

Not making ends meet

The precarious nature of
crisis support in England

Full report



THE CHURCH
OF ENGLAND

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Foreword

For people on low incomes a financial crisis can be devastating. Without savings, and unable to increase earnings, there can be few options but to ask family and friends, community organisations, charities or the state for help. Hopefully the help offered is generous, fixes immediate problems and provides longer term support to establish a firmer financial footing.

Since 2010, there has been a great deal of change in the way society responds to low income households in financial crisis. Austerity, benefits reform, better awareness of mental health, the rise of food banks, and the localisation of aspects of the Social Fund have all changed the ways in which help is given, and received in England.

In undertaking this research, we wanted to explore how local areas are responding in light of all this change. Much has been written about benefits reform and about the change from the Social Fund to local welfare assistance but there is less work placing these reforms within the wider context of the support that charities, community groups and other statutory services provide. The system of support for low income households in financial crisis has been somewhat neglected.

Our aim with this report is to ignite a debate about reform. We sought to bring together the views of charities, local government, service providers, and families who have used these support systems – and to understand their needs, and learn about their notable successes, strategic challenges and hopes for the future. Over the coming months we want to go back to the areas we used as case studies to discuss our findings; we want to explore how services might work more closely together; and we want to start conversations with local and national government about the changes that are needed. We are ready to work collaboratively for positive change.

This report sets out a starting position. Our research participants had a variety of views and different prescriptions for change, but everyone agreed that the support offered to the most vulnerable low income households in financial crisis, could be much improved.

Executive Summary

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.

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.

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 floods, 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.

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.

Definitions

This report is about **low income households** in ‘**financial crisis**’. These are households usually reliant on benefits for a significant portion of their income. They are likely to be in low paid or part time work, or not working as a result of ill-health, unemployment, or because of caring duties. We define a ‘**financial crisis**’ within these kinds of household as a financial problem which puts the immediate health and wellbeing of members of the household at risk.

In and of itself, low levels of income may, over the longer term, lead to problems which affect people’s health and well-being – for example, evidence suggests that difficulties affording fuel bills, are associated with a higher likelihood of developing respiratory illness.¹ This is qualitatively different from a financial crisis which puts people’s immediate health and well-being at risk.

Examples of a crisis may 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 – for example, someone having their benefit income go unpaid as a result of an administrative error, or the sudden onset of a disability.

However, in some cases a crisis may be predictable, and repeated, as a result of a chronic vulnerability within a household like ongoing ill-health or a regular shortfall in income compared to outgoings. In such cases, whilst crisis support may be effective in delaying the impacts of the problem, additional action may be needed to address the underlying difficulties that led to the person reaching that point.

There are a number of other technical terms we use throughout the report that merit definition and so we provide the glossary in Appendix B.

Research aims and objectives

The research for this report aimed to look holistically at the roles and provision of crisis support provided by national and local government and the voluntary and community sector. It sought to understand why people are presenting to crisis services and what those services look like in seven different areas. We also wanted to look in depth at families with children to understand what challenges financial crises present for families and the consequences for children and parents/carers.

The key research questions we looked to answer were:

- What are the major causes of financial crisis for low income household and what other presenting needs do they have?
- What has happened to crisis provision since the localisation of the Social Fund and what are the emerging trends in provision across national and local government and the voluntary and community sector?
- How well coordinated is crisis provision? Are there gaps in provision? What is best practice?
- Are the needs of families with children different to other households? Are the needs of children met? What are the key consequences of financial crisis for families with children?

Methodology

This report has used qualitative methods to explore the changing landscape of crisis support in England. We wanted a rich and detailed understanding of what is happening on the ground, how statutory, voluntary and community organisations were working to help those in need and the challenges they face whilst doing so. We interviewed 42 different stakeholders drawn from seven different local authority areas between June and December 2017. The kinds of stakeholders we interviewed are in the table below.

Table 1: Research participants

Types of stakeholder interviewed	
Advice Centres Children’s Centres Community Centres Credit Union Domestic Violence services Family Support services	Food banks Debt Advice Services Furniture recycling charities Law Centres Local Welfare Assistance (LWA) Schemes JobCentre Plus

We wanted to examine in a systematic way to ensure a spread of geographies and local contexts to help us draw out findings that should apply widely across England. To do this we selected our seven areas based on a number of criteria, outlined in the table below.

Table 2: Methodology for area selection

Area	Geography	Local Authority Structure	Political Control	Affluence (scored out of 10, where 0 is low and 10 is high) ^a
Area One	Seaside	Unitary	Conservative	3
Area Two	Urban, small population	Unitary	Labour	2
Area Three	Urban, large population	Unitary	Labour	1
Area Four	Suburban Area	Two-tier	Conservative	10

^a Affluence scored calculated using the Index of Multiple Deprivation. Scores were assigned based on the decile each local authority fell into when ranked from most deprived to least deprived. <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

Area Five	A London Borough	Unitary	Labour	5
Area Six	Rural Area	Unitary	Labour	4
Area Seven	Mixed area	Two-tier	Conservative	6

To analyse the 42 transcripts we took a random sample of two interviews from each area (a total of 14) and listed every theme that emerged in each interview. We then went through each of the list of themes and removed any that did not appear in at least two transcripts. We organised the remaining themes into groups and proceeded to use these as the basis of the coding for the rest of the transcripts. Some other themes did emerge when looking at the rest of the transcripts and we updated the coding regularly once we had seen the same theme emerge at least twice. We used Nvivo software to support us in our coding.

We also conducted interviews with seven parents who have had to rely on support from their local authority or local charitable organisations during a financial crisis. All the parents had relied on this support within the last six months and we used these support organisations to contact the families about the research. To protect the families we have changed some biographical details and have given them pseudonyms.

As will be discussed, one of the problems of research into crisis support is the difficulty researchers face in speaking to those who have never accessed support. All the families we spoke to had accessed support and so there is a bias in the sampling. Nonetheless many still experienced significant challenges accessing support and their experiences provide important lessons. The table below provides some basic information about the families:

Table 3: Demographic and other information about the parents interviewed:

Donna	Donna is a single mother with three children. Her youngest child has ADHD. The family home was flooded and they had to move into temporary accommodation for six months. They required a range of support during this time including food banks and local welfare assistance.
Linda & Mike	Linda and Mike have six children, Linda is a full time carer and Mike is currently not working. They had to go to the food bank for support when their god child temporarily moved into the home after she was made homeless.
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 and required significant assistance from a variety of organisations.
Kay	Kay is a single mum with two children. Her partner was recently removed from the home following domestic violence. Kay has depression and is currently out of work. She had to go to a food bank whilst waiting for her new benefits payment to be administered.
Wayne	Wayne is a single, stay at home dad with two children. One child has a learning disability. Wayne's benefits often do not meet all the costs associated with his child's learning disability. He recently got new bedroom furniture for his children with support from the local welfare assistance scheme and a local charity.
Amy	Amy moved back to England after a short period abroad. She is a full time mum. Her housing benefit did not cover her rent and so she needed to apply for DHP. Whilst she was waiting for her benefits to begin she also accessed a food bank and got a small grant for a washing machine.

Jo	Jo fled domestic violence with her three children. She got some initial help setting up her benefits when she moved into her new home but she relied mostly on friends and family for financial support.
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Alongside our interviews we augmented our research with a scoping review of mostly grey and some academic literature and, for each of the seven case study areas, a Freedom of Information request and desk research to gain a deeper understanding of local provision.

This research was subject to The Children’s Society’s ‘Research Ethics and Engagement Framework’ to ensure that it met high methodological and ethical standards. We are confident that we have managed to present an accurate and detailed picture of the major trends within the seven case study areas. As a result of our careful case study selection and our general policy knowledge about the wider trends within the benefits system and crisis provision we feel that our findings can be generalised to provide the useful insights upon which we base our key principles for reform and our recommendations for national change.

Structure

Following a short introduction looking at the policy context and the scale of need, this report firstly focuses on the needs of those who are presenting to crisis services. It considers the immediate and underlying reasons for people presenting in crisis. Grounded in this understanding of need, in Section Three the report then looks at the emerging trends in local support for families in crisis, considering what different stakeholders are doing to support those in crisis and the strengths and weaknesses of the support. Section Four focuses on the experiences of families with children. We examine the good and bad experiences of support that our families had, focusing on the different parts of their journeys that were often most difficult and some of the consequences of financial crisis for both parents and children. In the concluding section we make some judgements about the strength of the current system and suggest that future reform needs to move away from short-term budget setting towards a more principled approach. We set out key principles for reform and make a series of recommendations to help point the way for decision makers.

Section One – Setting the context

Since 2010 the provision of crisis support has sat within a rapidly changing context. For many of the most disadvantaged households the policy context has been a difficult one – with reform to the social security system having a particular impact on financial precariousness, and as a result, potential levels of need for crisis assistance. At the same time, there has been substantial reform to the provision of crisis support itself. This section looks at both these issues.

Welfare reform

The need for some forms of crisis support – and in particular food bank use – has been linked to reform to the welfare system. For example, a study from the University of Oxford found that food bank use was linked to unemployment rates, benefit sanctions and benefit cuts:

‘We found clear evidence that areas of the UK facing greater unemployment, sanctions and budget cuts have significantly greater rates of people seeking emergency food aid. This pattern is consistent even after adjusting for the possibility that some areas have greater capacity to give support than others.’²

Broadly, social security reform can be split into two main parts: reform to the amount of entitlement households may receive, and reform to the way in which entitlements are administered. For different reasons each may have an impact on crisis support needs.

Benefit entitlements

Between 2010 and 2020, the social security system has already and will continue to see, substantial cuts to a variety of entitlements, which have affected working and non-working households alike. These have cut across a range of different areas – from below inflationary increases in the value of entitlements, through to reductions in the value of certain in-work benefits, caps on maximum overall benefit entitlements, and cuts to disability support.

The Institute for Fiscal Studies (IFS) confirms that the poorest working-age households (particularly those with children, who are likely to be more reliant on benefit receipt than equivalent households without children) are expected to lose the most from tax and benefit reforms to 2020. Their findings, following the 2017 Budget, indicated that the poorest 10% of working-age households with children were expected to see their income fall by nearly 18% as a result of tax and benefit changes between 2015 and 2020. In comparison, the wealthiest half of households are expected to see little or no change at all in household income.³

Reductions in support relative to prices, and the introduction of “caps” on entitlements

One particularly significant cut in the benefits system in recent years has been repeated reductions in support relative to rising costs of living, either through below-inflationary increases or through absolute freezes – and most recently the decision to freeze benefits and tax credits for four years.

As a result, some benefits will have risen much more slowly than costs of living between 2010 and 2020. For example, Child Benefit is expected to have risen by just 2% over the course of the decade – one-seventeenth of the increases in prices as measured by the Retail Prices Index (RPI).

Another significant development in recent welfare reforms is in setting “caps” on maximum levels of support a household can receive, regardless of their level of need. The two-child limit is one of several policies, along with the benefit cap, and caps on maximum Local Housing Allowance rates, that apply limits to the amount of support a family can receive. Many families increasingly find themselves in financial crisis because the minimum needs of their household exceed the maximum rate of support which the State is willing to offer.

People with No Recourse to Public Funds

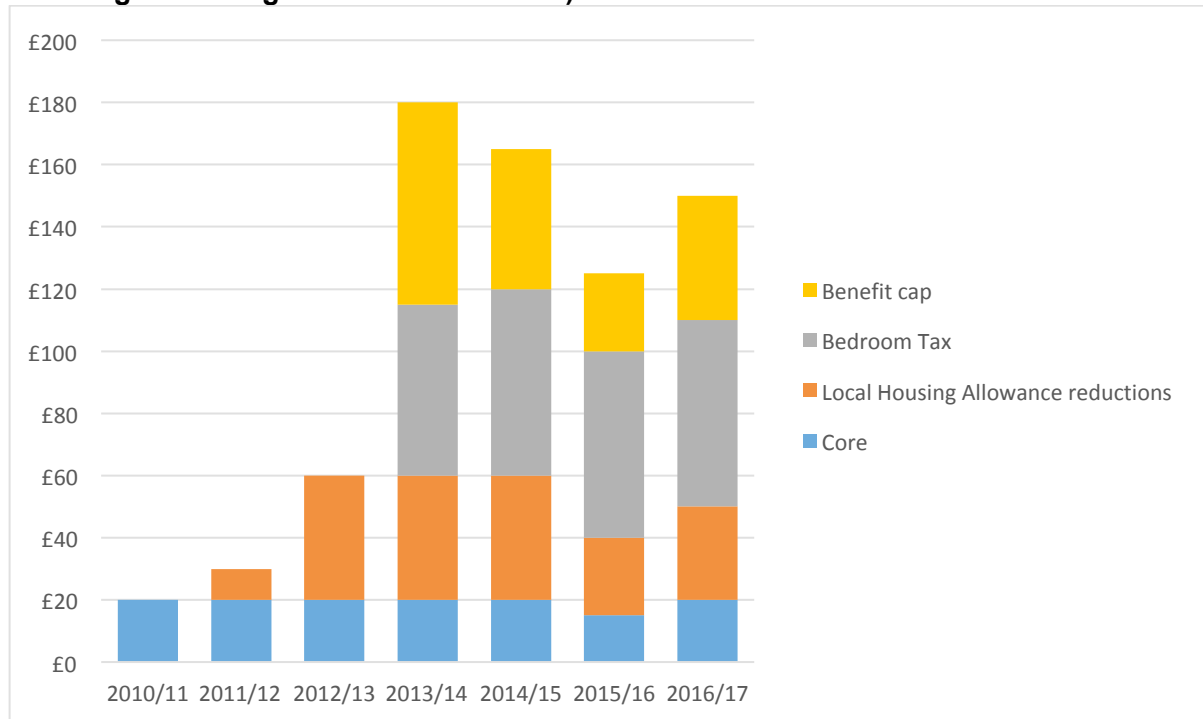
Some groups are excluded from the mainstream benefits system altogether. Since 2010 the ‘hostile environment’ policy has made it much more difficult for many migrants, and also undocumented people, to access benefits because they have ‘no recourse to public funds’ (NRPF). For migrants the NRPF condition is often attached to their visa, whereas undocumented people often do not have the documentation required to make a benefit claim. For adults there is no alternative support outside the benefits system other than support provided by the voluntary and community sector. For families with children some support is available, because under the Children Act 1989 local authorities have duties to the safety, well-being and development of all children living within their area, regardless of immigration status. This results in local authorities often extending financial support to families through Section 17 of the Children Act 1989. In practice, it is very difficult to access this support which is also often less than families would receive through mainstream benefits.

