public-funds.aspx>

¹⁵ Families will be undocumented because of a parent’s irregular immigration status and in some cases family members may have different immigration statuses or citizenship. For example, a child may have British citizenship while their parents are undocumented, which still means that children are treated as undocumented because of their parents’ status.

¹⁶ Evidence from the Refugee and Migrant Children’s Consortium for the LASPO Post-Implementation Review, September 2018: <http://refugeechildrensconsortium.org.uk/legal-aid-submission/>

¹⁷ <https://services.parliament.uk/Bills/2017-19/immigrationandsocialsecuritycoordinationeuwithdrawal.html>

¹⁸ For more information see the Refugee and Migrant Children’s Consortium briefing for Commons Bill Committee – March 2019: <https://www.childrensociety.org.uk/sites/default/files/nrpf-amendment-briefing-committee-stage.pdf>

¹⁹ This is based on 2017 data from the Labour Force Survey – see analysis by the Migration Observatory. Unsettled Status? Which EU Citizens are at Risk of Failing to Secure their Rights after Brexit? April 2018. [https://migrationobservatory.ox.ac.uk/resources/reports/unsettled-status-which-eu-citizens-are-at-risk-of-failing-to-secure-their-rights-after-brexit/](https://migrationobservatory.ox.ac.uk/resources/reports/unsettled-status-which-eu-citizens-are-at-risk-of-failing-to-secure-their-rights-after-brex/)

Section 17 of the Act, councils may need to provide financial support and accommodation to families where children are found to be in need in their area. In practice, it is very difficult to access this support, leaving some children and families street homeless, entirely destitute or in unsafe accommodation.²⁰ Where they do manage to get support from local authorities, families often receive very little financial support, below mainstream benefit levels: our research with destitute migrant children in 2016 highlighted that in some cases families are forced to live on less than £2 per person per day.²¹

2.4 Recent changes to the system of crisis support

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. 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.

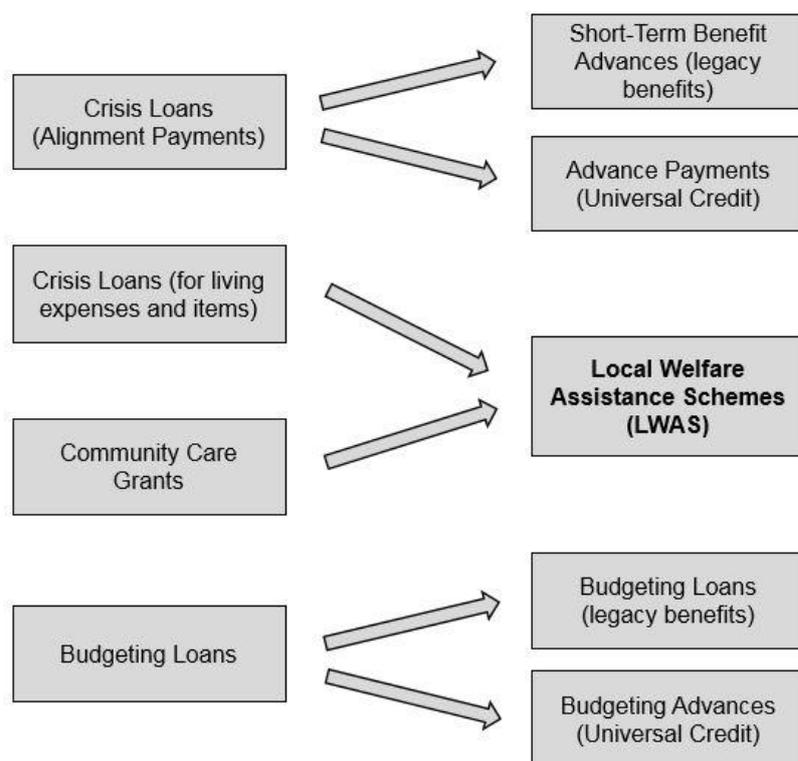
²⁰ Project 17. Not Seen, Not Heard: Children's experiences of the hostile environment. March 2019.

<https://www.project17.org.uk/policy/research/>

²¹ The Children's Society. Making Life Impossible: How the needs of destitute migrant children are going unmet. April 2016.

<https://www.childrensociety.org.uk/what-we-do/resources-and-publications/making-life-impossible-how-the-needs-of-destitute-migrant>

Figure 1: The 2013 reforms to the Discretionary Social Fund



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 2011.²²

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 package of services paid for by the 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 the overall funding available to each council would be expected to be allocated for local welfare provision. This was set at £129.6 million each year from 2015/16 until 2020 across all councils in England.^{23,24,25}

²² National Audit Office. *Local welfare provision*. January 2016. <https://www.nao.org.uk/report/local-welfare-provision/>

²³ Ministry of Housing, Communities & Local Government. *Local government finance report 2015 to 2016*. February 2015. <https://www.gov.uk/government/publications/local-government-finance-report-2015-to-2016>

²⁴ Ministry of Housing, Communities & Local Government. *Core spending power: final local government finance settlement 2018 to 2019*. February 2018. Using 'Core spending power: visible lines of funding'. <https://www.gov.uk/government/publications/core-spending-power-final-local-government-finance-settlement-2018-to-2019>

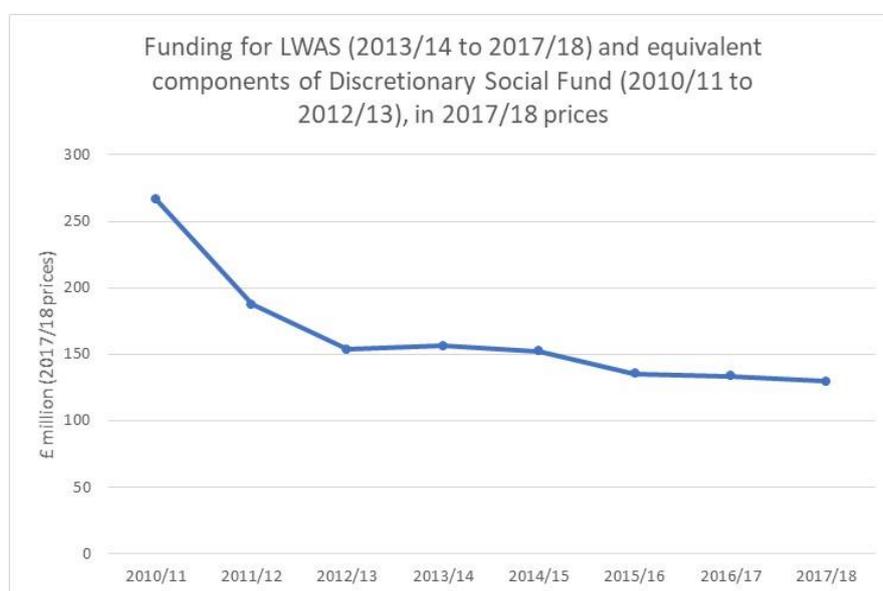
²⁵ There was a separate additional one-off £74 million provided to councils in 2015/16 to assist with pressures on local welfare and health and social care. Ministry of Housing, Communities & Local Government. *Final local government finance settlement 2015 to 2016: Written ministerial statement by Kris Hopkins on the final local government finance settlement 2015 to 2016*. February 2015. <https://www.gov.uk/government/speeches/final-local-government-finance-settlement-2015-to-2016>

To give a sense of scale of this funding, total ‘core spending power’²⁶ of the 152 upper tier local authorities in England in 2017/18 was £38.5 billion.²⁷ 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 £267 million in 2010/11 to £129.6 million in 2017/18 (51%).^{28,29,30,31}

Figure 2: Funding for LWAS (2013/14 to 2017/18) and equivalent components of the Discretionary Social Fund (2010/11 to 2012/13), in 2017/18 prices



²⁶ 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.

