



Local Welfare Assistance schemes are supposed to be the first port of call for people in crisis when they are not entitled to national crisis payments. As well as meeting people's immediate financial needs, such as food, fuel, and furniture, the devolution of crisis support to local authorities in 2013 was meant to enable a joined up and preventative approach to crisis support.

Five years on, this joint report by The Children's Society and the Church of England looks at how the new systems of support are operating in practice and whether people are getting the help they need. Our analysis is based on in-depth interviews with councils, advice centres, children's centres, food banks, and other local organisations in a range of different contexts, as well as a small number of families with direct experience of using crisis services. It outlines a set of key principles we hope will stimulate constructive debate about the changes needed to ensure people are properly supported through some of the hardest times in their lives.

The key findings are:

- Whilst benefit issues are the most frequent cause of crisis, they are normally inter-linked with other issues, such as mental ill-health. It is vital that crisis services offer holistic and ongoing support, as well as responding to immediate financial needs.
- Debt is often part and parcel of managing on a low income, but puts an additional strain on already tight budgets. Increasing access to affordable credit and to free debt advice, is therefore key to crisis prevention.
- Rising housing costs and problems with Universal Credit are systematic issues that are putting growing pressure on crisis support services, and urgently need addressing.
- Local Welfare Assistance schemes are supporting relatively few people compared with the old Social Fund they replaced, with potentially high levels of unmet need. National schemes are under-used, whilst Local Welfare Assistance schemes are playing a secondary role, largely disconnected from other crisis support networks. Awareness of these schemes is generally very low. Referral organisations make little use of them, put off by restrictive eligibility criteria and onerous application processes.
- In the absence of effective Local Welfare Assistance schemes, led by local authorities, other statutory and voluntary organisations are piecing together their own crisis support networks to try to fill the gap. In most cases, these networks are very localised, based on the knowledge and contacts of individual organisations. Lack of coordination and gaps in provision mean that some groups and certain needs are not being adequately catered for.
- There is no consensus on who should take the lead in the provision of crisis support. Central government has devolved responsibility to local authorities, who in turn are increasingly looking to the voluntary sector to meet this need. Strong leadership and formal networks are needed to overcome the current fragmentation of services.
- We believe that the state has a moral imperative to help people in crisis and that we need a constructive debate about how to achieve the original aims of the reforms.

## **Background**

Since 2010, there has been a great deal of change in the way society responds to people in financial crisis. Austerity, welfare reform, the rise of food banks, and the abolition of the Social Fund have all changed the ways in which help is given and received.

The purpose of this research is to understand how well the new systems of support are operating in practice, and whether people are getting the help they need. Changes to national and local authority systems of crisis support are considered within the wider context of the assistance offered by charities, community and faith groups, and other statutory services.

This report is based on in-depth interviews with 42 local authority and voluntary organisations, including council officers, welfare rights advisers, food bank managers, and family support workers. We asked about these organisations' experiences of working with people in crisis: both the support they offer and the support available from other local agencies. We also conducted interviews with seven parents who have received crisis support within the previous six months, in order to understand more about the specific needs and experiences of families with children.

## **The causes of crisis**

Understanding why people face a financial crisis is crucial to designing an effective support system that both meets their immediate needs and helps reduce the likelihood of future emergencies. Our interviews with stakeholders identified a wide range of inter-related factors that contribute to people reaching crisis point:

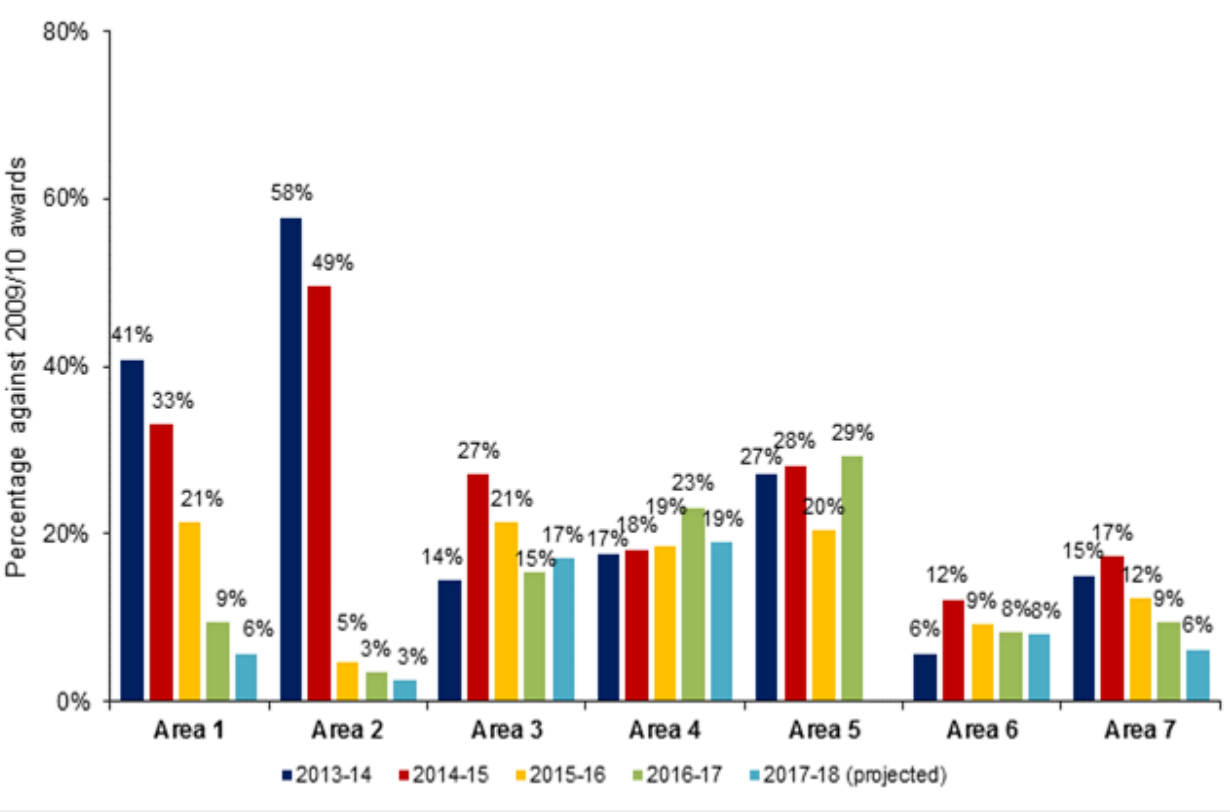
- Issues with benefits, debt and mental health, in particular, were often closely inter-linked. It is vital, therefore, that crisis support services seek to address people's needs holistically and offer a package of support, including ongoing support where needed, rather than simply responding to immediate financial needs.
- Problems with the benefits system were the single most frequently cited cause of crisis in all the case study areas and across all types of organisation, with changes to disability benefits at the top of that list. The drawn-out and often dysfunctional claims process for disability benefits came under heavy criticism for its negative impact on vulnerable clients and the additional strain it was putting on voluntary sector advice services.
- The emphasis placed on mental ill-health cannot be overstated. Quality support must be mental-health-aware and promote, rather than harm, people's well-being.
- Sustained low income – people not having enough money to live on, even though they may be working and receiving all of the support to which they are entitled – was widely noted as a growing problem. This poses a significant problem for Local Welfare Assistance schemes which are primarily designed to respond to a temporary and acute crisis.
- Use of high-cost credit, juggling bills, and borrowing from friends and family is often part and parcel of managing on a low income, but outstanding debts put an additional strain on already tight budgets, pushing many families over the edge. Increasing access to affordable credit, as well as debt and money advice services, are therefore key to crisis prevention.
- Looking ahead, Universal Credit is widely expected to increase demand for crisis support services. Rising housing costs was another emerging issue, particularly due to the lowering of the benefit cap and restrictions in housing benefit. These are systematic issues that are putting pressure on crisis support services and urgently need addressing.

## Exploring local provision of support

In the next section of the report, we examined the state of crisis support provision in seven different local authority areas, to understand what support is available – both statutory and voluntary - and how well these systems are working together:

- National payments (such as Budgeting Loans/Advances and advance payments) and local welfare assistance schemes were intended to be the first and primary source of crisis support. But, in all of the areas we visited, other statutory and voluntary services have become the first port of call for people in crisis, and for the professionals and volunteers supporting them. National schemes are underused, whilst Local Welfare Assistance schemes are playing a secondary role, largely disconnected from other crisis support networks.
- Local Welfare Assistance schemes support relatively few people compared with levels of emergency support provided through food banks and compared with the old Social Fund, with potentially high levels of unmet demand.
- Awareness and understanding of Local Welfare Assistance schemes among potential referrers were very low in all of the areas we visited, especially in the voluntary sector. Even organisations who knew about their scheme did not make much use of it for their clients, because it was generally easier and quicker to access other forms of support.
- Potential applicants and referrers have been deterred by restrictive eligibility criteria, onerous application processes and lack of publicity. The move from cash to in-kind awards and, in some areas, from grants to loans, has also dampened demand, though not because of a reduction in basic need. Lack of committed funding and uncertainty about the future of Local Welfare Assistance schemes is severely undermining their effectiveness.
- Other than for small, exceptional awards, cash payments or loans are not generally available to people in crisis. This leaves a big gap in crisis provision for people who would previously have used the Social Fund to help them manage a temporary cashflow problem. In-kind only provision also reduces choice and flexibility for applicants who have a broader range of needs than are catered for by most Local Welfare Assistance schemes.
- In the absence of an effective and comprehensive Local Welfare Assistance scheme, other statutory and voluntary sector organisations are seeking to fill the gap by offering a wide range of direct and indirect support to clients who are in crisis. With some notable exceptions however, a lack of coordination between and within the statutory and voluntary sectors has contributed to the fragmentation of services. As a consequence, crisis support networks are highly localised in some areas, where the support you receive depends on the organisations and people you come into contact with.
- Support workers, coordinated referral systems, and co-location of services can help prevent people getting into a cycle of repeated crises, but is not happening systematically in the case study areas. There is an absence of monitoring and tracking information, with no systematic way of knowing how effective current provision is, or whether individuals are receiving the additional, ongoing support they need.
- 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 the voluntary sector, and to individuals themselves, to meet this need. An effective crisis support system will require input from a wide range of organisations, greater coordination of services, and innovative approaches to provision, all of which requires strong leadership and a longer planning horizon.

**Local Welfare Assistance awards over time as a proportion of awards under former 'Social Fund'\***



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 in 2009-2010 (using data from DWP, 2011).  
 \*\* 2017-18 data is not shown for Area 5, due to exceptional circumstances.

**On their Local Welfare Assistance scheme:**

*'They'll only help people in extreme circumstances... They will literally ask you about every penny of your money, how it has been spent, ensure you've been to other organisations, that you've tried to gain charitable support... They want you to go somewhere else, so you don't exhaust their resources.'* (Advice Centre, Area Six)

**On the reasons for not using the Local Welfare Assistance scheme:...**

*'With the energy vouchers, [the Local Welfare Assistance scheme] 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 has then got to come back and collect a print-out from us.'* (Advice Worker, Area Four)

**...and for using the food bank instead:**

*'If I've got a client with me, I can ring the food bank and sort something out. Then I can let the client go, knowing that they are going to be helped that day, or at least give them a definite date when the food bank is going to be open. It's just ease of use'* (Advice Worker, Area Four).

## Journeys through the system

By examining the journeys of people that had accessed crisis support, we identified three key stages that pose particular problems and merit attention from those designing crisis services:

- An initial stage where families typically bounce around different services trying, but failing, to access support.
- A second phase related to formal requests for help. Making these requests generally involved filling out lengthy and confusing forms, providing a substantial amount of evidence and waiting, often for an unspecified amount of time, to hear the outcome.
- The final stage was aftercare. Some families received no ongoing support after their crisis whilst others had ongoing support for many months (see below two contrasting stories from our interviews with families). Families really valued good aftercare and, from the small number of cases we examined, it seemed to make an important difference to long term outcomes, including the incidence of repeat financial crisis.

Finally, we looked specifically at the experiences of families with children, who have clear additional needs that must be met:

- Financial crises have implications for children's mental health and well-being. Many children experienced stress, anxiety and low mood. The crisis exacerbated other issues in the children's lives, like Special Educational Needs. For some children, following bereavement, domestic violence, or house fires, more specialist therapeutic support was required.
- Financial crises also had negative consequences on the adult's identities as parents or caregivers, affecting the crucial parent-child relationship.

### Aliah's story

Aliah became homeless as a result of domestic violence. She was heavily pregnant. She went to the council's 'One Stop Shop' in her town to seek help and managed to secure housing.

The housing association she was renting from provided a support worker, Tom, who became the crucial link for Aliah in accessing the support she needed to rebuild her life. Tom helped Aliah with everything. He helped her get her benefits sorted, to access the food bank whilst she was waiting for her first payments, to get support to make sure both she, and her child were safe and secure following the domestic violence. He also helped her apply to both the LWA scheme and to local charities for help with white goods, furniture and beds.

Aliah had a lot to deal with. During the second month in her new home, she suffered a bereavement, gave birth to her child, and was struggling with her mental health. Tom helped to wrap the support of a number of organisations around her – 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.