Shifting from benefit entitlements to discretionary provision

In some cases, discretionary interventions have been introduced to mitigate the risks which inadequate benefit entitlements present to low income families. For example, since 2001, local authorities have been given pots of money known as ‘Discretionary Housing Payments’ (DHP) to provide discretionary support to claimants, for whom Housing Benefit entitlements are found to be inadequate. In response to certain cuts to social security provision affecting housing benefit entitlements (including the introduction of the under-occupancy charge and the benefit cap – see Glossary in Appendix B) the level of DHP provision increased substantially between 2010 and the present.⁴

This shift from long term, stable entitlements for claimants, to short term, discretionary interventions like DHP introduces uncertainty for households and only partially meets the need. It has been estimated that measures introduced since 2010 cut Housing Benefit expenditure by more than £2 billion per year in cash terms by 2015/16.⁵ In comparison, expected DHP of £125 million in that year covered little more than one-twentieth of the shortfall.

Figure 1: Discretionary Housing Payments (£ million, cash), including different components to help with different welfare reforms (reproduced from 'Broken Benefits: What's gone wrong with welfare reform')



However, it is not just the value of benefits available which contributes to the likelihood of a family facing a crisis – the way in which support is administered is also a contributory factor.

Benefit administration

The amount of benefit support a household is entitled to can be something of a moot point if the administration is such that support does not reach those who need it.

Disability and ill health

People with disabilities have been particularly affected by reform to the administration of the benefits system in recent years. One of the biggest changes for many people has been the shift from Disability Living Allowance (DLA) – a non-means-tested benefit for people with care and/or mobility needs – to Personal Independence Payments (PIP). This shift is not automatic, and requires existing DLA claimants to be reassessed, with many turned down for PIP.⁶ This has a knock-on effect on their entitlement to other benefits, including the disability premia within Employment Support Allowance (ESA). Claimants may appeal the original decision, and many do, but the appeals process is lengthy and stressful.^b The majority of decisions that go to tribunal are overturned at this stage, but in the meantime, claimants are left to cope on a much reduced income.

Since 2008 a new benefit – Employment and Support Allowance (ESA) – has been introduced for people who are too sick to work.⁷ Since its introduction, many concerns have

^b The first step is to appeal directly to the DWP for a Mandatory Reconsideration of the decision, which can take anything from 4–8 weeks, or longer in some cases. Claimants must appeal within 30 days, but there is no time limit on the DWP to make its decision. If this appeal is rejected, and the success rate is low, then claimants can appeal for a second time to an independent tribunal, which takes several months at least (and often considerably longer) to decide a case.

been raised about the quality of the “Work Capability Assessments” used to assess entitlement to the benefit, with many claimants wrongly being found fit for work.

Given problems with the ESA assessment process, the ability to challenge decisions has become more important than ever. However, in 2013, the government made it considerably harder to appeal a decision by requiring it to be “reconsidered” by the DWP first, and determining that people found fit for work could no longer receive ESA while waiting for their claim to be reconsidered. This means that those who decide to complain about the decision are faced with having no income at all during this period, or making a claim for Jobseeker’s Allowance (JSA) or another out-of-work benefit.

Universal Credit

The introduction of Universal Credit (UC) – a radical reform of the structure of the social security system – has introduced new challenges with the administration of benefit payments. These have contributed to both delays and uncertainty in benefit payments. Currently UC has only been experienced in a limited number of areas and often only by single claimants with no dependents. Over the coming years roll-out will gather pace as the old benefits system is phased out.

Perhaps most worryingly, lengthy delays are not always simply the result of errors, they are a structured part of the Universal Credit system. For example, until recently, if someone claimed UC because they lost their job, they were expected to use their final salary payment to last them through a six week wait until their first payment. This has been reduced to five weeks, but most new claimants can still expect a lengthy wait before they receive their first payment.

Additionally, even when they are finally paid, claimants may not receive everything they should have been entitled to. In the old benefits system, many claims for support can be ‘backdated’, which means that if the claimant was entitled to receive support before the point at which they applied for it, they can get a lump sum payment of the money that they should have received.

Under the Tax Credits system, a claim can be backdated by up to one month as standard. Universal Credit claims are not automatically backdated at all. Some backdating may be possible in exceptional cases, but only where evidence can be provided that there was a system error that prevented a claim being made at the right time, or because of illness.

Sanctions

A further factor relating to the administration of social security and contributing to the need for crisis provision has been the use of benefit sanctions.

Many benefits come with conditions attached. Unemployed Jobseeker’s Allowance (JSA) claimants are expected to be doing everything they can to prepare for moving back into work. Claimants receiving sickness benefits may be expected to undertake ‘work-related activity’ in order to prepare for the move back into employment when they are able. Single parents receiving Income Support while caring for young children may, similarly, be expected to be thinking about a return to work when their child gets older. If claimants do not meet the conditions imposed on their receipt of benefits, they may face ‘sanctions’. The nature of these sanctions varies, but at their heart they involve the withdrawal or reduction of benefit payments for a period of time.

JSA claimants are by far the most frequent group to face a sanction on their benefit. At their recent peak in 2013, as many as 90,000 sanctions were handed out in a single month – with a total of more than 2 million between October 2012 and March 2016. JSA sanctions have fallen since their peak in 2013, but some evidence suggests sanctioning rates are much

higher amongst Universal Credit (UC) claimants (although figures need to be treated with caution during the transition to the new system).

It is not only unemployed benefit claimants who can face high levels of sanctions. Many claimants (albeit a significantly smaller proportion) in receipt of Employment Support Allowance (ESA) can also face sanctions. Between the start of 2013 and autumn of 2016, it was decided to apply around 84,000 ESA sanctions.⁸ Through much of this period, numbers of sanctions applied rose rapidly^c – at its peak in 2014, nearly 3,700 ESA sanctions were being applied in a single month.⁹

Out-of-work benefit rates already represent a level of income that is significantly below a 'minimum income standard', and normally well below the poverty line (see Glossary). Unsurprisingly, further cutting someone's benefits for a period of time below even this level can have serious implications on their health and well-being.

Many claimants find it impossible to afford even basic living essentials during a period of sanction. One report found a link between areas seeing an increase in the use of sanctions, and higher emergency distribution of food aid.¹⁰ Another report found that 20 to 30% of food bank users had seen a reduction in their benefit payments as a result of a sanction.¹¹ Given the high rate of sanctions under UC this trend looks set to continue unless sanctioning is actively reduced.

Reform of crisis provision

Until April 2013, emergency financial assistance was principally provided through the Social Fund. Payments were made on a discretionary (and normally one-off) basis, to meet immediate needs. The fund was cash-limited, so there was a limit to the amount of support it could provide. This fund was made up of three key components: Budgeting Loans, Crisis Loans and Community Care Grants.

- **Budgeting Loans** were interest-free cash loans to help with costs that were difficult to budget for on a low income; things like furniture, clothing, removal expenses or travel costs.
- **Crisis Loans** were interest-free cash loans to help with immediate short-term needs in a crisis. In some cases so-called 'Alignment Payments' were paid, to help where claimants were waiting for a first payment of benefit (or a first payment of wages after moving into work).
- **Community Care Grants** were 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.

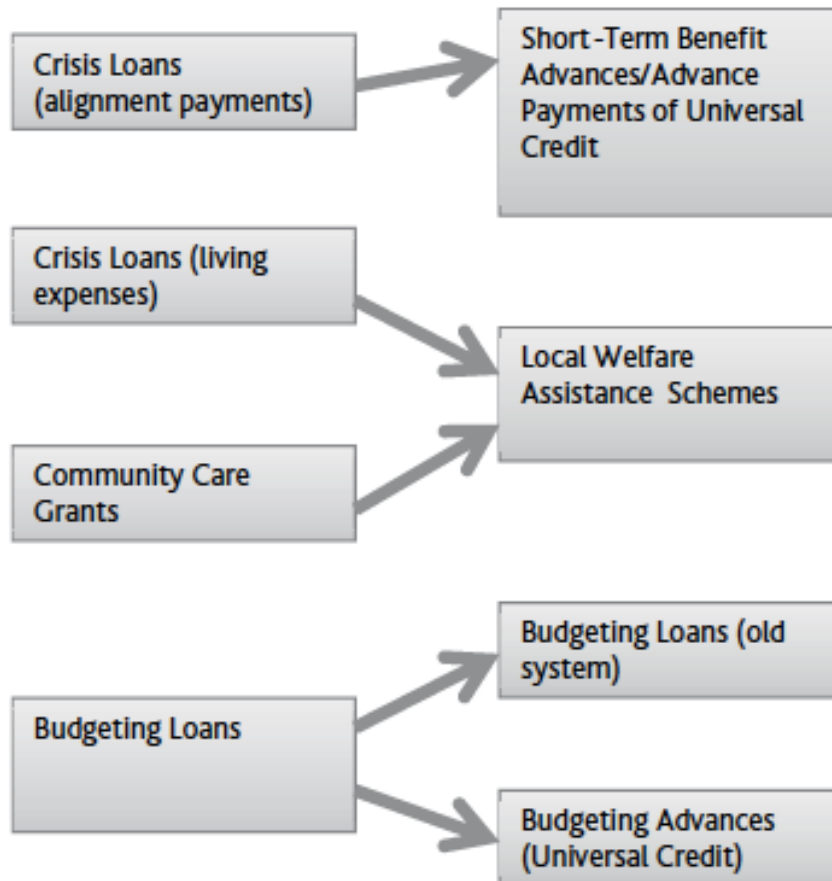
From April 2013, the Government implemented wholesale reform of the Discretionary Social Fund. Some parts were kept, albeit in a different form, so Budgeting Loans are now called Budgeting Advances for those on Universal Credit and remain the same for those on legacy benefits. Crisis Loan Alignment Payments changed to become Short-Term Benefit Advances for those on legacy benefits or Advance Payments for those on Universal Credit.

However, the Government also abolished two key elements of the Discretionary Social Fund: Crisis Loans (other than Alignment Payments) and Community Care Grants. These

^c Partly, but not entirely, as a result of increasing numbers of ESA claimants in the work-related activity group.

were replaced by funding transferred to local authorities (and the devolved administrations) on a non-ring-fenced basis, with the intention that they establish their own Local Welfare Assistance (LWA) Schemes to support local people facing a crisis.

Figure 2: Reforming the crisis provision system – then and now



Source: Royston, S. and Rodrigues, L. (2013) *Nowhere to turn? Changes to emergency support*. London: The Children's Society

One of the principal aims of localising key elements of welfare provision was to facilitate coordination of local agencies – including social, housing, health and education services – and thereby better address not just the emergency itself but also its underlying causes.¹²

When the Government localised Crisis Loans and Community Care Grants, they also made major cuts in the support available to deliver this provision, from about £330 million in 2010/11, down to around £178 million (in real terms) in 2013–14.

After this point the allocation was at risk of disappearing altogether, before campaigning arguing that this was ‘a cut too far’¹³ persuaded the Government to backtrack. As a result, an allocation of £130 million per year (in cash terms) was secured to the end of the decade.

However, the funding is not ring-fenced, so local authorities do not have to spend it on local welfare provision if they do not wish to. Given the pressure on local authority budgets overall,¹⁴ there is understandable concern that much of this money may have ended up being spent on other things. The perception of local authorities is that they are no longer receiving any funding from central government for their local welfare schemes. Simultaneously, further de-prioritisation may be occurring because no national agency,

department or collective body has taken responsibility for providing guidance or spreading best practice around how local schemes should operate.¹⁵

In order to restrict spending, many local authorities tightened up eligibility criteria (compared to the predecessor national schemes), moved from cash provision to in-kind support and limited advertising of the schemes.¹⁶ One Trussell Trust report in 2014 found that schemes were poorly advertised, with only between a third and a half of food bank users in the study knowing that they might be able to seek support from a LWA scheme.¹⁷

One approach to managing expenditure under the predecessor schemes was to provide support in the form of a loan rather than a grant. This has been found to be an effective way of managing expenditure, with 80% of the value of loans made through the discretionary social fund in 2010 repaid through repayments on loans made in the same and previous years.¹⁸ It is notable that many local authorities have moved away from providing crisis loan provision, and towards provision of grants instead. One 2017 report found that of 134 schemes only 25 provided loans.¹⁹ This may reflect the difficulty administering an effective loans system at a local level.

A National Audit Office (NAO) report in 2016 found that 78% of councils were spending less than the funding allocated to them.²⁰ The NAO questioned whether some families may be relying on credit for emergency expenses instead.

A review of all relevant English local authorities in April 2017 found that 26 (16%) have closed their schemes. A further 40 local authorities have set budgets for 2017–18 which are at least 60% lower than their initial 2013/14 allocations from DWP, excluding administration costs.²¹

Scale of need

It is difficult to get a picture of the number of people facing financial crisis in Britain. In part this is because unlike persistent low income, a ‘crisis’ is transitory, and difficult to capture in survey data.

It is also difficult because the nature of a crisis is varied and dependent on the circumstances of the person affected – for one person a crisis is a lack of food, for another it is the lack of emergency money to travel to visit a close family member in hospital, for a third it is a broken boiler.

One approach to exploring the scale of crisis need is to look at the numbers of people seeking support. However, for a variety of reasons, the numbers seeking support may not reflect actual need. This may be either because people were not aware of support available – an issue discussed in more detail through the course of this report – or it may be because they do not wish to ask for assistance (as a result of the associated stigma, or the difficulty of the application process). It could also be because assistance is simply not available for those in need.

Examining the available data on support provided by national and local government and the statutory sector is a helpful indication of the minimum demand for crisis support, but the figures explored below should be treated with great caution.

Before localisation, the discretionary Social Fund provided a key source of assistance for families in need of urgent financial assistance through support such as ‘crisis loans’, and other schemes of assistance. In 2009–10 there were 3.6 million applications for a Crisis Loan alone, with 2.7 million awards made (repeat awards could be made so the number of

households receiving an award will be somewhat lower).²² The localisation of the Social Fund means numbers like these are now significantly out of date however and so we must rely on other data to get a view of current need.

For more recent figures we should be able to look at the number of awards made by local authorities' LWA Schemes, which replaced the crisis loans and community care grants made under the Social Fund. These figures, combined with the numbers of advance payments and budgeting advances awarded by the Department of Work and Pensions (DWP), should give an indication of the trends in crisis provision since 2009–10.