²⁷ Ministry of Housing, Communities & Local Government. *Core spending power: final local government finance settlement 2018 to 2019*. February 2018. Using 2017/18 sheet in ‘Core spending power: visible lines of funding’.

²⁸ 2010/11 to 2012/13 figures use published government data showing Discretionary Social Fund spending 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.

²⁹ <https://www.gov.uk/government/statistics/discretionary-social-fund-by-local-authority-apr-2012-to-mar-2013>; Department for Work and Pensions. *Social Fund Reform Localisation Data*. <https://webarchive.nationalarchives.gov.uk/20130402231445/http://www.dwp.gov.uk/local-authority-staff/social-fund-reform/localisation-data/>.

²⁹ 2013/14 and 2014/15 figures come from the Government’s 2014 review of local welfare provision. Department for Work and Pensions. *Local welfare provision review*. November 2014. <https://www.gov.uk/government/publications/local-welfare-provision-review>

³⁰ Figures for 2015/16 onwards come from the local government finance settlements. Ministry of Housing, Communities & Local Government. *Local government finance report 2015 to 2016*. February 2015. <https://www.gov.uk/government/publications/local-government-finance-report-2015-to-2016>; Ministry of Housing, Communities & Local Government. *Core spending power: final local government finance settlement 2018 to 2019*. February 2018. Using ‘Core spending power: visible lines of funding’.

³¹ All figures stated in 2017/18 prices using an inflation index based on Office for Budget Responsibility RPI data. Office for Budget Responsibility. *Economic and fiscal outlook – October 2018 (supplementary economy tables)*. October 2018. <https://obr.uk/efo/economic-fiscal-outlook-october-2018/>

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 2017/18.³² 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.

³² National Audit Office. *Financial sustainability of local authorities 2018*. March 2018. <https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-2018/>

3. Findings

3.1 Areas that no longer have a Local Welfare Assistance Scheme

We found that 23 out of the 152 'upper tier' councils in England no longer have a LWAS.³³ Therefore 1 in 7 local authority areas in England now have no local welfare support provided by their council.

This is despite central government indicating that across these areas a total of £18.2 million per year for this purpose is available.

Passing of responsibility down to district level

Three counties told us that they had passed responsibility for their schemes down to the district councils in their areas.

In one of these counties, we found that no districts provide a scheme – so we counted this as one local authority area with no scheme. Similarly, we treated another county as one area with no scheme because only one of eight districts in the county provides a scheme, and that scheme is minimal in size. In the final county, all districts provide a scheme so we treat this county as one area with a scheme.

Outsourcing

Six of the councils that told us they still provide a scheme indicated that these have been wholly or substantially outsourced to other providers. These may not, therefore, be recognisable as coherent local authority schemes.

For example, one council provides £650,000 per year to a range of charities to provide assistance with emergency food, furniture and white goods, as well as advice and support. This is not a scheme that is open to direct applications from residents but support is accessible via these charities.

3.2 Levels of LWAS provision in areas that still have a scheme

Spending as a proportion of available funding

Aggregating the results from the 122 councils that both still have a LWAS and provided us with spending data, we find that a total of £40.8 million was spent on local welfare provision in England in 2017/18.

However, in theory, these councils have total funding of £107.3 million available for this purpose.³⁴ This means that between them these councils spent just 38% of their allocated local welfare funding on their LWAS.

³³ Of the 147 areas that responded to our freedom of information request, 125 still have a LWAS and 22 do not. We checked publicly available information (including council websites and local media) for the five areas that did not respond to us, of which four have a LWAS and one does not.

³⁴ Ministry of Housing, Communities & Local Government. *Core spending power: final local government finance settlement 2018 to 2019*. February 2018. Using 'Core spending power: visible lines of funding'. <https://www.gov.uk/government/publications/core-spending-power-final-local-government-finance-settlement-2018-to-2019>

If we also consider the councils that no longer run a scheme, only around a third of the total funding that is theoretically provided by central government for local welfare is actually being spent on local schemes.

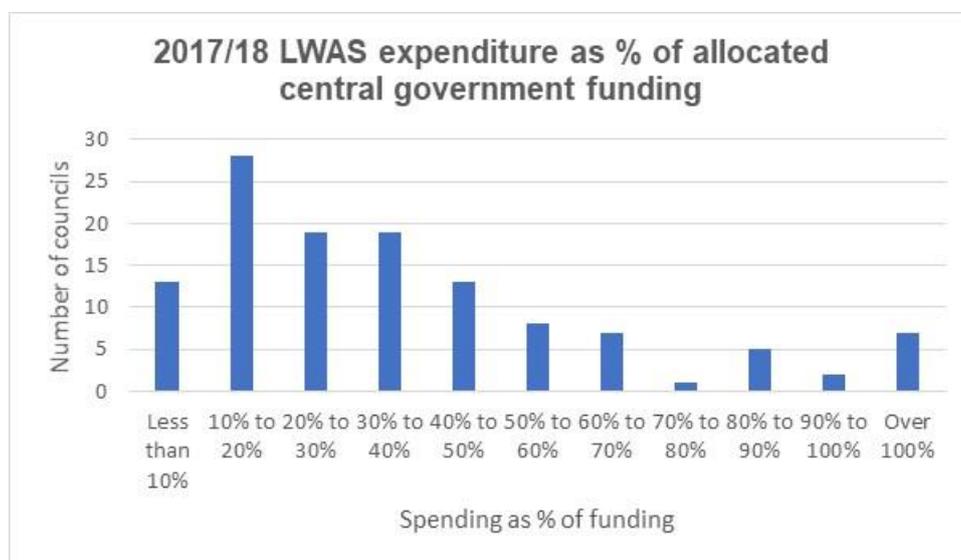
As we explain in more detail in section 3.3, council budgets are under significant pressure and a lack of ring-fenced central government funding for local welfare provision is a big part of the problem.

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

- Median spending by councils on their LWAS was 30% of the amount provided to them by central government for local welfare provision. This means that half of councils spent less than 30% of their allocation.
- Thirteen councils spent less than 10% of their allocated central government welfare funding, while seven councils spent more than 100% of their allocation.
- Three quarters of councils spent less than 50% of their allocated central government welfare funding on their LWAS.

Figure 3 further demonstrates this diverse range across all councils that still have a scheme.³⁵

Figure 3: 2017/18 LWAS expenditure as % of allocated funding



³⁵ Based on 122 councils that still have a LWAS and provided us with spending data for 2017/18. A small number of these provide support in the form of loans and do not include loan values in their spending data as they are generally repaid.