Navigating all these organisations was difficult and Aliah felt Tom's help was vital. After a year of help and support from all these different organisations, she really felt back on her feet. Aliah knows there are challenges ahead, but feels ready to face them, and knows that she can always ask Tom for more help if she feels she needs it.

## **Kay's story**

Having escaped from domestic violence, Kay really struggled to start a new chapter in her life with her children. She was suffering depression and living on a much reduced income. The domestic violence had resulted in Kay's children having a social worker and receiving support from children's social services in the form of some counselling and regular case reviews.

Kay's needs as a parent went beyond just counselling for her children, however. She was struggling to buy school uniforms and to feed her children. Children's services knew all of this, and she asked for help on many occasions, but as the immediate safety of her children was not at risk, and their longer term mental health needs were being addressed, children's social care did not provide any further support.

## **Principles for reform**

We believe the state has an important role to play in crisis provision and cannot delegate this responsibility to the voluntary sector wholesale. Morally, the state has an imperative to help those most in need. Practically, given that the failings of state-run systems are one of the drivers pushing people into financial crisis, and that personal crises frequently have knock-on effects on other public services, it clearly must do more both to prevent crises from happening and to ensure there is a strong safety net when they do occur.

Below we outline a set of key principles for reform that we hope will stimulate a debate about the future of crisis support in England. The main report also contains a series of practical recommendations for central government, local authorities, and the voluntary sector to consider in their own context.

### **Common branding, eligibility and service standards**

Developing common branding would help to improve the visibility of crisis support services within a local area, helping ensure that potential clients and referral organisations are aware of the provision available. Better alignment of eligibility criteria would help speed up the process, so that households and professionals can quickly determine what help is available for their circumstance. There also needs to be greater clarity about when households should access national schemes, such as Budgeting Loans/Advances, advance payments, Local Welfare Assistance, and/or voluntary sector services.

### **Clear leadership**

Strategic leadership for the delivery of crisis support within a locality should ultimately sit with local authorities, who should be responsible for ensuring that there is effective support for people in crisis. However, voluntary organisations also have a responsibility to find out what statutory support is available, rather than resorting to food banks as the "easy option". Every area should have one named lead organisation with a responsibility for: overseeing the scheme; proactively publicising it to local referrers; delivering training; strengthening the network; and monitoring the scheme's effectiveness. This could be the local authority, or a respected lead voluntary organisation with delegated responsibility for operating a coordinated crisis support scheme.

### **Co-delivery**

Local Welfare Assistance schemes can and should be the first port of call for people in crisis, as originally envisaged. Given the constraints on local authority funding and the significant role already played by the voluntary sector, we recommend that crisis support is co-delivered by local government and other statutory services, with the support of the voluntary and community sector.

Local community and faith groups should be included in the support available, offering pastoral support and helping to strengthen and broaden people's support networks through community-building, as well as being able to make referrals into the crisis support system when financial or other specialist support is required.

### **Addressing underlying problems to prevent recurring crises**

Localising welfare provision has largely failed in its aim to combine immediate crisis provision with local services designed to address other underlying needs. Ensuring that there are clear pathways from financial crisis support into other local services is crucial to preventing recurring difficulties.

### **Warm referral between partner agencies**

A stronger network of organisations working together to deliver crisis support would facilitate 'warm referrals' between partner agencies, as is beginning to happen in some areas. This should move beyond 'signposting', where families all too often bounce around services without receiving the support they need. Crucially, this needs to be accompanied by significant new investment in mental healthcare and debt advice to ensure that these services can be readily accessed within local communities, including more support workers and face-to-face advice for vulnerable clients.

### **Empowering those in crisis to challenge poor decisions**

There must always be a clear way to appeal decisions about the quality of crisis support and to make complaints about any aspect of the services provided.

### **Monitoring impact**

Information sharing agreements should allow data to be held in one place, allowing providers to: cross-refer clients; monitor their longer-term needs; quality assure their case work; identify gaps in provision; and enable policy makers to make decisions based on evidence of impact.

**We look forward to working with local authorities and with other voluntary organisations that share our vision for an effective and comprehensive system of crisis support, led by local government but co-delivered with the voluntary and community sectors.**



Right now in Britain there are children and young people who feel scared, unloved and unable to cope. The Children's Society works with these young people, step by step, for as long as it takes.

**We listen. We support. We act.**

There are no simple answers so we work with others to tackle complex problems. Only together can we make a difference to the lives of children now and in the future.

**Because no child should feel alone.**

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