It is, however, incredibly difficult to obtain an accurate figure for the total number of LWA awards across England. We do know however that in the first year of operation 78% of local authorities underspent their allocation,²³ suggesting that less people would have been supported than under the Social Fund. Furthermore, by the end of April 2017, 16% of local authorities had closed their scheme.²⁴

It is somewhat easier to establish the trends over time for the elements of the Social Fund that have remained part of the benefits system at large and are administered nationally. These are made up of advance payments/short term benefit advances, budgeting advances/loans, and hardship payments and recorded in the table below:

Table 4: National crisis payment schemes, 2009/10-2016/17

'000s of awards	2009/10	2012/13	2013/14	2014/15	2015/16	2016/17
Budgeting Loans ¹	1204	1126	1025	996	964	943
UC Budgeting Advances ²	-	-	-	-	-	35
Total	1204	1126	1025	996	-	978
Crisis loans (alignment payment) ³	1100	835	n/a	n/a	n/a	n/a
Short Term Benefit Advances ^{3,4}	n/a	n/a	169	142	142	146
Universal Credit Advances ²	n/a	n/a	n/a	n/a	-	212
Total:	1100	835	169	142	-	358
Hardship payments for:						
JSA/ESA ⁵	60*	131	358	241	-	-
UC	n/a	n/a	n/a	n/a	-	-
Total:	60	131	358	241		
TOTAL:	2364	2091	1552	1379	-	-

1. Social Fund annual report 2016 to 2017 (and previous years): <https://www.gov.uk/government/publications/social-fund-annual-report-2016-to-2017>
2. Figures for UC Budgeting advances and for other UC Advance payments are for the 12 months from May 2016 to April 2017. DWP (2017) 'Universal Credit payment advances: May 2016 to June 2017': <https://www.gov.uk/government/statistics/universal-credit-payment-advances-may-2016-to-june-2017>
3. CPAG (Dec 2015) 'Feeding Britain Working Party on Benefit Administration: Evidence to the All-Party Parliamentary Group on Hunger (see Table 1 for data up to 2014/15): <http://cpag.org.uk/content/evidence-all-party-parliamentary-group-hunger>
4. Data for 2015/16 and 2016/17 is from two Freedom of Information requests to the DWP.
5. DWP (2015) 'JSA and ESA hardship applications and awards: Apr 2012 to Jun 2015'. The DWP has not published any information on hardship payments since an ad hoc release in November 2015: <https://www.gov.uk/government/statistics/jsa-and-esa-hardship-applications-and-awards-apr-2012-to-jun-2015>

Table 4 gives a complicated picture as certain awards have ended, declined, or new awards started. Overall, however, there was a significant decline in national awards of around one million between 2009/10 and 2014/15. (An overall figure is not available for more recent years, because the DWP has not published any data on Hardship payments since November 2015.)

It is not therefore possible to provide an accurate figure that can be used to establish what has happened to the scale of crisis provision in the move from the Social Fund to the complicated mix of national and localised payments that comprise the new system. Given the significant reduction in LWA scheme budgets, the numbers that have closed, and the fact that the national elements of the scheme appear also to have declined significantly, it seems likely that less people are receiving crisis support from national and local government than in previous years.

The support provided by national and local government however only provides part of the picture as a significant amount of support is provided by the voluntary sector. In 2017, a study by the Independent Food Aid Network found that there were around 2,000 food banks running across Britain, including around 1,200 Trussell Trust food banks and 746 independents.²⁵ The most recent statistics from the Trussell Trust found that their food bank network had provided more than 1.3 million three day packages of emergency food supplies to people in 2017/18. Of these, nearly 500,000 went to children.²⁶

In order to assess why food bank use has risen considerably in recent years the Department for the Environment, Food and Rural Affairs commissioned research which concluded:

*'We found no evidence to support the idea that increased food aid provision is driving demand. All available evidence both in the UK and international points in the opposite direction. Put simply, there is more need and informal food aid providers are trying to help.'*²⁷

It is important to remember that food aid is only one form of crisis need– there is also evidence of households running out of money for home heating and electricity. For example, in 2014 Citizens Advice found that around 15% of prepayment meter customers 'self disconnect' (effectively cut themselves off from the supply of energy) at least once per year.²⁸ Christians Against Poverty found that half of their customers went without heating for at least one week over the winter.²⁹

There are limited examples of utilising survey methodology to understand the numbers of people requiring crisis provision. One attempt found that, in 2015, there were at least 184,500 households each week in touch with voluntary crisis support services (excluding beneficiaries of local welfare assistance schemes and other statutory forms of crisis support). The authors of the Joseph Rowntree Foundation report estimate, in 2015, that overall 668,000 households, containing 1,252,000 people – including 312,000 children – were destitute and in touch with crisis support services at some point over the course of the year. The same report found evidence that destitution is likely to have increased in recent years, including a rise in severe poverty and other factors associated with destitution, such as homelessness and food bank use.³⁰

In summary, the numbers present only one clear conclusion. There has been a decline in the numbers receiving support provided by national and local government and an increase in replacement support provided by the voluntary sector, notably through food banks. It is not possible to say how the total amount of support offered today compares to previous years but given the significant drop in both national and local government provision over recent years, it seems unlikely the voluntary sector has provided enough support to cover the retreat of the state. This is particularly likely to be the case in the context of policy reforms which are likely to have increased the financial precariousness of many households.

The authors recognise the limitation noted at the start of this section – that the analysis is only of those receiving crisis support services, rather than all those in need of such support. As highlighted, there are many reasons why people do not look for – or fail to find – crisis support services they need.

In a context where the numbers applying for Crisis Loans alone in 2010 is considerably higher than any of the figures provided in this analysis, one must at least question the extent to which reduced service provision is limiting access and obscuring the real scale of households requiring crisis support in 2018.

Summary

Crisis support has recently undergone significant reform. At the same time, the biggest reforms to benefits since the modern system was set up following the Second World War has begun to take effect, in particular with the roll-out of Universal Credit. All of this change has occurred against the back drop of the credit crunch and subsequent recession.

The main outcome has been a reduction in the benefit entitlements that low income households rely on in order to make ends meet. There have also been significant changes to how benefits are paid – moving from weekly to monthly payments and the introduction of more punitive sanctions. Given the scale and importance of these changes, it is crucial that there is an effective safety net of crisis support for when things go wrong or households struggle to adjust to their new circumstances.

Against this context of increasing risks of many household facing higher levels of financial precariousness, it is concerning that the reform of the Social Fund appears to have resulted in a reduced amount of support for low income families in financial crisis available through the State, with expanding voluntary sector provision is attempting to meet the need.

As the evidence from the National Audit Office shows, because the funding for LWA is not ring-fenced, local authorities are torn between providing local crisis support provision using the limited funding that has been made available for this, and using the money to support all the other local priorities that they have. This includes the need to meet local statutory commitments they have no alternative but to deliver.

This context sets the backdrop for the experiences of the crisis provision services in the seven local authority areas we explored in detail for this report.

Section Two – The causes of crisis

In developing this report, we wanted to understand how well the new systems of support that have been established since the localisation of the Social Fund are working in practice, and whether people in crisis are getting the support they need.

It is important to ground this research in the needs of individuals and families directly affected by these changes. For this reason, we asked professionals in each of the case study areas about their experience of working with people in crisis, the most common reasons for people presenting in crisis, and any emerging trends that they were noticing at the time of the interviews.

Our 42 stakeholder organisations identified a wide range of factors that were contributing to the crises that many of their clients were experiencing. Although we discuss each of these issues separately, people were typically facing multiple issues that contributed to the crisis they were in. One of these may be the presenting issue or the trigger that tips people into crisis, but it is usually combined with, or compounded by, other factors.

Benefits

Problems with the benefits system were the most frequently cited cause of crisis in all the case study areas and across all the types of organisation we interviewed. Of the individual reasons listed on food bank vouchers, ‘benefit delays’ and ‘benefit changes’ together consistently account for the majority of referrals at the food banks we visited. Benefit problems were also the primary reason cited by advice agencies and local welfare schemes.³¹

Disability benefits

When asked what specific benefits issues were leading people into crisis, changes to disability benefits were top of most people’s list. Participants gave many examples of how the system was failing people in different ways. These examples included poor communication, protracted delays, unfair decisions, and insensitive or even negligent treatment of claimants by DWP staff and sub-contractors.

We were told repeatedly that the process for assessing entitlement to disability benefits was not working at all well for people with mental health problems, who have to ‘bend’ the criteria to fit their condition. As a result, many claimants are turned down at first and have to go through the long and stressful appeals process. The majority of decisions that go to tribunal are overturned, but in the meantime people have to cope on a much reduced income for extended periods.

A director of a large advice centre in Area Five said that three-quarters of their benefits-related work is to do with ESA and PIP. She highlighted a number of specific problems that they have come across repeatedly in supporting clients through the appeals process:

- Many issues with mandatory reconsideration for ESA, which is typically taking an extended period of time – yet decisions are rarely overturned, even with medical evidence.
- ESA awards are not automatically being re-instated once people have appealed to the tribunal (as should happen) probably down to poor administration.

- Quite a lot of GPs are now charging between £50–90 for medical evidence to support these claims, and this cost can no longer be covered by legal aid.

One local welfare scheme manager told us Mandatory Reconsiderations are not working:

‘So many people whose ESA has been stopped, their MR refused and then they win on appeal and their ESA is re-instated. We see that time and time again. They are still making so many bad decisions.’ (Local Authority, Area Five)

The manager of a debt advice service in Area Six was even more damning in her assessment of the process, having personally witnessed cases where the reports of the medical assessment contained significant errors, contradictions or unreasonable assertions:

‘I took one of our clients to her assessment, and she walked from the car to the assessment centre leaning heavily on me. And the report said that “I’ve watched this person walk 20 metres arm in arm with her friend, so I conclude that she can walk 200 metres...” The stupid thing is that we almost always win at tribunal, so it’s just costing a lot more to get to the same decision. In the meantime, people have to borrow money or make regular visits to the food bank, or live off the kindness of family and friends – but not everyone has that resource.’ (Advice Service, Area Six)

Benefit cap

Respondents in some of the case study areas highlighted the emerging impact of the benefit cap, which was lowered substantially in the November prior to the interviews taking place – from a maximum overall entitlement of £26,000 a year to £23,000 in London and £20,000 elsewhere (including housing benefit). The benefit cap is a particular issue in areas with relatively high private rents and a shortage of cheaper social housing.

In Area One, the advice centre had noticed an increase in the number of clients affected by the lowered benefit cap:

‘While it may be housing benefit being cut, if a family wants to keep their home, they have to make [the rent] up and the only way they can do so is through their tax credits and income support, leaving them with less money for essentials. While the argument is that they should move somewhere more affordable, it is very difficult to find rented accommodation, let alone at a lower cost. So, while the cap is not supposed to affect the money that is available, it does.’ (Advice Service, Area One)

The manager of a community centre in Area Five also remarked that they were seeing more people affected by the benefit cap than in previous years. This may also explain, at least in part, why the central food bank in the same area was seeing a steady increase in the number of families with children using the food bank as the caps often affects families with children.

In some areas, the impact of the benefit cap has been mitigated by Discretionary Housing Payments (DHPs), which local authorities can use to help families to plug the gap, at least temporarily. However, one interviewee warned that DHP allocations from central government may be cut in future years, which will trigger more emergencies for people.

Amy's story

Amy is a single mum with three children. After a period of living in a different country, Amy returned to England to find herself in a difficult financial situation. Not only did she have to contend with increased rent, she is subject to the Benefit Cap after giving birth to her third child whilst away. Amy has never found herself in this financial situation before as she has always worked, but she is now unable to work due to the need to care for her youngest child (as she cannot afford childcare costs). Amy did not know what to do or who to turn to for support.

Lucy, a support worker from the local council, recognised that Amy was struggling financially and got in touch to provide the support that Amy needed. Lucy helped her to apply for Discretionary Housing Payments to make up the shortfall between her benefits and rent. Lucy also gave Amy food bank vouchers, vouchers for gas and electricity, and applied for a voucher from a local charity to buy a new tumble dryer.

Amy is still struggling financially and worries what will happen if she is not awarded Discretionary Housing Payment again. It has put a big strain on Amy, but Lucy has been an important source of support and Amy recognises that without Lucy she would not have known what support was available.

Change of circumstances

Benefit entitlements are linked to people's circumstances, including where they live, who they are living with, and how much they or their partner is earning. Changes in any of these variables – for example due to relationship breakdown, job loss, or fluctuating earnings – means that a person's benefits may need to be recalculated or they may need to claim a different benefit or transfer a benefit into a different name. All of this can lead to their benefits being stopped, delayed, under-paid or over-paid (which can cause subsequent problems when the DWP or the council seeks to recoup this money).

Several respondents highlighted problems around the process related to changes of circumstances, due to people not always knowing when to notify the authorities of a change in circumstances, not understanding or not responding to official letters, and/or maladministration on the part of the DWP: *'Changes in circumstances is increasingly presenting problems. Indeed, in the past few months it is the main reason people sought our help.'* (Food bank, Area One)

'People's circumstances have changed, and there's been a delay or they didn't understand a letter from the DWP/HMRC. We're talking about chaotic families, where for example the children have moved in with dad for a few months or moved back and forth, and then he decided he could claim benefits for them, those sorts of situations...' (Children's charity, Area Five)

'There's a problem with tax credits where there's been an overpayment in the past and they can be thousands of pounds in debt. This is sometimes due to a misunderstanding about when they need to inform HMRC about a change in circumstances.' (Advice Centre, Area Four)

Two other interviewees talked about the impact on lone parents when their children leave home and they lose their entitlement to child benefit and child tax credits, which is one of their main sources of income. Many people are living in or close to poverty much of the time

with no financial buffer to protect them, so it may only take a small change in their circumstances (such as a child leaving home), to tip them over the edge.

Universal Credit

In most of the case study areas, Universal Credit (UC) had not yet been rolled out to all new claimants, so the organisations we spoke to only had limited direct experience of people affected by it. Nonetheless there were already some emerging problems with UC, mainly affecting single people, due to the extended waiting period and the treatment of self-employed claimants. One of the local outreach advice workers said that most of the clients who come to see her about UC are already seven or eight weeks in rent arrears, because of the waiting period and because they start off from being in a position of debt: *'It's now routine if someone is waiting for a UC payment to give them food vouchers.'* (Advice Centre, Area Four)

Both statutory and voluntary organisations were very concerned about the potential impact of UC when asked to anticipate any changes in the demand for crisis support. These centered around the waiting period, the ability of 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 the household, increasing the risk of financial abuse:

'You've got somebody who's probably been on a low income and hasn't been able to save, who suddenly loses their job, and it could be six weeks before they get Universal Credit. The second issue is that it's all online, which makes it difficult for some people to access. And the third issue is that people become responsible for their own housing costs.' (Advice Service, Area Four)

Many people move on to UC when there is a change of circumstances, such as the breakdown of a relationship or the onset of a disability. These may already be crisis points for families, and this is then exacerbated by waiting for a first payment or by cuts in entitlements.