Recent reductions in spending on LWAS

The £40.8 million spent by councils on LWAS in 2017/18 represents a decline of 20% from just two years earlier, with total spending in 2015/16 of around £50.1 million.³⁶

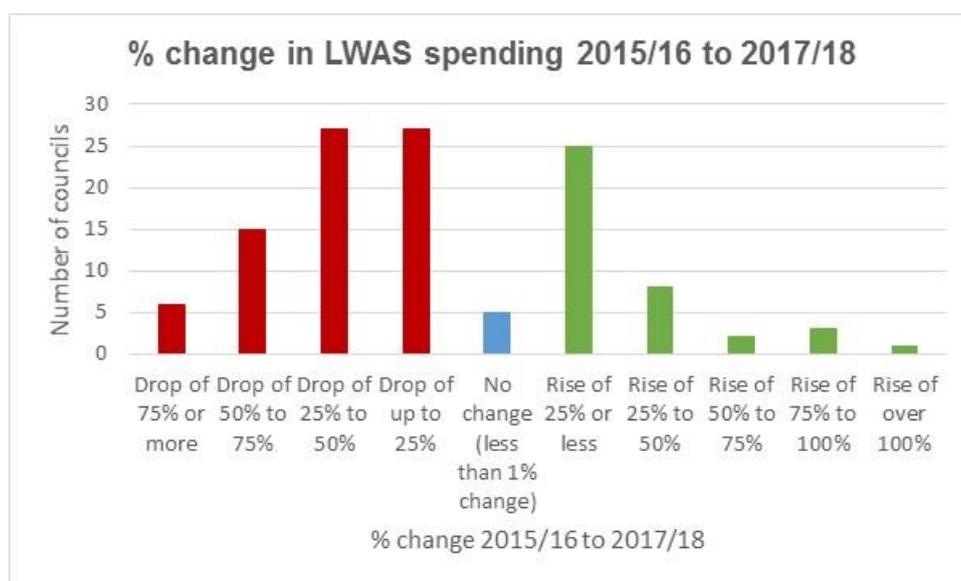
Total LWAS spending in 2017/18 is significantly lower than the £137.6 million that was spent in England through the equivalent Discretionary Social Fund components in the final year before it was localised (2012/13).³⁷ This represents a decrease of 70%.

However, again, the picture of change varies greatly by local authority area:

- Around two thirds of councils cut spending on their scheme between 2015/16 and 2017/18, whereas a third increased spending.
- Almost a fifth of councils cut their spending by more than half over this period.

Figure 4 shows the range of spending changes.³⁸

Figure 4: Percentage change in LWAS spending 2015/16 to 2017/18



Number of applications and awards

The fall in spending on LWAS over the last two years is reflected in reductions in both the number of applications and awards (successful applications).

³⁶ Based on 122 councils that provided spending figures for 2017/18 and 120 councils that provided spending figures for 2015/16. The percentage change compares only the 119 schemes where data is available for both periods. The total spending across England would likely have been higher than stated in 2015/16 as our figure excludes the effect of councils that shut their scheme between 2015/16 and 2017/18.

³⁷ Based on published government data showing Discretionary Social Fund spending, application and award numbers by local authority. We included 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/discretionary-social-fund-by-local-authority-apr-2012-to-mar-2013>

³⁸ Based on 119 councils that provided us with spending data for both 2017/18 and 2015/16. This will also exclude councils that shut their scheme between 2015/16 and 2017/18.

We estimate that a total of around 284,380 applications were made to local welfare schemes across England in 2017/18, with around 186,505 awards made.³⁹

The estimated totals for 2015/16 were around 319,949 applications and 207,530 awards.⁴⁰

On a like-for-like basis (only comparing schemes that provided data for both years), total applications and total awards both fell by 13% between 2015/16 and 2017/18. We see a similar amount of local variation in this change as we saw in LWAS spending movements.⁴¹

The 2017/18 LWAS figures again represent a significant drop compared to the support provided by the Discretionary Social Fund in the final year before it was localised. In 2012/13 almost 1.3 million applications and over 700,000 awards were made in England via the equivalent components of the Discretionary Social Fund.⁴²

To get a sense of scale of individual awards, we combined the data on LWAS spending and award numbers during 2017/18 to find the average amount spent per award in each area. This suggests a huge variation in award values, with 10% of councils spending less than £75 per award while 10% of councils spent more than £640 per award.⁴³

However, we should not draw too many conclusions from this variety, as it reflects the different mix of support offered in different areas. For example, large average awards are likely to reflect more provision of furniture relative to food parcels.

Figure 5 summarises the total LWAS spending, applications and awards across England in the last three financial years, as well as equivalent figures from the Discretionary Social Fund from the final year before it was localised.⁴⁴

³⁹ Based on 114 councils that provided us with application data for 2017/18 and 119 councils that provided us with award data for 2017/18. This was out of a total of 125 councils that still have a scheme and responded to our freedom of information request. These figures will underestimate the true totals because we do not have data for all councils with a scheme.

⁴⁰ 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. Although the figures for 2017/18 and 2015/16 are the best estimates for each period they cannot strictly be compared directly with each other as they comprise slightly different council areas.

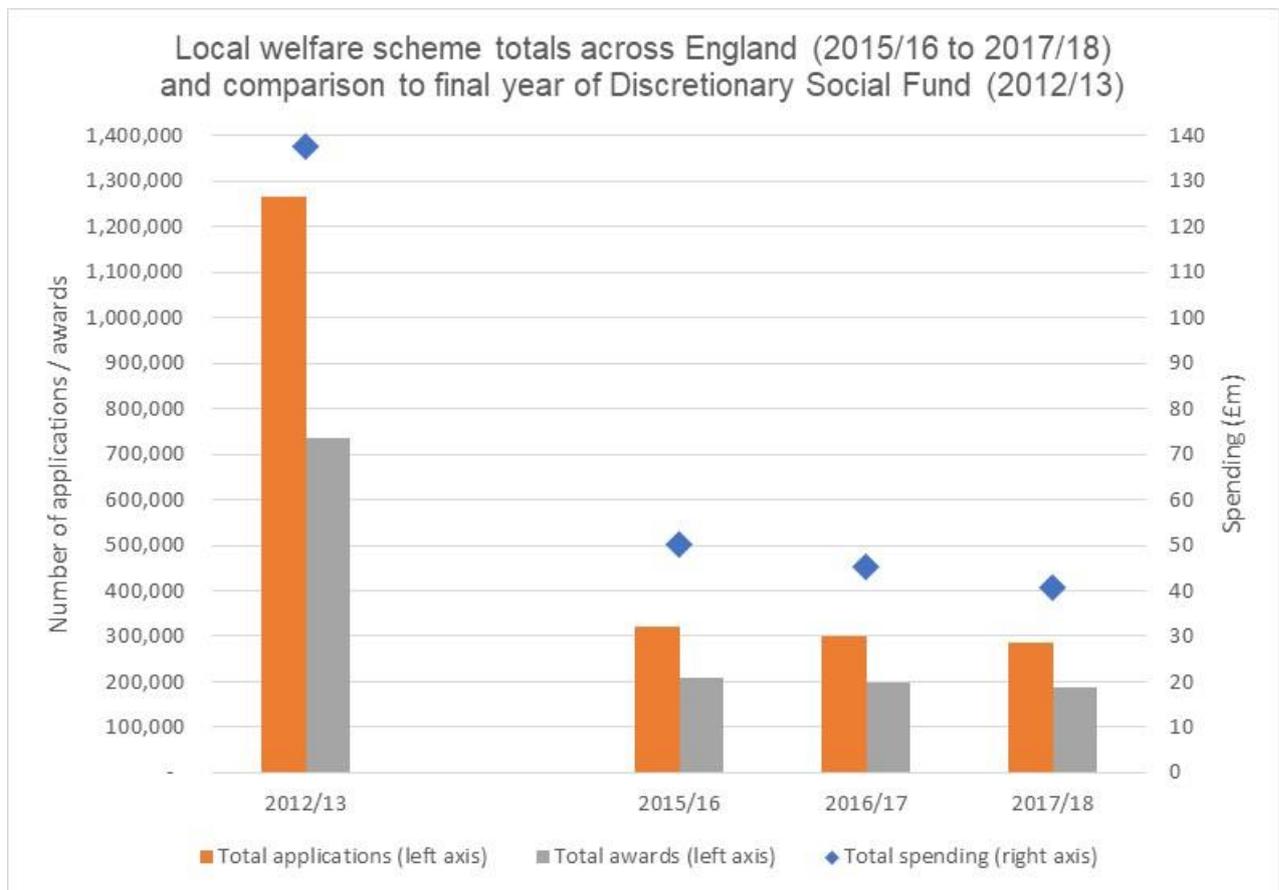
⁴¹ 110 councils provided application data for both 2017/18 and 2015/16. 115 councils provided award data for both periods.