The manager of one local welfare scheme said they were gearing up for a large increase in demand, based on the experience of a nearby authority, where applications for their crisis scheme had gone up from 50 to 300 a month. They were also expecting to see a wider mix of families affected by UC, which has only really impacted on single claimants to date. The Troubled Families programme in the same area were also anticipating a huge impact on local families in crisis.^d

The voluntary sector were even more pessimistic about the outlook under UC, viewing this as another major burden for them and their clients on top of an already pressured situation:

'I have this huge black cloud on the horizon, which is Universal Credit.' (Charity, Area Five)

Knowing their clients well, they had serious concerns about how they would cope with the transition to UC:

'Initially, I thought people were going to be better off, but then I realised that people are going to have strange things happening to them that they can't cope with, like the frequency of payments, being paid in a single sum, the online access...everything you can think of that would make lives difficult...it really is frightening.' (Charity, Area Six)

^d In response, the LWA scheme was planning to increase the number of applications allowed in any six-month period from one to two, and were looking at the possibility of a run-in-payment equivalent to 8 weeks of their Housing Benefit entitlement to cover families until they start receiving UC.

Other benefits issues

A number of other benefits-related issues came up less frequently or were given less emphasis in the interviews:

- **Sanctions:** There was a mixed picture on sanctions, with some respondents reporting a decline in the number of clients who had been sanctioned, whilst others had seen an increase. However, there continue to be quite a few individual stories of people being unfairly sanctioned.
- **Local Housing Allowance:** a small number of respondents said that the restriction in LHA rates was opening up a substantial (and widening) gap between private sector rents and housing benefit entitlements, which families were having to fill out of their other benefit income. Like the benefit cap, this is a particular problem in certain areas where there is a heavy reliance on the private rented sector. Unless the freeze in LHA rates is lifted it is likely to become a growing problem in the years ahead.

Poor administration

'Looking through our Evidence Forms, it isn't necessarily a specific benefit issue that is causing problems. It's more that people are finding that Jobcentres are not really dealing with them appropriately or that DWP is sending them letters that say different things, so they're confused. It's poor administration.' (Advice Service, Area Four)

This quote sums up one of the key problems identified in this research – that many of the crises facing people are the result of poor administration. This occurs both through unintentional flaws or errors in the administration of the system or a failure to take proper account of claimants' vulnerabilities, such as mental health problems, learning disabilities, and low levels of digital literacy.

The professionals we spoke to talked about different ways in which the administrative processes, or the ways they were delivered, were impacting negatively on their clients:

'I had a client recently who had been sanctioned for many months with learning difficulties. They kept sending him to Work Programmes where he was expected to do things online, even though they knew he couldn't use a computer. That stressed him out, so he would walk out, and then they would sanction him. He didn't fully understand why...We put two appeals in him for him and won both.' (Advice Service, Area Four)

'It feels like there has been a huge change in the system in the last few years. The interface (with the benefits system) is very robotic – no emotional engagement, no space for people to bring their own experience. You receive a letter today and a few days later you have to respond, and when you get five letters like this, it's very hard for families to keep up with this, and you're made to feel almost like a criminal, as if you are deliberately trying to abuse the system. And if you don't respond, your benefits are stopped.' (Family Support Project, Area Five)

'I can think of a case recently when he had the most explicit letter from the hospital, which could not have made it clearer how unwell the individual was and how the process was pushing this person closer to self-harm. We have also seen clients who are on very high

levels of morphine painkillers who have been given zero points on their ESA applications. It's so totally counter-productive to the recovery of individuals.' (Advice Service, Area Five)

The same adviser explained how clients' mental health is made much worse by the administrative hurdles they have to jump through. He highlighted the mismatch between NHS – who are doing their best to help people – and the DWP decision-making process, which is *'sometimes bewildering, slow, and at times almost criminally negligent.'* (Advice Service, Area Five)

In some cases, clients respond by “burying their head in the sand”. People are notified by letter, but don't always open it, or understand it, and the agency supporting them only finds out when their benefits are stopped. Navigating the complexity of the benefits system can be challenging for the most capable and resilient clients. For those who struggle with mental health problems, have learning disabilities or low levels of literacy and who lack the confidence or skills to complete the necessary paperwork, to engage effectively with Jobcentre staff or DWP helplines, or to access and enter the right information online, it can be totally overwhelming.

Debt

Statutory and voluntary organisations identified debt as an issue affecting many of their clients, and one that is often tied up with benefit issues. A Citizens Advice manager, who said that 38% of their enquiries concerned debt, explained that one of the main reasons why clients get into debt is that their benefits suddenly stop and they do not understand why. They see a lot of people who have run up credit card debt, accumulated rent arrears, or failed to pay water or electricity bills, as they are struggling to buy food for their family. As noted previously, the long waiting period for the first payment of Universal Credit was also pushing people into debt, or deeper into debt.

Some respondents linked the rise in the number of families in crisis in recent years to the growth in high-cost credit – Bright House, Perfect Homes, Wonga, Provident, and loan sharks. Several of the children's centres and family support projects identified personal debt as a major problem for their client group, with some families making heavy use of 'rent-to-own' companies.

Other respondents highlighted the rise in other forms of debt, including an increase in rent and council tax arrears. This issue is aggravated by unsympathetic debt collection policies:

'The council's debt collection practices are becoming more and more aggressive. Lots of councils are now going down the bankruptcy route. In one particular case they actually said it was to make an example to others, even though that person was going to lose her home.' (Advice Service, Area Five)

Debt is often part and parcel of getting by on a low income. Use of credit, juggling bills, and borrowing money from friends and relatives helps people to cope with unexpected changes in their income and expenses. But outstanding debts also create an additional drain on already tight budgets, pushing many families over the edge:

'(Parents often) say 'I am struggling' and just pour out their heart, and we just, bless them, absolutely fill their boots up with as much as we can give them. They are trying to pay their utility bills, their debts that are outstanding, their top up, their rent, their council tax, and (they) are left with nothing to feed themselves with.' (Food bank, Area One)

At the same time, debt problems were sometimes attributed to lack of budgeting skills or poor financial decisions, albeit understandable ones:

'The fact is sometimes you see people spending their money as a way to bring some sense of joy, some sense of happiness, something that can claw back a bit of positivity in their life by buying that TV or buying [those] trainers, or those clothes they really wanted.' (Food bank, Area One)

Debt issues are also strongly associated with mental ill health, highlighting again how so many of the issues that push people into financial crisis are interlinked. Being anxious or depressed can stop people dealing with their finances, so people get deeper into debt. A senior debt adviser in Area Four said they had a growing number of very vulnerable clients, often with lower levels of debt, but who were less able to manage this and needed more hand-holding than their other clients.

Mental health

In our interviews with voluntary and statutory organisations, mental health came up repeatedly as a significant and growing issue. But mental health was hardly mentioned by local welfare scheme managers, perhaps because it is often not the presenting issue and is harder to identify in a telephone call or online application.

Many respondents from food banks and advice agencies commented on the disproportionate number of people with mental health problems who were using their services. One food bank manager estimated that around a third of their clients have observable symptoms (anxious, agitated, compulsive, etc). Organisations are also seeing a growth in the number of severity of mental health problems in recent months or years:

'We're seeing a lot of people with mental health problems, especially people coming to us with housing problems, there is nearly always a mental health dimension. And what we've noticed with our debt clients is an increase in the last six months or so in the number of clients with severe mental health problems, like schizophrenia or bipolar disorder.' (Advice Service, Area Five)

Young men with mental health problems were identified as a group who were not getting the support they used to, and who struggled to obtain the medical evidence they needed to prove they were in priority need of housing, putting them at risk of homelessness.

Mental health problems are closely inter-linked with housing, debt and benefits issues, which between them can easily tip people into crisis:

'It's really circular, because being anxious and depressed can stop you dealing with your finances properly, so they become a problem, but also being in debt can make you depressed. We break into the cycle at different points, which is why it's helpful for both the debt advice and mental health services to be involved...It's a chicken and egg situation.' (Debt Advice Centre, Area Six)

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:

'Going through the tedious and humiliating process with the Jobcentre is very disempowering...I think the system has lost its humanity. The most resilient people are getting poor mental health, always tense, always worried. The least resilient are getting depressed, not wanting to see anyone, feeling ashamed of their condition.' (Family Support Project, Area Five)

When asked about gaps in local provision quite a few participants identified the need for more mental health care services: *'Lack of access to mental health support, especially ongoing support. It's always been a problem, but it's getting worse.'* (Advice Service, Area Five)

'Community mental health services are increasingly unavailable to provide support, particularly prompt or sustained support.' (Community Centre, Area Seven)

When asked about recent trends, many organisations commented on the rise in the number of people with mental health problems using their services, and who might previously have been receiving statutory support. They are finding their way to advice agencies and other organisations that are not really set up to be working with people with quite severe mental health problems.

In some cases, other statutory and voluntary organisations felt they were being intentionally relied upon to compensate for cuts in local mental health care services:

'I'm seeing people who have insignificant amounts of debt, because the community mental health service wants someone to keep an eye on them. They know if they don't refer them to us, then no one will monitor them in case their condition deteriorates.' (Debt Centre, Area Six)

Another respondent told us about an extreme example of someone who, due to staff turnover in the mental health team, ended up visiting two different food banks on 13 occasions, because their adult social worker was not documenting the information properly to get his benefits on track:

'All the mental health team did was to keep giving him food bank vouchers instead of dealing with the problems with his benefits. With mental health problems as severe as his, he could barely help himself, let alone deal with all the paperwork. In the end, a community nurse did eventually connect the dots, so that the client was able to get the housing support he needed.' (Food bank, Area Five)

One outcome of the reduction in mental health care services is that more people are experiencing repeated crises, because they are unable to manage when the initial support is removed:

'This is particularly the case where a parent has mental health issues, as the underlying health issues tend not to be dealt with, and if they relapse they forget the skills they have learnt.' (Family Support Service, Area One)

This underlines the importance of addressing people's underlying issues, including mental health problems, as well as their immediate presenting need.

Housing

Both statutory and voluntary sector organisations recognised that housing transitions were often a point of crisis. This could be for a variety of reasons including clients who had been offered new accommodation that was completely unfurnished. Voluntary organisations came across this frequently:

'There are lots of calls on the helpline from women who have moved and have no furniture. Women with children are being put into inappropriate temporary accommodation.' (Domestic Violence charity, Area Three)

'We had a mother and baby...she got offered a council flat and it was a complete empty shell. She had to accept it. I got a phone call from her (housing association) support worker, asking if we could help at all, as she had no way of heating up milk for her baby. I felt we had no option but to buy her a kettle, a microwave and a few other items.' (Food bank, Area Four)

Some housing issues are more localised. In three out of the seven case study areas, high and rising rents in the private sector and a shortage of social housing were seen to be a major problem:

'Rising rents, particularly in central London, and so we're going to see more people in rent arrears and more homelessness...Unless more affordable homes are built, people are going to be pushed out to outer London, affecting rents there. It's just a squeeze – increasing rents, wages aren't going up, food prices are rising and benefits are not.' (Advice Centre, Area Five)

An increasing reliance on the private rented sector is causing financial problems, because in many areas there is a gap opening up between rental levels and maximum housing benefit entitlements; this is leaving families to fill the gap from other benefits. In addition, tenants may have to pay substantial agency fees and/or may face higher utility bills because of the poor condition of many of these properties:

'We have a lot of rogue landlords in [Area One], the state of the properties, got a lot of damp, so a lot of their utilities are over and above what they should be paying.' (Local Authority, Area One)

Furthermore, private landlords are generally less sympathetic to tenants in rent arrears, and can quickly move to begin eviction proceedings. This is a concern under Universal Credit, which has a built-in waiting period of five weeks (the recent announcement of a housing benefit run-on payment of two weeks is welcome, but even where people are eligible, will still leave a three week gap before the first UC payment).

When asked about recent trends, quite a few respondents had observed an increase in actual or threatened homelessness in their areas, including a doubling of enquiries in the last year at one of the advice agencies in Area Four. The food bank in Area Seven reported an upsurge in street homelessness, including a young couple who were living in a waste bin and other clients sleeping rough in public toilets.

Jo's story

After escaping domestic violence, Jo and her three children had to move away to a new area. Jo approached the local council and was placed in temporary, sheltered accommodation. From the day Jo and her children moved into this accommodation, she was in rent arrears as rent is paid in advance. The accommodation was also poorly furnished with only a cooker and a fridge.

At the same time, Jo had to change her benefit claim from a joint to a single claim. This meant a five week wait where Jo had to survive on barely anything. She didn't eat during this time as her priority was to make sure her children were fed. Once the claim had been sorted, Jo then found out she would need to apply for Discretionary Housing Payments as she was affected by the benefit cap because of her third child.

Luckily, Jo has a strong support network in her family and her religious community. Her parents have been able to help financially, and helped to move her furniture into her new

place. Jo has accessed no other financial support, and none was offered by the local council. If it wasn't for her family and the support they provided, Jo recognises that she probably would have stayed in the abusive relationship as the prospect of having nothing was too daunting.

Low income

Nearly all of the food banks said they were seeing more people being referred due to 'low income'. This mirrors the increases shown in Trussell Trust statistics for use of their food banks across the country – with a rise from 20% of referrals with a 'low income' classification in 2013/14 to 28% in 2017/18. (The fastest growth being for the sub-category of 'Low income – benefits, not earning' i.e. people who are reliant on welfare benefits but whose circumstances at the time meant they were unable to afford food).³²

One participant, who worked for an advice agency expected this trend to become more pronounced, with the freeze in benefits until 2020 combining with higher-than-average inflation for low income groups to gradually erode living standards:

'Usually, there's an identifiable reason why someone is in crisis, but I think that over the next few years, we'll have people coming in for a food bank voucher, we'll check their benefits and they'll be getting everything they're entitled to, and they still can't cope.' (Advice Centre, Area Five)

Food banks and advice agencies have also noticed a significant rise in the number of clients who are in low-paid and insecure work and, as a result, are more likely to fall into crisis:

'Where years ago, it used to be people struggling with their benefits, we are now finding people who are on zero hours contracts, they're not earning enough. They're too embarrassed to ask, but as a last resort, they're forced to do it.' (Food bank, Area One)

'People are finding it really hard to get by on their income, even though they are getting the tax credits and benefits they are entitled to...If you've got an annual income of say £14,000 a year and you've got to support a child, and you've got childcare costs, and food prices are rising and rents are high, and benefits are inadequate...' (Advice Centre, Area Five)

'(Parents) are nearly all working, but in manual jobs on low pay and they get by, but it's very tight. People plod along, but it only takes one thing and then that affects everything else.' (Children's Centre, Area Four)

Our interviewees also reflected on how, combined with the lack of flexibility in the system to accommodate ongoing changes in claimants' circumstances (as discussed earlier in the report), people who were in insecure jobs or ones where their take-home pay could vary week-to-week were very vulnerable to financial crisis:

'One client who started a job with a delivery company had to borrow money to pay for the petrol. He was told he would be getting 85p per parcel, but when his first payment came through, he was only being paid 55p a parcel, which wasn't enough to live on.' (Debt Centre, Area Six)

This issue poses a challenge to local welfare schemes, which are premised on the assumption that people are facing a temporary and acute crisis for one of a number of specific and identifiable reasons. Inadequate benefits, low wages and insecure/inconsistent employment would not typically fit the schemes' criteria.

Other issues

A range of other factors were mentioned less frequently, or in less depth, as contributing to people being in crisis – usually alongside some of the other reasons already discussed:

- **Domestic violence:** This was mentioned by several of the respondents as a less common reason for people being in crisis, as well as by the two domestic violence charities that we interviewed. From when a victim leaves their partner, it can take up to eight weeks to sort out their benefits. Women may also be placed in inappropriate temporary accommodation without basic furniture or appliances. Many victims will require ongoing support with mental health issues, debt, and money management to prevent a future crisis.
- **Drug and alcohol abuse, relationship breakdown and job loss:** These were also often listed in interviews by respondents when asked about the causes of crisis, though with no further details provided.
- **Learning disabilities:** An advice agency in Area Four said they have had a spate of people with learning difficulties who, due to their disability, were unable to maintain the work-related activities prescribed by the Jobcentre. If people have learning disabilities or have difficulties with reading or communicating – and if staff are not properly trained to be aware of, and sensitive to, these issues – then miscommunication or misunderstandings can lead to their benefits being stopped.
- **Immigration – People with No Recourse to Public Funding (NRPF) and EU nationals:** When we asked about gaps in crisis provision, these groups were commonly identified by local authorities and other statutory and voluntary organisations. Until their immigration status is regularised, people with the NRPF condition are entitled to very little public support and are therefore at high risk of prolonged crisis. For EU nationals their problems were the result of being unable to demonstrate they have been working in the UK and are therefore prevented from claiming benefits under the ‘right to reside’ rules.

Summary

If we are going to provide proper support for people in financial crisis, it is crucial that we understand *why* they are in crisis. Understanding their needs helps to determine which services are required, how they should be connected, and the different skills that staff and volunteers will need to provide effective support.

The causes we have identified suggest that crisis support services will require a good understanding of the benefits system, or at least the ability to access good information and advice on behalf of their clients. Poor administration and the impact of recent welfare reforms were the headline themes in this chapter. It would be difficult to understate how often these themes arose during interviews and how closely they were seen to be linked with other issues.

The most striking of these issues concerned the mental health of those in crisis. Professionals and volunteers working with those in crisis need to be able to work sensitively, taking steps to reduce the strain on people’s mental health and (where necessary) know when and how to gain additional support for their clients.

Alongside knowledge of the benefits system and mental health, professionals and volunteers will need to be able to link people into debt and money advice services. They should also have some understanding of the local support available for those fleeing domestic violence

or who have no recourse to public funds, as well as how to support individuals to overcome digital exclusion.

Section Three – Exploring local provision of support

In this section we explore the support provided in the seven local authority areas. By understanding the trends within seven different local contexts we aim to draw out wider insights about what is happening nationally, and posit how we might reform these systems to respond more effectively to the complex needs outlined in Section One.

When the Social Fund was localised in 2013/14, local welfare assistance (LWA) schemes were meant to be the first port of call for people in financial crises who were not entitled to one of the national payment schemes (such as advance and hardship payments). Other crisis support services provided by the voluntary sector – including food banks – were supposed to be a last resort for those who did not qualify for LWA.

As discussed in the Section One, as well as meeting people's immediate needs (for food, furniture and other essentials), the localisation of welfare was intended to enable more joined up and preventative responses to crisis need, by making it easier to connect people to other local services (such as debt advice, budgeting skills, and family support). The theory was that a more comprehensive approach to addressing people's underlying needs would reduce the likelihood of repeated crises.

The practical reality in the areas we visited – all of which still have active local welfare assistance schemes – was rather different.

The first two parts of this section look at the role of central and local government in the provision of crisis support across the seven case study areas, before going on to explore the nature and scale of other, mostly voluntary sector, sources of crisis support. The final part considers how the different statutory and voluntary agencies interact and work together, or otherwise.

The role of national schemes

As we saw in Section One, there are still national mechanisms providing financial support for people in crisis, namely advance payments and short term benefit advances, budgeting advances and budgeting loans and hardship payments. These forms of support are available through the benefits system although, as we saw in Table Four, have significantly reduced since 2010.

When we asked about the support available for people in crisis, these national schemes were rarely mentioned, except by those who provided benefits advice (and often only when prompted).

When specifically asked about these payments, the sense was that DWP and Jobcentres were not doing enough to make claimants aware of them or explain how to apply, possibly because it created extra work or because Jobcentre staff themselves did not fully understand the rules:

'People don't know about advance payments, so they don't ask for them, because the Jobcentre don't volunteer the information...My experience is that the Jobcentre staff don't fully understand the rules themselves.' (Advice worker, Area Four)

The manager of one of the local welfare schemes said that they frequently see people who are referred to them by the Jobcentre for whom an advance payment or budgeting loan

would have been appropriate. She thought this was probably because Jobcentre staff were under a lot of pressure and didn't have time to listen to people's stories.

A local development officer said that you have *'to really know your stuff'* to be able to help clients to access hardship payments, budgeting loans or benefit advances. When they run training workshops with local organisations, they have a whole section on how to get money from the DWP, how to navigate the system, and how not to take 'no' for an answer.

Other interviewees felt that the fact that some of these payments were loans, not grants, was unhelpful to clients who were already in debt, postponing rather than solving their problem. The move from grants to loans for hardship payments under Universal Credit was seen to be problematic for this reason.

The DWP's own guidance document for Jobcentres states that staff should first consider if claimants who are experiencing a delay in their benefits are eligible for an advance payment, before considering a referral to the LWA scheme or alternative forms of crisis support.³³ However, respondents did not feel that this guidance was being followed consistently in practice. The use of short-term benefit advances varies widely between local authority areas,^e and participant's responses suggested that Jobcentre policies on food banks were also inconsistent; in some areas they were active referrers, whilst in others they were not.

Local Welfare Assistance schemes

We spoke to the managers responsible for administering the Local Welfare Assistance (LWA) scheme in six of the seven case study areas. As a result, we gained a significant insight into how these schemes were being run, the pressures on them, and their futures.

All the schemes we looked at mirrored the old Social Fund in offering two broad types of awards to people in crisis:

- Firstly, something like a **crisis award** for food, fuel and other essentials;
- Secondly, something like a **community care grant** for furniture, white goods, and other items needed to help people settle into new accommodation.

LWA schemes are severely constrained by funding, often relying on the underspend from central government allocations in the first two years after the localisation of schemes.³⁴ This was very much the case in the areas we explored and we have outlined the investments made in these schemes in Appendix A. In each case, funding was determined on an annual cycle, making it difficult to plan ahead or provide any certainty about future provision.

Several of the participants observed that a specific ringfenced Government for LWA schemes budgets would help to protect these schemes, as local authorities do not have the money to continue with anything that is neither funded by a ringfenced allocation, nor delivered because of a statutory requirement. When asked, the local authority officials we spoke to said they had received very little guidance (or interest) from central government concerning the operation of their LWA schemes.

^e Analysis of DWP data on STBAs by local authority (obtained through a Freedom of Information request) shows that STBA payments as a proportion of new JSA claims varied from less than 3% in some areas to over 10% in others (for the period covering from 1st February 2016 to 31st January 2017). Data is available from the authors on request.

The list of items on offer was similar across the different schemes: all provided some support for food, fuel, furniture, and white goods. In addition, some local schemes also covered other expenses, such as carpets and rent deposits. There was however variation in the level of support provided – both in the number and average value of awards as the table below shows.

Table 5: Comparing current LWA schemes in the seven case study areas, 2016/17*

	Crisis Award (or similar): average award amount	Community Care Grant (or similar): average award amount	Awards as % of applicants	No of awards per '000 pop.
Area One: Seaside	£40	£380	23%	2.6
Area Two: Small urban area	-	-	37%	0.7
Area Three: Large urban area	£40	£455	66%	6.2
Area Four: Mixed Area	£20	£75	94%	3.4
Area Five: London Borough	£55	£1,030	63%	4.5
Area Six: Rural area	£80	£720	65%	2.6
Area Seven: Mixed area	-	-	42%	2.8

*All figures rounded to the nearest £5

Source: Own analysis based on responses to Freedom of Information requests submitted in December 2017

All of the schemes apply quite restrictive eligibility criteria and a more or less rigorous application process in order to control demand to fit the limited resources available. As one of the scheme managers explained: *'When the local welfare scheme was opened in 2013/14, the council was concerned that they were going to be swamped by applicants, and so we devised a complicated scoring process to decide who would receive support.'* These restrictions have kept a lid on demand because they are stringent when considering applications: *'If people ring us up and say they want £100, we ask them what's happened, then people give up because they don't have a crisis that matches one of our criteria, they've just run out of money.'* (Local Authority, Area Five)

With limited exceptions, these schemes only offer in-kind support in the form of vouchers, pre-payment cards or household goods – and only for specified items. Scheme managers believe this has helped to reduce demand by deterring people who wanted cash to spend on what they like, but it has also reduced choice and flexibility. As one CAB adviser explained, people sometimes need cash, over and above vouchers for food and electric: *'That doesn't stop debt collectors coming to your door, it doesn't cover miscellaneous bits, like bus fares to the Jobcentre or nappies for toddlers, not babies. There is nothing financially available.'* (Advice Centre, Area Six)

Some of the local welfare schemes have become more restrictive over time, as budgets have been squeezed. In one of the case study areas, for example, the scheme has stopped providing washing machines and only offers table-top fridges and cookers, instead of full-size appliances. These adjustments seem to be primarily dictated by the level of funding available, rather than by the needs of applicants, although some of the schemes have been adapted to meet demand. For example, one authority has developed a package of support for ESA claimants who are appealing their decision through the mandatory reconsideration process and, whilst they make a claim for JSA, offering them two weekly payments of £40 to tide them over. Another authority is looking to relax the 'local connection criteria' (designed to ensure only local people can access the scheme) to include people who have recently moved to the area to escape domestic violence.

In two of the seven case study areas, the councils have moved from grants to loans for household appliances and furniture, in order to make the scheme more sustainable, in both cases working in partnership with local credit unions. Intentionally or otherwise, this has substantially reduced the number of awards and other local participants suggested that potential applicants were deterred at the prospect of a loan (many already had multiple forms of credit).

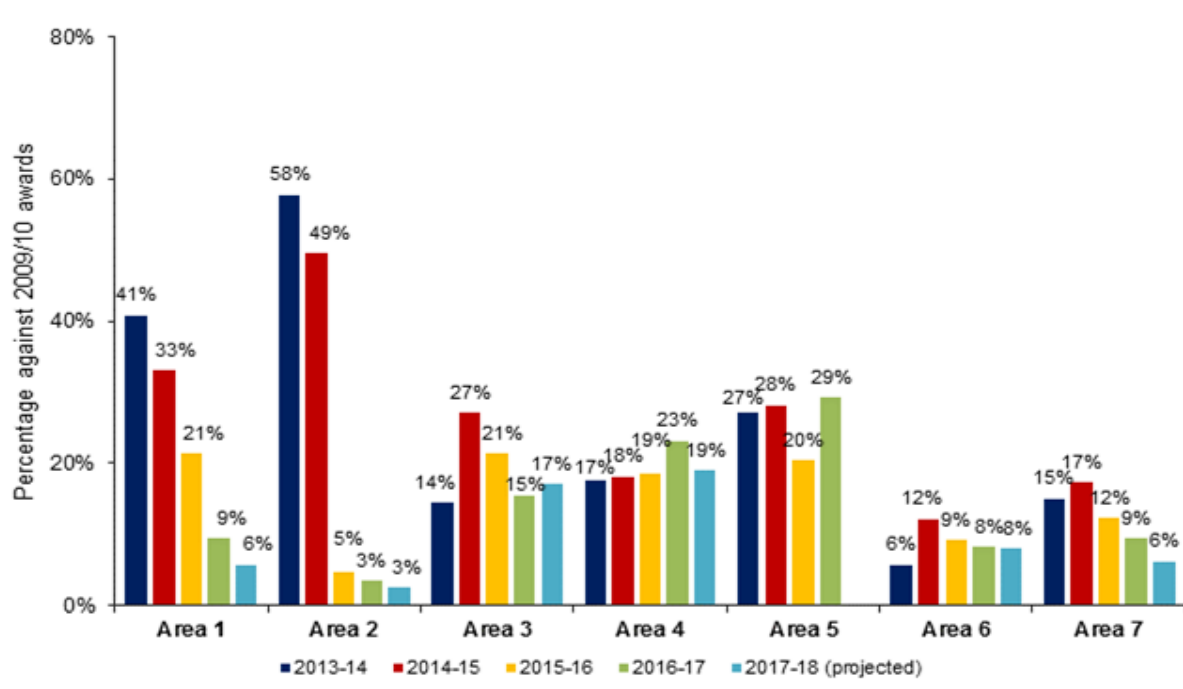
In one area, the council makes an initial decision and, if approved, passes the applicant on to the credit union to agree a repayment plan. If an agreement cannot be reached, their application is rejected and they are sent back to the council for support through a second hand provider. This process is lengthy and very few people negotiate it successfully. In 2016, only 476 applications for new goods were received via the council's website, and only four people obtained a loan. In another area, which introduced an interest-free loan scheme in 2016, only 12% of applications were granted in the first year of the new scheme. The most common reasons for loans not being granted were failure to provide information, withdrawn applications and lack of affordability.