⁴² Based on published government data showing Discretionary Social Fund spending, application and award numbers by local authority. We included 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/discretionary-social-fund-by-local-authority-apr-2012-to-mar-2013>

⁴³ Based on 119 councils that provided data for both spending and awards in 2017/18.

⁴⁴ 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/discretionary-social-fund-by-local-authority-apr-2012-to-mar-2013>

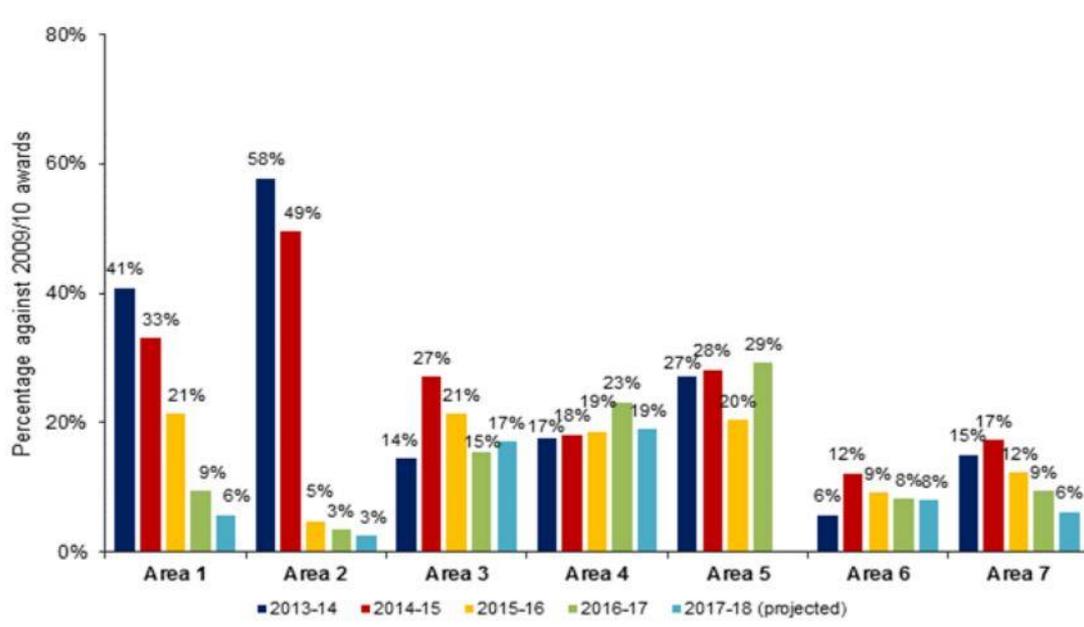
Figure 5: LWAS total spending, applications and awards across England (2015/16 to 2017/18) and comparison to final year of Discretionary Social Fund (2012/13)



This overall decline was reflected in our in-depth local authority case studies. In these areas, LWAS funding and application and award numbers were substantially lower than for the equivalent components of the Discretionary Social Fund and in all but one of these areas the number of awards was continuing to fall. Figure 6 below shows LWAS awards over time as a proportion of awards under the former Discretionary Social Fund in our case study areas.⁴⁵

⁴⁵ Reproduced from Not Making Ends Meet. The Children’s Society and the Church of England. *Not making ends meet: The precarious nature of crisis support in England*. May 2018. <https://www.childrensociety.org.uk/what-we-do/resources-and-publications/not-making-ends-meet>

Figure 6: LWAS awards over time as a proportion of awards under the former Discretionary Social Fund in our case study areas



Source: Own analysis based on responses to Freedom of Information requests submitted in December 2017; Table 2 from DWP (2011) 'Local support to replace Community Care Grants and Crisis Loans for living expenses in England'.
 *proportions calculated against LWA awards granted in each area for the period 2009-2010 using data from DWP, (2011).
 ** 2017-18 data is not shown for Area 5, due to exceptional circumstances.

Applications from families with children

Only around a quarter of councils with a scheme were able to tell us how many families with children had applied or received an award from their LWAS. Only 11 local authorities were able to provide a breakdown of the ages of children in families who used their local scheme.⁴⁶

Most councils said that the information was not available or that it was not recorded in a way that was easy to report. This is likely to be because the data is captured on individual application forms but not in a format that allows systematic or automated analysis.

Nonetheless, across the areas that could provide us with the data:

- Thirty nine percent of applications came from families with children.⁴⁷
- Forty five percent of awards were made to families with children.⁴⁸

Applying these proportions to the total number of applications and awards across all areas of the country that still have a scheme gives the following national estimates:

⁴⁶ 33 councils were able to provide data on applications from families with children. A slightly different list of 33 councils could provide data on awards made to families with children.

⁴⁷ 44,986 applications out of a total of 115,692.

⁴⁸ 26,068 awards out of a total 58,081.

- Around 111,000 applications were made by families with children across England in 2017/18 for help from their local welfare scheme.
- Around 84,000 awards were made from these schemes to families with children across England in 2017/18.

It's worth comparing these estimates to the number of food bank referrals recorded by the Trussell Trust over the same period. Their foodbank network distributed 1.3 million emergency food supplies to people in crisis during 2017/18, with 484,026 of these going to children.⁴⁹ This suggests that demand for emergency support from families with children is significantly higher than the volume of applications made to LWAS.

In terms of vulnerable children, only one council could tell us how many of the families that received support from their scheme contained a child considered to be a 'child in need' or on a child protection plan. Almost all others said that this data was either not requested from applicants, not recorded or not easily reportable, although a few said they do record this in case notes.

3.3 Reasons for low and declining levels of local welfare provision

Funding pressures and uncertainty

Councils are under a huge amount of financial pressure, having recently faced an unprecedented squeeze in funding. According to the National Audit Office, central government funding to local authorities halved in real terms between 2010/11 and 2017/18.⁵⁰

This funding squeeze is affecting council spending, even on services that councils have a statutory requirement to provide. For example, we recently found that spending on children's services fell by 16% in real terms over the same period.⁵¹

It is therefore unsurprising – though deeply concerning – that councils have on the whole severely cut spending on LWAS, which councils have no statutory duty to provide and for which funding is not ring-fenced.

However, the wide variation across the country in the proportion of allocated funding being spent on LWAS (and the variation in recent spending movements) suggests that councils do have some flexibility in how they respond.

We also compared LWAS spending (as a proportion of allocated local welfare funding) in each council area against a variety of contextual factors, such as the scale of funding cuts experienced by the council, local deprivation levels or Universal

⁴⁹ Trussell Trust. *End of year stats 2017/18*. <https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/>

⁵⁰ National Audit Office. *Financial sustainability of local authorities 2018*. March 2018. <https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-2018/>

⁵¹ The Children's Society, Action for Children, NCB, Barnardo's, NSPCC. *Children and young people's services: Funding and spending 2010/11 to 2017/18*. February 2019. <https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/children-and-young-people%E2%80%99s-services-funding-and-spending>

Credit claiming rates.⁵² We found no clear evidence in the data linking spending levels to any of these factors.

It seems that, under pressure from central government funding cuts, most councils are severely restricting spending on local welfare provision. But just how severely varies greatly from area to area, and with no clear relationship to some of the obvious potential underlying drivers. It may simply be that a multitude of localised factors are combining with an overall lack of central guidance to result in an arbitrary and incoherent patchwork of support.

We also found that uncertainty about the future of LWAS and a lack of secure funding was severely undermining their effectiveness in our case study areas. Some councils were committed to their scheme and were actively looking for ways to respond to unmet need, but the desire to provide a quality service was being undermined by a shortage of funding.

In some of our case study areas, a substantial part of the LWAS budget is being used to fund other local services to help people in crisis, such as local employability schemes and advice centres. Whether or not this is a good use of resources, it is not an immediate or direct substitute for crisis loans or community care grants.

Suppression of demand

Scheme managers we interviewed attributed lower 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.⁵³
- **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 we spoke to. 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

⁵² The full list of factors tested can be found in the Appendix.

⁵³ It is also possible that councils could try to reduce success rates for applications over time to manage down award numbers. However, the similar size of reduction in application and award numbers between 2015/16 and 17/18 means the overall claim success rate was therefore stable over this period at 63%. Success rates vary a lot between areas (anywhere from single digits to over 90%) but it is hard to draw conclusions from this because each scheme provides such different types of support (as we explore further later). Success rates in each area have, however, been relatively stable over the last two years. For instance, four out of five areas had success rates that rose or fell by less than 15% over the two years. There also appears to be no relationship between movements in claim success rates and changes in council funding in each area.

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:** None of the LWAS in our case study areas were being advertised widely or 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 of the local scheme among potential professional referrers was very low, especially in the voluntary sector. Very few participants 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 did not make much 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.

The scheme factors mentioned above are explored further in the following sections.

3.4 Types of support available through LWAS

Cash or 'in-kind' support

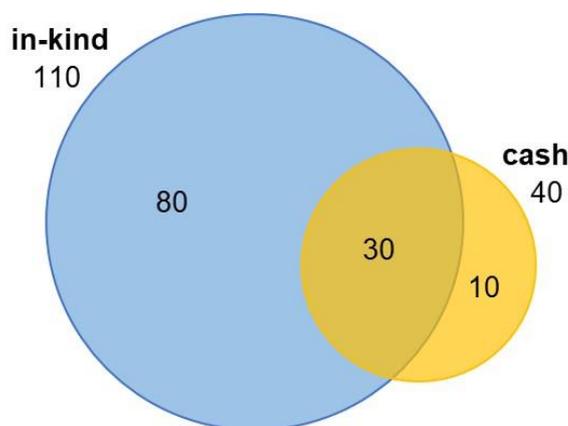
The vast majority of councils are giving support in the form of in-kind awards – providing goods or services directly to claimants rather than cash.⁵⁴

- Two thirds of councils are not providing any form of cash award.
- Around a quarter are providing a mix of in-kind and cash awards.

Figure 7 on the next page summarises the results.

⁵⁴ 120 out of 125 local authorities with a scheme answered the questions on in-kind, cash, grant and loan support.

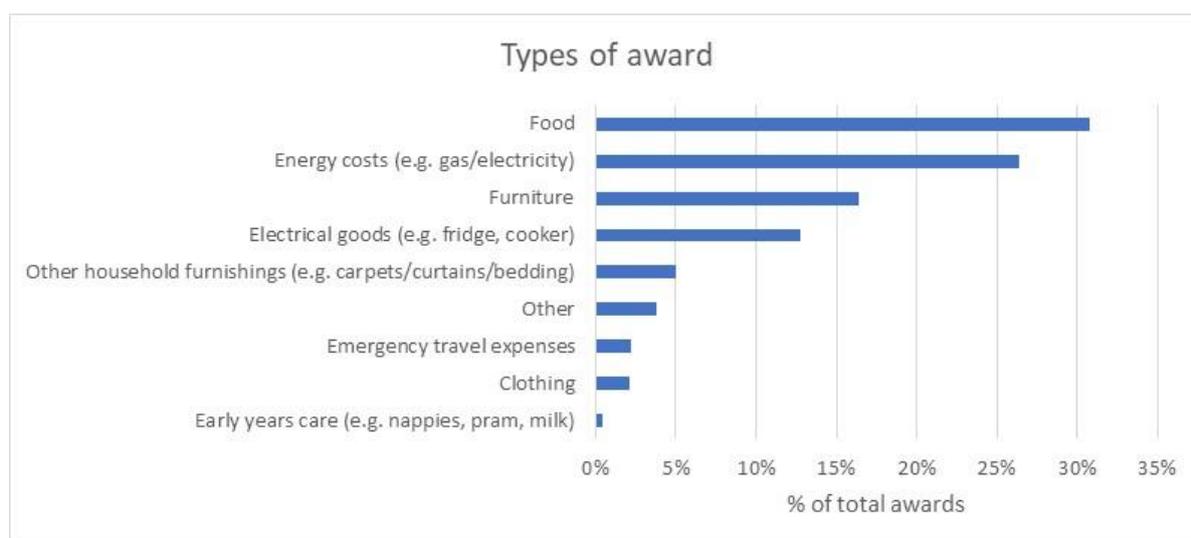
Figure 7: Number of councils providing cash and/or in-kind LWAS support



Some of the most common in-kind support specifically mentioned by councils included food bank vouchers, supermarket vouchers (one council orders food and delivers it directly to the claimant), prepaid cards for various uses, energy meter top-ups, white goods and furniture. Other items mentioned less frequently include bedding, clothing, travel passes, toiletries, repairs, as well as rent deposits, rent in advance and removal costs.

Seventy nine councils responded with data categorising the types of awards made.⁵⁵ Figure 8 shows the aggregate number of each type of award across these councils as a percentage of the total number of awards reported in this question.

Figure 8: Types of LWAS award



Our interviews with parents identified a number of practical needs that families had to meet. Families often tried hard to meet higher food and energy costs above all

⁵⁵ Not enough councils held data specifically for applicants with children to enable an analysis of awards to families with children.

others. Food, warmth and clean clothes for their children are non-negotiable for many parents and they would go without, or make savings elsewhere, in order to ensure the basic needs of their children were met.

School uniform was an issue mentioned by both parents and professionals. One parent accessed free school uniforms through a 'uniform bank' at her children's school. In one area, we were told that whilst help was available with school uniform costs it was only available in September. This meant that children who wore out or outgrew their uniforms during the course of the year often struggled to get replacement items. Parents were also not able to prepare for the new school year in August, instead having to dash around in the week their children went back to school to obtain all the uniform items they needed.

The scarcity of cash awards has left a big gap in crisis provision for people who would previously have used the Discretionary Social Fund to help them manage a temporary cash flow problem (Crisis Loans were cash awards). In-kind only provision also reduces choice and flexibility for applicants who have a broader range of needs than are catered for by most LWAS.

Grants or loans

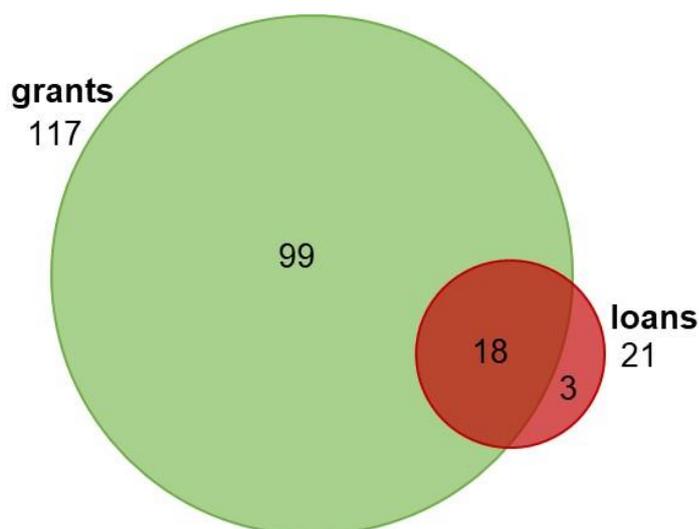
Awards can also be categorised by whether the value of the award (whether in cash or in kind) needs to be repaid (ie a loan) or not (ie a grant).