This is not an inevitable consequence of a loan-based crisis scheme; after all, the take-up of crisis loans under the old Social Fund was high. But, *local* loans-based schemes are more cumbersome to administer, because they involve a third party credit provider and a separate loan approval process, given that repayments cannot be collected directly through deductions to people's benefits as happened under the Social Fund.

Some local welfare scheme managers talked about moving beyond meeting immediate needs to prevention through signposting applicants to other local organisations. One particular scheme saw its role in terms of acting as a single gateway into other voluntary and community services, actively signposting people to relevant services by telling them about activities available, and encouraging them to go along. However, there was little evidence that other local organisations viewed them in this way. Furthermore, there are questions about the quality and effectiveness of signposting that is done in a single phone call with clients who are in the midst of a crisis and whose priority is to secure some immediate help to get them through that crisis. Other local welfare schemes also talked about signposting applicants to other services, especially when applications were refused. But there was no follow up, and therefore no way of knowing if clients acted on the information and advice they received or what difference it made.

In all of the case study areas, the overall level of funding, and the number of applications and awards is substantially lower than for the equivalent components of the Social Fund. And in all but one of the areas, the number of awards is continuing to decline. Scheme managers attributed the reduction in support not to a reduction in demand, but to the move from cash awards to in-kind awards and, in some areas, from grants to loans – both of which they felt acted as a disincentive to potential applicants. Low levels of awareness, restrictive eligibility criteria, and onerous application processes are additional factors, which are discussed later.

Figure 3: 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 for the period 2009-2010 using data from DWP, 2011).

** 2017-18 data is not shown for Area 5, due to exceptional circumstances.

A number of local authorities had sought to coordinate spending on their LWA scheme with other discretionary payment schemes, including Discretionary Housing Payments (contributions towards housing costs) and Section 17 payments (for children). Some authorities have used their LWA budget to cross-subsidise their DHP budgets or vice-versa, whilst others have integrated the administration of different payment schemes. One of the schemes spoke about how they would often use DHPs instead of LWA in order to protect the LWA budget, but also because DHPs are more flexible: unlike LWA awards, DHPs are cash awards and so can be used directly to plug a temporary hole in a family's budget.

In a few areas, the LWA budget is not primarily being used to provide direct support to clients. In one particular area, for example, only £300,000 out of the total spending of £1.5m went on crisis and community care awards or their equivalent. The remainder was used to fund the council's employability scheme and a network of local area partnerships. In another of the case study areas, the majority of the LWA budget has been used to offer grants to local CAB offices and to cover the cost of running their helpline and signposting service, with only around £100,000 out of a total of £1m going on direct support to clients. Whether or not this is a good use of resources, it is clearly not a direct or immediate substitute for crisis or community care grants.

Some authorities are committed to their scheme and are still looking for ways in which they can respond to unmet or anticipated needs. However, the desire to provide a quality scheme is undermined by lack of funding. Councils recognised that there were gaps in provision and would like to offer more, but are constrained by staffing and budgets. In other cases, the schemes have been allowed to shrink to a fraction of their original size or have effectively been out-sourced to the voluntary sector with little interest or involvement from the local

authority, to the point where they are unlikely to be making a significant contribution to meeting local need.

None of the schemes were being actively promoted. In two of the areas, managers were open about their decision not to advertise their scheme widely: *'We have got to be very careful about how we advertise, because it's not a bottomless pit'* (Local Authority, Area Two). This may protect funds, but given the high turnover of volunteers and staff in other crisis support services, it also means that fewer people know about the schemes. One of the councils said they went out to community groups to tell them about the scheme and how to complete the online application when it was first launched in 2013, and assumed they would therefore still know about it. Other councils said they have information on their website and have distributed flyers or put adverts in local papers. However, the lesson from the London Borough of Islington (see Good Practice Case Study One below) is that you need to be proactive and persistent in publicising these schemes within different local authority teams and to other statutory and voluntary organisations (see Case Study One).

Good Practice Case Study One:

Islington's Resident Support Scheme (RSS)

The London Borough of Islington's local welfare assistance scheme is co-delivered by the Cripplegate Foundation (a large borough-wide charitable foundation) and Islington Borough Council. Most of the funding comes from the council, although the Foundation part funds the scheme's Development Officer and merged its individual grant scheme budget into the RSS as an outward demonstration of the commitment to joint working.

The RSS offers grants for furniture and white goods (up to a value of £1,000) and smaller crisis awards. There are no residency criteria and no limit on the number of applications for crisis awards, although the scheme only allows one application a year for household items.

Applications are assessed by the Council's RSS team, whilst Cripplegate is responsible for training and liaising with around 50 participating voluntary and statutory organisations who make referrals on behalf of their clients who are in crisis. Self-referrals are not permitted.

Unlike other schemes, there is a very proactive approach to publicising the scheme to referral agencies: *'If you don't do this, then demand starts to tail off. Staff changes undermine all of the training that you've done unless you keep repeating the training to get the word out there. Otherwise, it just falls off the agenda over time'* explained the Development Officer.

The Cripplegate Foundation is very well-positioned to play this role, because it has an excellent reputation in the Borough and good knowledge of local organisations, some of whom also receive funding from the Foundation.

The scheme is not promoted to the general public, because they want to target resources at those most in need, so their efforts are focused on raising awareness among community outreach services and other local advice agencies who have the best reach into the communities who need the support. Applications are monitored closely, by comparing their data with the Housing Benefit data to make sure that their clients are representative of the target population that they are trying to reach.

What is also different about this scheme is the additional section at the end of the application form, which enables a conversation with claimants about what additional support they might need. This can include benefits advice, support for carers, adult learning, help for people in fuel poverty or for those who are socially isolated: *'It almost never happens that someone just*

needs a washing machine or a fridge. There's always some underlying issue'. That referral then goes the relevant agency – a mix of around eight statutory and voluntary organisations – who contact the client directly (with their permission). This hands-on arrangement is more effective than signposting, which people often do not follow up.

'Our scheme would be nothing like it is if we hadn't been pushing, pushing, pushing. We are an agent of change within the scheme that is almost completely lacking from other schemes. Let's improve this, let's do that better. If you don't have that, then it's so easy for the local authority to slowly back off.'

Perceptions of Local Welfare Assistance Schemes

As well as speaking to scheme managers, we also sought the views of a range of other local organisations in both the statutory and voluntary sectors, including advice agencies, food banks, family support projects, children's centres, domestic violence charities, and community centres.

Awareness and understanding of local welfare assistance schemes was very low in all of the areas we visited, particularly among voluntary sector organisations. The majority of the stakeholders we spoke to had not heard of the scheme, or were only vaguely aware of it. Very few respondents mentioned it unprompted, although most were able to list a range of other organisations that offered help to people in crisis when asked what support was available locally.

Given that people are typically referred from other organisations to local welfare schemes it is concerning that so few organisations are aware of their existence. Not surprisingly, given the low levels of awareness among professionals and project staff, stakeholders felt public awareness of the schemes was also very low.

As noted, local authorities have not advertised their schemes widely, initially at least because they may have been concerned about generating demand that they were unable to meet. Having said that, scheme managers did not appear to realise just how little was known about their schemes.

Even organisations that are aware of their local scheme said they do not make much use of it for their clients, because it is generally easier and quicker to access other forms of crisis support, for reasons discussed later in this section.

Many interviewees were quite critical of their local scheme. We organised these criticisms around the following themes – poor user experiences, cuts and restrictions, outsourcing, lack of publicity, poor accessibility, digital exclusion and 'credit only' support.

- **Negative experiences:** In some cases, advisers had negative experiences in the past or received negative feedback from clients. One senior debt adviser, who no longer uses the scheme, said her own experiences of accessing support for her clients had been negative. One of her clients had a kitchen fire and needed to re-decorate the kitchen to stop the landlord from evicting her, but she was told that the scheme didn't cover redecoration work (although they did eventually replace some of the furniture which was damaged by the smoke).
- **Cuts and restrictions:** Some organisations expressed frustration at the lack of any cash support and other restrictions to their area's 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)

A domestic violence project used to rely on the local welfare scheme for furniture and white goods for their clients, but now the scheme only offers certain items, and so they have had to look to other charities for help instead. She also said there was a problem because you could not apply for support until you had already signed a tenancy agreement, so women had to move into empty homes before they could access the support they need.

- **Outsourcing:** An adviser in one of the other case study areas criticised the decision to outsource the administration of the scheme to a private contractor based in a different part of the country. One of the aims of localising welfare is to help address people's underlying issues by connecting them to local community-based services, but he said that this hasn't happened in practice: *'There is something contradictory about having a local welfare scheme when the core of the administration is run from the other side of the country.'* (Advice Centre, Area Five)
- **Lack of publicity:** The director of a pan-London advice agency criticised the lack of publicity given to LWA schemes. She also thought her benefits team would struggle to say who, and what, the scheme is for, compared with the Social Fund, when they could have easily listed the criteria. She said that when they have done training events with local voluntary groups, people were aware that the Social Fund had gone, but did not know that it had been replaced.

The manager of one food bank was not aware that the council had a crisis scheme of its own, even though she has good relationships with the council's floating support team and was well-connected to other local voluntary organisations through an extensive referral network.

- **Poor accessibility:** An advice outreach worker in one of the other areas said that she had tried applying to the local welfare scheme for a fuel voucher for one of her clients, but was put off by their onerous application process: *'They say they'll look into it, and then you have to wait 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 the nearest Paypoint to top up their credit. So, to be honest, it's a bit onerous, especially if the client hasn't got access to the internet, in which case they have to come back and collect a print-out from us.'* (Advice Service, Area Four)
- **Digital Exclusion:** In some areas a lack of internet access was also identified as a barrier to potential applicants, who may not have access to the internet or have the digital skills to complete the form online. Face-to-face support was the predominant mode of support for many of the organisations we surveyed, and was considered by many to be vital for certain client groups, including those with severe mental health problems, many of whom struggle with accessing phone or online services. Participants were frustrated that all national and local government support seemed to be going online: *'People are phoning lines where you get recorded messages (press '3' for this, etc) and you can't speak to anybody and you can't even login to your portal, because you don't have access to the internet or you're timed out. It's that context which tips a lot of people over the edge.'* (Advice Centre, Area Four)
- **'Credit only':** In one of the areas where they have moved from grants to interest free loans, interviewees questioned the scheme's effectiveness, saying it would not help the

families they worked with who could not afford to take on a new loan when many of them were already in debt and would be unlikely to take on further loans.

For these reasons, local welfare schemes were only being used by a handful of the organisations we spoke to, and were never cited as the first responder to clients facing a crisis. A small minority of organisations continue to use their local scheme but always alongside other forms of support.

Alternative sources of crisis support

In the absence of an effective and well-publicised local welfare scheme, other mostly voluntary organisations are having to piece 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. But, in some cases, voluntary sector organisations are working together to create a more joined up response to crisis needs in their area.

All of the statutory and voluntary organisations we spoke to had regular contact with people in crisis who cannot afford basic essentials such as food, fuel or furniture. This includes organisations (such as children's centres) which are not primarily there to help people in a financial crisis, but who seek to offer holistic support to their clients.

Many of these organisations directly provide support or help clients to access support from others. They are generally the first port of call for those in crisis because they may have pre-existing relationships with them, they are well known in the community and are known to have good links with other local organisations.

The range of items provided is wider than is available under LWA schemes, reflecting the varied needs of their clients. As well as food parcels, fuel vouchers, furniture and white goods, the list includes: clothing, mattresses, sanitary products, crockery, children's books and toys, cleaning products, travel vouchers, child safety equipment, birthday cakes and Christmas presents. It is difficult to see how local welfare schemes could meet such a broad range of needs without becoming unduly complex to administer, unless they were to offer cash awards; yet, these items are vital to help people create a home and a family life for them and their children.

Several organisations had their own supply of emergency food parcels, a small hardship fund that could be used to help clients in pressing need, or the ability to sign off small amounts of cash from their own budgets. This enabled them to meet these needs more quickly and assuredly than through trying to access support from the local welfare scheme, and also to respond more flexibly to the presenting need, which might not necessarily fit the council's criteria.

Most organisations also made frequent referrals to local food banks, which seemed to be widely used in preference to LWA schemes, even when food parcels were available under the latter. Again, the reasons given for this were ease of access, certainty of supply, stronger relationships, and greater awareness. As one outreach worker explained:

'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 Centre, Area Four).

There were some minor exceptions to this where, for example, the local welfare scheme was able to offer a delivery service for people who were home-bound.

Organisations frequently mentioned charitable trusts and foundations as another effective source of crisis support, especially for larger items such as cookers, fridges, or beds, of the kind that might otherwise be covered by a community care or resettlement grant from the local welfare scheme. Typically, these charitable grants can only be accessed via a referral organisation, but have a relatively straightforward application process and a high success rate, especially when the organisation has a long-standing relationship with the funder. These grants are generally more flexible than local welfare schemes too, provided the organisation can make a case for why a particular item is needed. However, many of these trusts are also very localised, only serving residents living in a particular town or area, and sometimes they have additional criteria restricting eligibility (for example to older people, or to people who have worked in a particular industry).

The Salvation Army and Red Cross were also mentioned by several respondents as a valued source of support, particularly for people with no recourse to public funds (NRPF) or who, for other reasons, were ineligible for other types of support.

What the organisations we spoke to seemed to value most is support that is easy and quick to access, and which is flexible. One adviser, in explaining why she regularly uses a particular charity, who provide grants of up to £500 for local residents in need (for white goods, rent deposits, and occasionally to pay off debts for people with mental health problems) said: *'They're really easy to deal with – we just fire off an email to them to say this is what's happened to the client, could we please have some money, and a few weeks later they send us a cheque. They never refuse, so I think they rely on our judgement.'* (Advice Centre, Area Four)

Good Practice Case Study Two:

We came across several promising initiatives during our research. One of the family projects trialed a scheme where they were allocated £5,000 for three years as a 'budget-holding lead professional', which they could use for crisis purchases for families, and to enhance a family plan in other ways. For example, they used part of the fund to buy an electric scooter for a child who had a very severe physical condition. It was the flexibility that made this different to other sources of funding, and which professionals valued most. This particular scheme was unfortunately stopped due to lack of funding, but the principle of devolving part of the LWA budget to local organisations is worth exploring further given the need for a certain amount of flexibility within the delivery of crisis support.