As shown in Figure 9, almost all councils are providing support in the form of grants, which do not need to be repaid:⁵⁶

- Over four fifths of councils are relying solely on grant provision, with no use of loans.
- Where loans are used, around half are being provided as cash and half in the form of repayable in-kind support. For example, one scheme provides access to an interest free loan via a local credit union which is used to pay a supplier of furniture directly.

⁵⁶ Based on data from 120 councils.

Figure 9: Number of councils providing LWAS support via grants and/or loans



This is a significant change from previously, where Crisis Loans under the Discretionary Social Fund had to be repaid. Nonetheless, take-up of Crisis Loans was high and they provided a sustainable source of funding, allowing the old scheme to ultimately help more people. Around 80% of the value of loans made through the Discretionary Social Fund in 2010 was repaid through repayments on loans made in the same and previous years.⁵⁷

However, trying to replicate a loans-based scheme at a local level appears difficult. They are harder to administer because they involve a third party credit provider (such as a local credit union) and a separate loan approval process, given that repayments cannot be collected directly through deductions from people's benefits as happened under the national scheme.

In our case study areas that used loans, many of the professionals we spoke to suggested that potential applicants were deterred by the prospect of a loan or the onerous process involved.

Overall however, better availability of low or no interest loans from supportive providers would help many financially vulnerable families avoid reliance on high cost emergency credit such as pay day loans.

⁵⁷ Based on combined expenditure and recoveries figures for Crisis Loans and Budgeting Loans from the Social Fund Annual Report 2010/11. Using more recent data would give a misleading view of repayment percentages because measures were introduced in 2011 to significantly reduce the amount of Crisis Loans made. After this, the value of repayments exceeded loans made because the amount of loans fell while repayments of loans from previous years continued to be made. This effect was exacerbated following the complete abolition of Crisis Loans. Department for Work and Pensions. *Annual report by the Secretary of State for Work and Pensions on the Social Fund 2010 to 2011*. July 2011. <https://www.gov.uk/government/publications/annual-report-by-the-secretary-of-state-for-work-and-pensions-on-the-social-fund-2010-to-2011>

3.5 LWAS eligibility criteria

Consideration of children

Around two thirds of councils said that they take children into account when deciding whether to make an award. This leaves around a third of councils who said they did not specifically take children into account.⁵⁸

Many of those councils that told us they do take children into account said that having children would increase the likelihood of support because it is classed as a vulnerability factor. This included those councils with points-based assessment systems where dependent children attracted points. A number of these councils specifically prioritised younger children, such as those under five years old.

Some councils said that children would increase the likelihood of support because costs associated with children are taken into account in an assessment of financial need (eg via an expense matrix).

Others suggested that the likelihood of receiving an award would not be increased, but the presence of children would generally lead to a higher award amount or awards of certain items that are only available to those with children (eg nappies or a washing machine). Some councils said they give higher priority to those families with children so claims get dealt with more quickly.

A few simply said that they always ensure children's welfare needs are met because they have a duty of care. A few others said that when they process an application they check whether children have been classified as a 'child in need', on a child protection plan or otherwise on the children's services database and would liaise with social workers where relevant.

Restrictions on 16 and 17 year olds

We are particularly concerned by the plight of 16 and 17 year olds who do not have a supportive family to rely on financially. Many of these are not in the care of local councils and live independently in hostels and supported accommodation. We estimate that every year around 12,000 young people seek help from their local councils because of the risk of homelessness but only around 1,000 of them get accommodated by local authorities as looked after children. Almost twice as many are put in hostels or semi supported accommodation as 'children in need' or under the Housing Act provisions. Many more children will not even get an appropriate assessment of need and will continue in unstable living conditions, for example, sofa surfing with friends and family.⁵⁹ These young people are often dealing with complex

⁵⁸ Based on data from 118 councils out of 125 with a LWAS. Seven councils did not answer this question or stated that they had no data. 79 said they take children into account in deciding whether to make award, with around 39 saying they did not specifically take children into account. Some of these answers were clearer than others: 20 gave a clear no, 39 specifically said yes and 59 did not say yes or no but gave a description - this was used to allocate the answer as appropriately as possible to yes or no (40 to yes, 19 to no).

⁵⁹ The Children's Society. *Getting the house in order: Keeping older teenagers safe*. March 2015.

<https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/getting-the-house-in-order-keeping-older-teenagers-safe>

issues like poverty, homelessness, domestic violence and mental health problems. Even though they are still children, our research has shown that Government support is woefully inadequate.^{60,61}

Sixteen and 17 year olds are entitled to a national minimum wage of only around half the rate for those aged 25. If out of work, and if they have not been taken into local authority care, then they can only rely on benefits in particular circumstances, such as if they are a young parent, orphaned or 'estranged' from their parents. Even where they can access support, they will receive less than adults. For example, Jobseekers Allowance rates are £15 a week lower than for those aged 25.

These are some of the most vulnerable children in society and life should not be made even harder for them by a lack of support if they face a financial crisis. We therefore reviewed whether 16 and 17 year olds are eligible to use each council's local welfare scheme.⁶²

Encouragingly, 16 and 17 year olds are eligible to apply to the LWAS in 103 of the 113 councils for which we obtained an answer.⁶³

However, this means that there are at least 10 areas of the country where 16 and 17 year olds are not able to access local welfare support.

Receipt of benefits⁶⁴

Around 27 councils (almost a quarter of those that answered this question) said they required LWAS claimants to be receiving out-of-work benefits. Of these, a third said there were no exemptions to this rule, a third said they had specific exemptions such as for fire or flood, while a third simply said that discretion can be applied by decision-makers.

The remaining three quarters of councils did not require claimants to be receiving out-of-work benefits, although some of these said that they must be claiming some form of benefit, mostly in-work benefits (such as housing benefit or tax credits) or non-means-tested benefits (such as disability benefits). A couple of schemes required claimants to be on out-of-work benefits for some types of award (eg grants) but not others (eg loans).

Alternative options applicants must have explored⁶⁵

⁶⁰ The Children's Society. *Crumbling Futures: Why vulnerable 16 and 17 year olds need more support as they move into adulthood*. 2018. March 2018. <https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/crumbling-futures-why-vulnerable-16-and-17-year-olds-need-more>

⁶¹ The Children's Society. *Getting the house in order: Keeping homeless older teenagers safe*. March 2015. <https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/getting-the-house-in-order-keeping-older-teenagers-safe>

⁶² The responses we received through our freedom of information request did not allow us to adequately understand LWAS age restrictions. Therefore data for this section was obtained by reviewing council websites and contacting councils directly. We reviewed all 129 upper tier local authorities that still provide a LWAS. We were able to obtain an answer for 113 of these.

⁶³ Six of these 103 councils allow applications from 16 and 17 year olds in certain circumstances, such as if they are living independently and unable to access benefits.

⁶⁴ 117 local authorities answered this question.

⁶⁵ Based on data from 125 councils with a LWAS.

Many schemes specifically require applicants to have tried other potential sources of support before being eligible for an award:

- Sixty percent of councils told us that they require applicants to have explored at least one of the routes listed in Table 1 before being able to receive LWAS support.
- Thirty percent of councils required applicants to have tried at least three of these alternatives.

Table 1: Other support that needs to have been explored before LWAS

Percentage of councils that require applicants to have tried the following alternatives before being able to receive LWAS support:	
DWP advance payment of benefit	55%
DWP Budgeting Loan	50%
Borrowing from friends/family	27%
Borrowing from a commercial credit provider	7%
Local grant making charities	15%
Food bank	14%

It's particularly concerning that over 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 could increase the risk for vulnerable families of being caught in a 'debt trap'.

Our previous research into problem debt showed how some parents are forced to try borrowing from family or friends, but this can put strain on important relationships and support networks. One girl aged 13 told us about a fuel bill the previous winter:⁶⁶

'[Mum] doesn't really like to ask for help 'cos she doesn't, she gets embarrassed. When the bill came I had to like force her to ask family for help because, you know when like there was no money and generally, we were running out of food and I was like "you need to ask nan, you need to ask them to lend you some money until next week". Like, sometimes I lend her some money from my jar but she hates taking that. She doesn't like to ask, she likes to do it on her own but sometimes you just can't, so...'

3.6 LWAS application processes⁶⁷

Councils are providing a range of application routes for their schemes, the most popular being by phone, via another agency (eg housing department or local Citizens Advice) or online – as shown in Table 2.

Table 2: Types of LWAS application routes

Application route	Percentage of council LWAS schemes
Phone	65%
Through another agency	63%
Online	62%
Face-to-face	30%
Paper application	28%

⁶⁶ Sorcha Mahony and Larissa Pople. *Life in the debt trap: Stories of children and families struggling with debt*. Policy Press. May 2018. <https://policy.bristoluniversitypress.co.uk/life-in-the-debt-trap>

⁶⁷ 119 out of 125 councils with a scheme answered this question.

We're concerned that less than a third of councils allow people to apply face to face, which risks leaving vulnerable groups or those unable to afford an internet or telephone connection with inadequate access.

In addition, many councils are only providing a very limited range of alternative access routes for their scheme, which could also restrict accessibility. As shown in Table 3, almost a quarter of councils are only providing a single method of applying to their scheme, with 12% of schemes providing solely online access.

Table 3: Number of LWAS application routes available in each area

Number of application routes available	Percentage of council LWAS schemes
1	24%
2	30%
3	24%
4	15%
5	6%

The process of making formal applications for help was often challenging for the parents we interviewed. Whilst applying for crisis support through both the voluntary and statutory sector could be complex, we heard that the statutory sector was more difficult on balance.

Case study: Wayne

Wayne is a single dad with two children. One of his children has a significant learning disability, the associated costs of which are often not fully met by Wayne's benefits.

Wayne recently needed new furniture for the children and applied to the council's LWAS, which he found frustrating. His first application failed as he did not know he had to get quotes for the items he needed from the Argos catalogue. His second application was accepted but from submission to receiving the money took 15 days.

Given the delay, Wayne had also approached a charity for help. They said they could help straight away. This was a relief, but it still took some time. The charity had applied for a small grant from another charity. He had to go back to the first charity to get the acceptance letter and then take that to another charity to get the furniture he needed. Overall, he found it a confusing process.

Parents often had to balance their parenting duties with the need to make applications and go out to seek help. Local charities often worked hard to try and support parents with some of the practical challenges of being a parent whilst in financial crisis. We heard about a range of support for families including organised day trips, group meals and subsidised childcare.

Case study: Donna

Donna and her three children found themselves homeless after a flood at home. Their council moved them into temporary accommodation for six months in another local authority outside the town where they lived.

Donna had to go to the JobCentre to change her benefits. At first, they insisted she bring a range of documents that had been lost in the flood. They also told her she needed to bring her children to the appointment with her. This was particularly challenging with her youngest child who has ADHD. Administrative problems also meant that this child could not attend the local school.

While Donna went to appointments at the JobCentre, tried to access local welfare assistance, and regularly called the education team at the council she had to rely on her older children to care for the youngest. They would take him out to the park while she made calls to the council or the benefits helpline.

3.7 Awareness of LWAS

Most parents we interviewed told us it had been difficult to find support following their financial crisis. They had often asked for help from many different organisations and professionals, but found that few could help them. At best this was 'signposting' to the right place, but for many parents it felt like being passed from pillar to post. The families found this 'bouncing around' exasperating.

All the families we spoke to were in contact with a statutory service, such as Jobcentre Plus, children's social care, health services, or their council housing department. But support was not often proactively offered and families had to ask. Some parents could do this, but others struggled.

One of the biggest barriers was a lack of knowledge. Some, unsure of where to go, turned to family members and friends to borrow money or for other support. This put significant strain on these relationships and was not an option for everyone.

For others, it was their own links to the local community that improved the support they received. One family, regular churchgoers, were lucky that their church hosted the local food bank. For another, their volunteering at the local children's centre had taught them about the kind of help available and how they might apply.

Case study: Linda and Mike

Linda and Mike took in their godchild Casey for the night at the request of the police as she had been kicked out of her home, with nothing but her pyjamas and school uniform. They knew this arrangement could not be permanent as it would place them under significant financial strain, but for the rest of the week they received no help from social services other than signposting to the food bank.

The food bank needed a voucher and said that Casey's school could provide one. But when Linda asked the school they were not aware they could help and had never provided a voucher before. By the time Linda got a voucher she had spent all her money for the week on the energy pre-payment meter as all of Casey's clothes had been dirty and needed washing and drying.

3.8 Broader support and addressing the underlying causes of crisis

The Government had stated that one of the core aims of localising welfare provision was to enable people to be connected to other local support services, such as debt advice or mental health care. This would help better address the underlying issues that may have triggered their crisis, as well as meeting their immediate financial needs. The original Government plans said:⁶⁸

'It is also recognised that it is difficult in a centrally administered system for staff to exercise a high degree of discretion – such as in the case of Crisis Loans, where it is necessary to determine if there is a severe risk to the applicant's health or safety. These services can be more effectively run locally where they are linked to other support services.'

However, in our case study areas we found very little evidence that this is happening in practice. The quality and effectiveness of signposting was doubtful and there was no follow-up or means of tracking people through the crisis support system to check whether they were accessing the additional services needed.

This was reflected in the responses to our freedom of information request questions about referrals from the LWAS to other local support:

- Only around 15 councils could provide the number of LWAS users they had referred to other advice or support providers. By far the most common advice that people in these areas were referred for was debt and benefits. A smaller number were referred for family or mental health support. Budgeting and housing or homelessness support was also mentioned in a few cases.
- Referrals for immigration advice were rarely mentioned. Although applicants who have the NRPF condition attached to their immigration status are not allowed to receive support through LWAS (see section 2.3 for further explanation), this should not stop them being referred for immigration advice.
- Most councils said that referral data was not captured or held. Some simply said that they refer everyone as necessary.
- Only two councils could tell us how many families with children were referred for a Child in Need assessment following the LWAS process. Almost all others again said that this data was not recorded, available or reportable. A few explicitly said they do refer where appropriate, but this is not systematically recorded.

⁶⁸ Department for Work and Pensions. *Impact Assessment: Abolition of elements of the discretionary Social Fund and replacement with new local welfare assistance*. October 2011. <https://webarchive.nationalarchives.gov.uk/20130102172820/http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-act-2012/impact-assessments-and-equality/>

This suggests that not enough priority is being given to ensuring that holistic, joined-up crisis support is delivered and monitored, and that local responses are not doing enough to address longer-term support needs. This is concerning because whether it was help accessing white goods, a food parcel, or a budgeting loan, receiving formal help with a financial crisis was often just the start of a longer process of recovery for the families we spoke to.