In another of the case study areas, one of the Citizens Advice offices had used local authority funding from the LWA budget to employ a dedicated Crisis Support Worker, who clients are referred to if they need urgent help (if, for example, a homeless person is struggling to find accommodation, or a family has had their benefits reduced quite drastically due the benefit cap). She can help clients make an application for a Discretionary Housing Payment (DHP), or apply for budgeting loans or charitable grants, as well as providing budgeting advice. Having one person specifically responsible for crisis support helps ensure that clients are made aware of the different types of crisis support available in the local area, rather than relying on the dispersed knowledge of generalist advisers.

Addressing underlying needs

In addition to meeting clients' immediate or presenting needs, most of the non-statutory organisations also offered or referred clients to other services to address underlying and/or long-standing issues, and hopefully reduce the risk of them experiencing another crisis.

By far the most common of these services were debt advice, benefits/welfare rights advice, and budgeting skills. Quite a few interviewees stressed the vital importance of face-to-face money advice for their clients, but said that local services had been cut or were under severe pressure.

Other services included: cookery courses, parenting support, employment skills, volunteering opportunities, personal mentoring, housing advice, children's holiday clubs, drug and alcohol services and financial education (eg promoting credit unions to reduce use of high-cost credit).

This wider support offer is enabled by the fact that many of these organisations have an ongoing relationship with their clients, unlike local welfare schemes. So, for example, children's centres have regular contact with parents of younger children through the other services they offer, and will often be the first places these families come to in a crisis. Similarly, family intervention programmes tend to work intensively with individuals or families over an extended period. This makes it easier to combine crisis support, where needed, with help to tackle other issues such as problem debt, mental ill-health, and/or parenting skills. One of the interviewees noted that, once the initial crisis had been resolved, clients might then return to take up the offer of some of the support services more focused on prevention. This sequencing of support requires repeated contact with clients over a period of time, rather than a one-off intervention.

Through their voucher system, Trussell Trust food banks are able to identify repeat clients who may require additional support. Where this system is working well, the food bank will work with referral agencies to try address any unresolved issues that may be driving repeat usage:

'(If we) see someone four or five times, then we get in touch with the referral agency and talk to the client to see if everything is alright. For example, we had a lady who said that her social worker wasn't listening to her, that her neighbours were being horrendous and she was really depressed. I was able to phone one of the floating support workers at [local service] who were able to give her more support. These are rare cases, but I think we're going to see this happening more and more. And we can do this now that we have these relationships.' (Food bank, Area Five)

As several food bank managers explained, the 'rule' limiting support to three food parcels in six months is a way of ensuring that referral partners do not keep sending the same people back to the food bank without trying to resolve any underlying problems. This rule is not strictly applied in cases where there is a genuine and ongoing need, for example where a client has no recourse to public funds or is experiencing an extended delay with their benefits claim.

This does not necessarily mean that clients' underlying problems are always resolved. Many of the food banks and other organisations we spoke to said that they regularly see the same

clients coming back for help, and that some families have become reliant on crisis support as part of their survival strategy. Some organisations attributed this to long-term, systemic poverty caused by the cumulative impact of welfare reform on low income families. Other organisations attributed it to underlying mental ill-health and other unresolved issues which make it more likely that people will find themselves in a crisis situation again.

When families face multiple issues (poor housing, debt, mental health, domestic abuse) they will keep presenting in crisis unless every issue is addressed – yet many services are not holistic. Responsibility for this has to some extent been devolved to food banks by default, because this is where many of these people end up as repeat clients when there is nowhere else to go.

For this reason, food banks are increasingly moving beyond the provision of food parcels alone, although the level and type of support provided by different food banks varies substantially across the case study areas. Some food banks were heavily focused on distributing food parcels and did little beyond informal signposting to the local Citizens Advice. Other food banks had a much more active signposting policy, where volunteers are encouraged to talk to clients and trained to ask questions in order to identify whether other services might be able to help them.

Managers of these food banks made efforts to find out about local services that might be relevant to their clients by attending networking meetings, keeping in regular contact with key referral agencies, and building close links with other partner organisations. Many of these food banks were also extending their offer beyond food, to include fuel vouchers and other essentials, such as sanitary products and baby items, as well as debt and budgeting advice, cookery courses, benefit health-checks and ESOL classes.

In one of the case study areas, debt and money advice services were co-located within three-quarters of the food bank distribution centres. Some of their centres also have computers and free internet access to enable clients to manage their benefit claims online. As the manager of this food bank network explained: *'Once someone is through the door, the more hooked up you can get them, the more likely they will get the help they can. The moment you send them away for help elsewhere, you get a huge drop off'* (Food bank, Area Six)

Other food banks were keen to expand their activities, but lacked the council's support, even though their teams made regular use of the food bank: *'We'd love to be part of a community hub, where we could have meeting rooms that could be let out, a community café, and a community fridge, as well as the food bank. But the council isn't interested.'* (Food bank, Area Four)

The scale of alternative provision

It was very difficult to quantify the overall scale of voluntary sector provision in the areas we examined. Much was dispensed in small pockets of support from a wide array of service providers, charitable trusts, and community groups – some cash, some in-kind.

The only readily available statistics are the number of food parcels distributed by Trussell Trust, which excludes the many independent food banks for which data is not easily obtained. The table below looks at the estimated number of food bank referrals in each of the case study areas and compares this to the number of crisis awards by the corresponding local welfare scheme.

Table 6: Comparing food bank referrals with local welfare assistance awards

	No. of Trussell Trust food bank referrals per month (2017/18)*	No. of LWA awards per month (2017/18)**
Area One: Seaside	150+***	20
Area Two: Small urban area	290	20
Area Three: Large urban area	2,230	640
Area Four: Mixed area	1,090	270
Area Five: London Borough	230	90****
Area Six: Rural area	810	110
Area Seven: Mixed area	800	180

*Based on statistics for all of the Trussell Trust food banks operating in these local authority areas, excluding additional provision by independent food banks. The total number of three-day emergency food supplies given to adults and children in crisis in 2017/18 is divided by 2.2 to obtain an estimate of number of households assisted, based on the average number of people fed per voucher. Figures are converted to a monthly average and rounded to the nearest 10.

** Based on responses to Freedom of Information requests submitted to each local authority in December 2017 (for 2017/18 to date). Figures are converted to a monthly average and rounded to the nearest 10.

***Based on the number of food packages distributed by the main charitable provider (not Trussell Trust) in 2015, according to an online source in October 2017. The charity has since closed due to lack of funding.

****This figure is for 2016/17, due to exceptional circumstances in 2017/18.

In all of the case study areas, the reach of food banks far exceeds that of the local welfare schemes. Whilst the two are not directly comparable in terms of the offering, this shows that food banks alone are reaching many more people in crisis than are being assisted by their LWA scheme. And this excludes all of the grants and non-food-related crisis support provided by food banks and by local charitable trusts and other voluntary organisations.

On this basis, it seems likely that the voluntary sector is already delivering the majority of crisis support, even in areas with active local welfare schemes. The key lesson is that crisis support has become reliant on a disparate network of organisations, many of whom do not have crisis provision as their key purpose. The support offered depends very much which service someone first accesses.

Gaps in provision

We also asked stakeholder organisations about any significant gaps in crisis provision. Some respondents identified specific *items* that were not provided by their LWA scheme, such as travel expenses, hygiene/sanitary products, and cleaning products. One of the limitations of offering in-kind support, as opposed to cash awards, is that it is difficult to provide for the full range of people's needs. One of the schemes compensated for this by offering additional food and fuel vouchers, freeing up resources for people to spend on essential travel costs. But this was the exception, rather than the rule.

Other than for small, exceptional awards, cash payments or loans are not generally available to people in crisis. Whilst credit unions offer low-cost loans to their members, they are unlikely to lend to people who are experiencing a financial crisis who are likely to fail their affordability checks. This leaves a big gap for people who would previously have used the Social Fund to help them manage a temporary cashflow problem. This group may now be

resorting to alternative, high-cost, lenders to meet this need, quite possibly exacerbating their financial problems.

Other respondents identified specific *groups of people* whose needs were not being adequately met under the current system, listed here in order of the frequency they were mentioned:

- **People with mental health problems:** As already noted, mental health problems came up frequently in discussion with a wide range of different organisations, including advice agencies, debt advice services, and children's centres. Many said that lack of access to mental healthcare was a real issue in their area, which in turn was increasing the risk of people falling in debt, becoming homeless, and falling foul of the benefits system.
- **People with No Recourse to Public Funding (NRPF):** Many respondents commented on the lack of support for refugees with NRPF, who are specifically excluded from LWA schemes. Some councils have special NRPF teams who can help, but the scale of support is minimal and is hard to access, even where children are involved.
- **Young people:** Young adults are disadvantaged in many ways by lower benefit rates and a lack of understanding and experience of the benefits system. It is assumed they will have family they can draw on, but this is not always the case. Several respondents said that young people with mental health problems are not getting the support they used to, and as a result, were at greater risk of homelessness. Two of the food bank managers specifically mentioned that they had seen a rise in the number of young people using their service.
- **Debt and money advice services:** Several respondents said there was a gap in reliable debt and financial advice in their area, due to rising demand and funding cuts. Lack of access to face-to-face advice was seen to be a particular problem, especially for more vulnerable clients.

Other gaps in provision mentioned less frequently include for people who lack digital skills and for whom English is not their first language, both of whom face additional barriers to accessing support, much of which is online. As one community project worker explained: *"Everything is done online – if you're in a situation where you can't afford gas and electricity, then the last thing you are going to do is worry about getting broadband."* (Community project, Area Three)

The advantages and disadvantages of voluntary crisis support

One of the potential benefits of crisis support being delivered by the voluntary sector is that they are able to be less judgmental in dealing with people in crisis, seeing their role as one of supporting clients through a difficult period in their lives, rather than of policing access to a limited pot of money. Food banks recognise that the system may be open to abuse by a small minority of clients, but are reluctant to put more barriers in the way in case it puts off people who really need their help: *'It's hard for people to ask for help, and if they ask for help and continually get turned down, it just makes them feel worse about themselves.'* (Food bank, Area Four)

In the voluntary sector the onus is not on the client to prove that they are genuinely in need, as it is with most LWA schemes. Instead, relationships with clients are built on trust, helped by the fact that these organisations typically have more face-to-face contact with their clients and, in many cases, an ongoing relationship with them:

'The brilliant thing about being in the voluntary sector is that we are able to say "yes" to people more than "no". People are surprised when they walk in and say we need help, and

we believe them. I think they're used to having to speak to this person, speak to that person, fill in a form. We make it quite easy to access. We're here to help people. When they leave us, they hopefully feel a bit more hopeful, because they've been listened to, and because we've given them time.' (Food bank, Area Four)

On the other hand, some interviewees pointed out four key dangers of the growing reliance on the voluntary sector to deliver crisis support:

- Firstly, volunteers are increasingly providing support that would previously have been delivered by professionals, increasing the risk that clients may receive poor advice or support (although there was no indication this was happening in our case study areas).
- Secondly, voluntary organisations are constrained by the number and capacity of volunteers, and by their ability to raise the ongoing funding required to maintain these services. In one of the areas, the main food bank and provider of crisis support closed down (citing overwhelming funding difficulties), the manager of a local advice provider was made redundant (due to funding cuts), and the local credit union that administered the loans for the local welfare scheme went into administration – all within a few months of conducting our interviews.
- Thirdly, and linked to this, the coverage of voluntary services is variable, and not necessarily correlated with local need. For example, in one of the case study areas the city centre is well-served, but there is not enough support in the surrounding areas. The voluntary sector is still very fragmented in many areas, and without strong leadership and greater coordination at a local authority level, access to crisis support can become highly localised and dependent on where you live and which organisations you come into contact with.
- Fourthly, there is a fundamental question about whether it is appropriate for people to rely on voluntary provision for basic essentials, such as food and fuel, and whether it is acceptable for national and local government to delegate responsibility for meeting such basic needs.

Two food bank managers expressed concerns about the council becoming over reliant on their services: *'I don't want them to use us instead of providing a service that they could provide. We're not here to do what they should be doing, we're here as an addition.'* The same food bank manager gave a specific example to illustrate the dilemma she faces:

'I've had people from the council's temporary housing team ringing me up to see if I can buy pots, pans, cutlery and cleaning products, because they don't have any funding of their own. This happens regularly. We can't help them all, but then how do we decide who we do help?' (Food bank, Area Four).

Working together to create local systems of crisis support

Having examined the different statutory and voluntary forms of crisis support available in the case study areas, it is important to consider how this is all working together as a whole, in creating local systems of support for people in crisis. This raises questions about the appropriate roles and responsibilities of councils and other statutory and voluntary organisations, and around the need for stronger leadership and better coordination of services.

In the main, participants had a similar diagnosis of the situation: the state had retreated from the provision of crisis support, and the voluntary sector had responded by trying to fill the gaps within the constraints it faced. This diagnosis meant there was now a certain level of discomfort as to whether, by picking up the pieces, the voluntary sector was aiding or colluding in the state's retreat. There was not a consensus, however, among our stakeholders as to how the voluntary sector should best adapt to this changing landscape.

Many organisations felt that the relationship between the local authority and the voluntary sector was one-sided, and that, for example: *'the council want support from the voluntary sector but don't provide support back'* (Community Project, Area Three). These participants talked about the need for genuine partnership and for the local authority to lead the response and also play an active role in the delivery of support.

Others felt a different approach was needed. A minority felt the shift towards the community and voluntary sector was the right one because it would be more sustainable in the long term and would encourage those in crisis to do more to improve their circumstances: *'Are you trying to stop this happening again, setting up your networks in the community? Although what's now available (for people in crisis) may be less, it's the community stuff that people will get through coming to us, rather than the DWP. That's a benefit. (Our clients) won't necessarily see it like that, but longer-term it should be more sustainable, more positive for them'* (Local welfare assistance scheme, Area Four).

There were also participants who, despite misgivings about the retreat of the state in this area, felt that organisations like theirs should be more in control of their future. This desire to play a more strategic role is understandable, given the scale of support already being provided by some of the larger voluntary organisations.

It was clear in our research that the voluntary and community sector has a lot to offer in terms of support. But, given that benefit problems were seen as one of the main causes of crisis – and that a more prevention-focused approach requires the engagement of local authority services – it seems unlikely that the voluntary sector alone can solve all of these problems. Whilst both the voluntary and statutory sectors have an important role to play in developing a more coherent crisis support system, better coordination and stronger leadership are key to making this a reality.

Coordination of provision

Formal organised partnerships were seen to be vital to the coordination of crisis provision. They help avoid the fragmentation and duplication of services, and allow for more holistic approaches to crisis support. But effective coordination takes time and effort, and requires strong leadership.