Case study: Kay

Kay is a single mum with two children who recently fled domestic violence. She has depression and is currently out of work.

Social services were very concerned about the welfare of the children in the immediate aftermath but did little to support the family's wider needs. She found it hard to access food bank vouchers via social services despite struggling to buy school uniforms and to feed her children while waiting for her new benefits payment to be administered.

Where families had been lucky enough to have access to a dedicated support worker, they really appreciated the 'aftercare' provided. Often these support workers were linked to housing associations and local housing services. The support was proactive and often triggered when families had to move home, were newly arrived in the area, or had just gone into rent arrears.

Case study: Aliah

Aliah was in an abusive relationship for a prolonged time, but fled when she became pregnant. She had to move into a new home with no belongings.

Aliah's support worker helped to wrap the support of a number of organisations around her, including the council, the local children's centre, her GP, a domestic violence charity, a local furniture charity, the housing association, Salvation Army, Citizens Advice, the food bank, and others. They would also 'check in' on the family in the months following the crisis.

Those supporting families also built trusting relationships with them, and helped with practical tasks like dealing with the often complicated forms that families had to fill out to access additional support.

4. Conclusions and recommendations

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.

In the absence of an effective LWAS, other statutory and voluntary sector organisations are piecing together their own crisis support networks to try to fill the gaps. They have become the first port of call for people in crisis and for the professionals and volunteers who support them in many areas. A lack of coordination between and within the statutory and voluntary sectors has contributed to fragmented services. As a consequence, crisis support is patchy and the help families receive depends on the organisations they happen to come into contact with.

There is no consensus at present on who should be taking the lead in the provision of crisis support. Central government has devolved responsibility to local authorities with little or no support or guidance. In turn local authorities are increasingly looking to voluntary sector organisations to meet this need, without the necessary resources or structures to do so effectively.

Crisis support must be able to see and respond holistically to families. Given the fragmentation of the system, only by working together around the family in question will crisis provision be at its most effective.

Families find the system of support exhausting. Their experiences demonstrate the feeling of fatigue and powerlessness, and the effect on relationships and well-being. Reform of crisis provision must be designed to reduce the amount of time and effort it takes for families to access support. Services could be more proactive – it is not enough to just signpost. Councils have a leading role to play in ensuring that families in their area quickly and seamlessly get the help and support they need in a crisis.

4.1 Central government

Central government must provide the resources, certainty and guidance to enable local authorities to deliver crisis support that is fit for purpose:

- A new funding allocation from central government for councils to provide Local Welfare Assistance Schemes should be made at the next comprehensive spending review (2019) and protected in real terms over the following years.
- Allocations should be ring-fenced and accompanied by statutory guidance and basic reporting requirements to help councils implement best-practice and ensure a consistent minimum level of support wherever families live.

Broader action is also required from central government to tackle the key underlying drivers that are pushing families into financial crisis:

- The assessment and appeals processes for disability-related benefits should be reviewed and the loss of entitlement to Employment and Support Allowance during ‘Mandatory Reconsideration’ abolished.
- Benefit sanctions should be reviewed to ensure that safeguards are in place to prevent any rise in unemployment rates being accompanied by an increase in the proportion of claimants sanctioned.
- No one should wait more than two weeks for their first payment of Universal Credit.
- The freeze on Local Housing Allowance rates should be ended and the link between support for housing costs and local rents re-established.
- The eligibility criteria for Budgeting Loans should be extended to cover all families in receipt of Universal Credit. This would help families to manage temporary cash flow problems without relying on high-cost credit.
- Currently LWAS are classed as a ‘public fund’, meaning that it cannot be used to support those with ‘no recourse to public funds’ (NRPF) including those with leave to remain in the UK. The NRPF condition should not be applied to families with dependent children.
- There needs to be significant new investment in community mental health care and debt advice services to ensure that these services can be readily accessed within every local community.

4.2 Local authorities

Each local authority should ensure their local welfare provision ‘**CARES**’:

C: Child-friendliness

The types of support available must reflect the needs of families with children and young people facing financial crisis.

- Councils should be able to monitor the number of families with children (and their ages) applying and using their scheme, in order to deliver effective improvements in support for them.
- Local schemes should not limit assistance to benefits in-kind (such as food or energy), which do not always meet the range of needs of families. Cash support should be available too.
- Support should be available for child-related costs, including for school uniform all year round, transport costs and emergency childcare.
- Councils should support and promote local credit unions that could help residents reduce reliance on high-cost credit.
- Local welfare budgets should be spent on crisis provision rather than used to commission general advice services, unless explicitly focused on financial crisis.
- Schemes should be linked with local family support services and children’s centres to ensure that families can access other forms of support.

A: Accessibility

Families with children and young people in financial crisis need to be able to easily access support.

- There should be multiple ways to apply to the local scheme, covering at least online, telephone, face-to-face and via referral from another organisation.
- LWAS should be promoted and administered in community settings like children's centres and advice providers, so they are more visible to families who may need to use them.
- 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.

R: Referrals

There must be clear information available for individuals and local groups, to ensure people can be referred to the right support.

- After a family applies to the scheme, regardless of the outcome they should have the opportunity for a conversation about the cause of their immediate need and be linked up with other forms of support available locally.
- Agencies involved in supporting families to access crisis support should be able to track vulnerable families through the local crisis support services, ensuring they receive the follow-up support they need and identifying gaps in provision.
- Every part of the country should have strong, formalised, networks to facilitate 'warm referrals' between different council departments and organisations across the statutory and voluntary sectors which help to prevent crisis. The local crisis support network needs to move beyond simple signposting, which is generally seen to be ineffective in ensuring that people in crisis receive the holistic support they need.

E: Eligibility

Eligibility requirements should not prevent families with children and young people in financial crisis from getting help.

- Local scheme criteria and guidance for decision-makers should specifically take into account the presence of children in a household, for example by increasing the likelihood of an award.
- Local schemes should never exclude working families, nor those receiving contribution-based out-of-work benefits.
- Families should not be required to try borrowing from consumer credit providers or friends and family before accessing the scheme.

- Sixteen and 17 year olds should be eligible for support through 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 based on current need.

S: Strategic leadership

Councils should show stronger leadership, taking responsibility – and holding themselves accountable – for ensuring that effective support is available for families in crisis.

- Councils should establish a cabinet member with local crisis provision explicitly named within their portfolio.
- Councils should regularly publish data on the performance of their local schemes.
- Local authorities should work across public health, children's services, revenue and benefits departments and housing services – as well as with the voluntary, community and faith sector – to produce a strategy to reduce financial crisis. This should focus on preventative measures and concrete steps to increase co-delivery of support with the community and voluntary sectors.

Appendix

Data relationships tested

Using the data for each local authority, we undertook a basic investigation into whether there were any clear associations between LWAS spend as a proportion of allocated central government welfare funding and the following local factors, but found no significant relationships:

- Deprivation level measured by Index of Multiple Deprivation (rank of mean LSOA score)
- Child poverty rate as estimated by End Child Poverty
- Fall in local authority core spending power between 2012/13 and 2017/18
- Number of children in need as at March 2018
- Percentage of households in local area on Universal Credit (average during 2017/18)
- Application success rate (number of awards/number of applications)
- Local application rate (applications per household living in the local area)

We also found no significant relationship between the percentage change in council core spending power between 2015/16 and 2017/18 (nor over the longer period from 2012/13 to 2017/18) and:

- Percentage change in LWAS spending 2015/16 to 2017/18
- Percentage change in LWAS awards 2015/16 to 2017/18
- Percentage-point change in claim success rate 2015/16 to 2017/18

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