The extent of collaborative working within the voluntary sector varied widely between the case study areas, but was generally felt to be increasing. One of the drivers for the increase in networking is the reduction in funding, which is forcing organisations to work more closely together. Another factor is the withdrawal of the local authority from this role, with the voluntary sector stepping up in some areas to fill this gap. Having a concentrated geography and a small number of major agencies in the area facilitates this process, and vice-versa.

Well-organised networks (where they existed) were seen as an invaluable means of sharing information, improving referral pathways, and minimising duplication: *'The third sector is pretty fragmented, anything that helps coordinate that support is helpful.'* (Food bank, Area Six)

'The purpose of the (Area Six) Advice Partnership is to minimize duplication and improve referrals between agencies. We are now more aware of the other services available locally. In that sense, the safety net is working better.' (Advice Centre, Area Six)

And, where these networks are lacking their absence was keenly felt:

'I would prefer if we could communicate better with other local agencies. There's probably stuff I'm missing. I wish there was some kind of local directory with information on other local services. I know about the (name) Team, I know about the (other name) Team, but I didn't know about the local welfare assistance, why didn't I know about that?' (Food bank, Area Five)

Where organisations were not part of formal networks, they often developed their own informal partnerships with other local providers across both the statutory and voluntary sectors. There is evidence of extensive referral networks among the organisations we visited. Respondents said they were most likely to signpost or refer a client to another service provider if they perceived that their needs would be met quickly. Organisations that were flexible, perhaps not requiring further client assessments, but relying on the word of the referring organisation, were valued highly.

Some parts of the statutory sector, including children's centres and family support programmes, seem to be better connected with other community-based services than other parts of the statutory sector, which are often seen to be working in silos with tightly defined remits.

Most LWA teams appear to be largely disconnected from other crisis support networks. This was still the case in one of the case study areas (Area Four), where responsibility for delivering the local welfare scheme had been sub-contracted to a voluntary sector organisation, but where the association with the council appeared to bring with it a generally negative view of the scheme. In Area One, where there were regular 'network meetings' for key local crisis support providers, it was telling that no representative from the council's LWA scheme attended. In Area Two, the council scheme intentionally keeps its distance, so whilst it will signpost people to other private sector or voluntary organisations, it does not want to be seen to be promoting them:

'We have to make it clear that we don't have a partnership with those organisations. We're just saying that these organisations may be able to assist you further.' (Local Authority, Area Three)

Where it was working effectively collaborative working was based on the development of good relationships: knowing the person they are working with or referring to was deemed to be important in choosing which support route to go down. However, the constant re-structuring and high turnover of staff in some council teams made it very difficult for the voluntary sector to maintain good working relations and build effective referral networks. This also made it confusing for clients and hard for them to access the support they need:

'I don't think the system is working very well. There are so many different departments that could help people, but the turnover of people is crazy. There could be a team of five people at a local agency and they're on our books (as named referrers to the food bank) and I'll call them after a year, and it will be "this person left eight months ago, that person left five months ago" or the whole team has gone. As a client, there are so many different places they're told to go, some still exist, some don't, and it gets very confusing and they get really frustrated.' (Food bank, Area Six)

Effective collaboration takes time and effort, including investing time to meet regularly with senior staff across different organisations and embedding internal policies and systems to ensure that information is disseminated widely to staff and volunteers. As teams and organisations are re-structured and staff move on, it is a continual and painstaking process to develop all of these relationships.

In some cases, collaboration went beyond networking and knowledge sharing to include efforts to coordinate or co-locate services, and in one particular case, the development of an online referral portal (see Case Study Three).

Good Practice Case Study Three:

County-wide network and online referral portal

Starting out as a county-wide network of voluntary and council-run services to share information and organise joint training events, this partnership has recently set up an online portal to enable frontline staff in the member organisations to cross-refer clients to other organisations in the network (with the permission of the client).

For example, the Citizens Advice could help a client with the initial stages of appealing an ESA or PIP decision, but then – via the online portal – pass it on to a welfare rights organisation to support the client if the case then goes to tribunal. This partnership helps to ensure that clients are more likely to get specialised support, especially when they have multiple needs that are not easily met by any single organisation.

Information on clients is collected by the first organisation to come into contact with them and shared directly with other referral organisations. These other organisations receive an email alert and then have a responsibility to make contact the client within 24 to 48 hours, rather than relying on the client to make contact with them: 'It makes the business of signposting a two-way process, and not dependent on the client doing the leg work'.

The portal is designed to operate under a 'no wrong door' policy, so that clients receive the help they need regardless of where they enter the system, and do not get passed from 'pillar to post'. As well as reducing drop-off, this approach ensures that clients do not have to keep repeating their 'story' each time, and also helps referral agencies to track the progress of their clients who have been signposted on to other organisations.

To join the network, organisations have to provide a short description of the services they offer, which is added to the service directory, and commit to a simple service level agreement setting out their responsibilities under the scheme.

All of the organisations we spoke to in this area were extremely positive about the portal: *'We can make each other stronger, show our worth, and the client gets the best outcome... It's that simple, I wonder why it's never been done before.'*

Whilst it is encouraging to see a growth in voluntary sector collaboration in at least some of the case study areas, it is concerning that local authorities – and LWA schemes in particular – are not generally integrated into these networks, let alone taking the lead in deepening and extending them.

Leadership in crisis provision

Leadership was a key theme in our interviews. Most services can be improved through tighter coordination, the testing of innovative ideas and increased collaboration but, starting from what we observed in the seven areas, it will take long term leadership to bring together diverse and fragmented services into a cohesive system.

However, 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, who in turn are increasingly looking to the voluntary sector, and to individuals themselves, to meet this need.

As a result, most stakeholders felt that leadership was lacking: *'I don't think there is any real leadership across the sector to pull it all together...I suspect that there is a lot of duplication and that clients are going from one organisation to another'* (Community Project, Area Two).

Whilst stakeholders recognized the need for community and voluntary sector actors to work more closely together and to be leaders in their own right, it was clear that the missing piece of the puzzle was local democratic leadership. There was a sense that local authorities had abdicated responsibility because they needed to save more money as a result of austerity.

Some organisations see this as an opportunity for the voluntary sector to lead and take the initiative to set up new networks and deliver new services: *'The third sector needs to be in charge of its own destiny, to be entrepreneurial, and not be dictated to by the council.'* (Food bank, Area Six)

Other voluntary organisations were wary about meeting a need that they felt should be met by the council, and were looking for stronger leadership from both local and central government:

'At the moment, (the council) are coming to us and expecting us to lead in areas and lead change, but I think we need stronger leadership from them.' (Community project, Area Two)

'There's more and more emphasis on the support offered by the voluntary sector; they're the ones who are doing the work, doing the research. Are the Government doing that? Are the local authority doing that? I haven't seen that.' (Children's Centre, Area Four)

In Area Three where there was a lack of leadership, voluntary organisations told us that they did not have the capacity to take a lead role in coordinating services, even though they recognised that this may be leading to duplication and clients being sent from one organisation to another. There was also a fear that if the voluntary sector did take the initiative, then the local authority would seize on this, saying: *'what a fantastic job you are all doing there, we don't need to do that, well done, there is no need to fund that.'* (Community Organisation, Area Three)

Charities, faced with constrained resources and a moral imperative to put as much money towards the frontline as they can, could benefit from generous local authority leadership, assisting a wide range of agencies to better support those in financial crisis.

Good Practice Case Study Four

North Lanarkshire's Referral Gateway

The North Lanarkshire Referral Gateway demonstrates how strong leadership and a relatively small additional investment by the local authority can successfully reverse the decline in local welfare assistance and improve the quality of support for people in crisis.

North Lanarkshire Council's Financial Inclusion team established the Referral Gateway around two years ago, in response to the growing use of local food banks. They were frustrated that referral agencies were sending people to food banks, rather than using the local authority-administered Scottish Welfare Fund, even though this was supposed to be the first port of call for people in crisis. They were particularly concerned that, as a result, people were not receiving the additional support they needed, including benefits advice to maximise their income.

The council organised a series of meetings with local referral agencies in the statutory and voluntary sectors, including Basics Food Bank, the largest independent food bank in the area. They asked agencies to direct everyone to the local authority's scheme in the first instance, and that only those who were not eligible for support would be referred on to the food bank (including, for example, those with no recourse to public funding).

At first, other organisations were quite resistant to change, worried that the Scottish Welfare Fund would not be able to cope with the extra demand and that it would take longer for people to get the help they needed. In response to these concerns, the local authority put extra resources into administering the scheme in order to handle enquiries more quickly and offer a more person-centered service, overcoming some of the stigma around accessing council support. They also trained staff on the helpline to identify the root causes of people's crisis more effectively, so that they could be referred on for benefits, housing, debt or other advice, much of which was co-located within the council's financial inclusion team.

Efforts have also been made to publicise the scheme more widely to potential referrers, some of whom were not aware of the support available through the Scottish Welfare Fund. Whilst the local authority has a responsibility to take the lead and offer the best possible service for people in crisis, it was recognised that voluntary organisations also have a responsibility to find out what support is available, rather than resorting to food banks as the "easy option".

Basics food bank and most other local organisations have responded very positively to the initiative and now work closely with the local authority. Use of the food bank has declined by 22% in the last two years, bucking the trend in food banks across the rest of the country.

Summary

The systems of crisis support in the seven case study areas were complex and there were examples of good and bad practice. In some areas, different services were atomised and, as a result, did not always interact and work well with other local services. In other areas, new approaches were being tried utilising technology, dispersed budgets and strong referral pathways. Ultimately though, there is a postcode lottery and people in one area are likely to receive very different support compared to those in another.

Section Four – Families’ experiences

Thus far this report has focused on understanding crisis provision as it currently exists in seven different local authority areas across England. We have examined the types of crises that drive households to seek support. We have also examined the range of local services – statutory, voluntary and community – that seek to support households in crisis.

To explore the systems of support and why people are using them we have focused on the data gathered through interviews with professional stakeholders working in the statutory, voluntary and community sectors. In this final section, we consider more fully the experiences of families seeking support. We interviewed seven parents who all sought help from services because of a financial crisis in their family. This is only a small sample and as such, we only draw limited lessons from the data. We present here a small selection of the most powerful themes that emerged.

The presence of children in these families was a factor that was consistent across all the interviews and upon exploration provided some useful insights into how children respond to crises and how they affect them, and their relationship with their parent/carer. We also explore what good support and bad support looks like, with a particular emphasis on different parts of a family’s journey into, through and out of, crisis support.

Taken together, these observations about families in crisis and the distinct journey stages identified allow us to centre the needs and experiences of those who have used crisis support themselves. It allows us, in our conclusions, to ensure we do not solely emphasise the needs of the system and its professionals, to the detriment of a focus on those reliant on the system for help.

What does ‘good’ look like?

Some families we spoke to received support that was of high quality and really helped them to recover from the financial crisis they were facing. It could be the result of our sample, but the hallmark of quality support across the interviews was the availability of a dedicated support worker who built a relationship with the family and helped them throughout the crisis and its aftermath.

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: *‘She came out to see me and put me on the right road of how to apply for housing, any benefits I was entitled to and support’*.

Alongside the proactive nature of the support it was also clear that those supporting families quickly built trusting relationships with the families. One parent told us that the housing officer they met with was: *‘the only one who has really listened to me’*. As we shall see in the next section, this was not something those who received poor support experienced.

Beyond the trusted relationship and support on offer we identified two kinds of support families found particularly valuable. The first, was help with the often long, and complicated, forms that families had to fill out to access additional support. One parent said of her support worker: *‘she is always there through every application or anything I need, she makes an appointment for me to go to her and she sits and she talks and she*

goes through everything with me.’ And another felt that: ‘If I had to do it by myself, I wouldn’t know where to start.’

The second kind of support families really appreciated was the ‘aftercare’ that support workers provided. In the months following the crisis the support worker would often ‘check in’ to see how they were, or be in contact on special occasions or important dates. For example, one support worker provided small gift hampers at Christmas and chocolate eggs at Easter. The parents we spoke to found this safety net of support incredibly reassuring, saying things like: *‘She always rings me. Asking me how I am. If I need anything. She’s always been there for me. Which is lovely’*

‘It’s made me feel supported as I have someone there I can turn to if I have a problem.’

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.

There was some good support that was not linked to having a dedicated support worker. Some parents were lucky and even though they were not looking for help, it was offered because the professionals they were working with could see there was a problem: *‘I didn’t know anything about the budgeting loan until I was in the Jobcentre signing on, explaining to my adviser at the time what stress I was under’.*

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, it was their volunteering at the local children’s centre that taught them what kind of help was available and how they might apply. As we shall see however, many parents were unaware of what help was available highlighting just how important it is that support is well publicised.

What does ‘bad’ look like?

Unfortunately bad experiences seemed more common than good. When we reviewed the data we found that there were specific stages in the families' journeys to secure support that could be especially bad and so we have used these journey stages to present these bad experiences in a simple, linear, way. We focus on three stages – bouncing around, making a formal application and aftercare.

Bouncing Around

Most of the 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. It was *'a bit of a joke'* and often repetitive: *'I was asking, I had to ask a lot'*. When reflecting on their experiences many told us that: *'It's the initial getting the ball rolling I found hard'*. In the midst of crisis they wanted people to come to them and help them but their message for other families in similar situations was quite clear: *'You have got to get up and go. Go to citizen's advice, go to children's centres, make people aware that you are there. They are not going to come to you. You need to go to them'*. All the families were in contact with a statutory service – whether it was the Jobcentre, children's social care, health services, or their local authority housing department, but support was not proactively offered – families had to ask. Some parents could do this, but others struggled, as Linda and Mike's story demonstrates:

Linda and Mike's story

One day Linda and Mike's godchild, Casey, came to the door having been kicked out of her home. She was in her pajamas and had her schoolbag and school uniform with her. The police asked Linda and Mike if she could stay with them for the night and told them that social services would be in touch the following day to organise something more permanent for Casey. They obviously did not want Casey to be homeless for the night and so took her in but they were clear it could not be permanent and that it would place them under significant financial strain.

Every day for the rest of the week Linda would telephone social services to ask for help. She felt like she was passed around and ignored. Because Casey had a roof over her head and was safe, they did not seem to care.

Social care did suggest the food bank to Linda as a way to relieve the financial pressure, but they would not provide a referral voucher. Linda went to the food bank and they helped her identify some other referring agencies. Casey's school was on the list and Linda thought that given they knew about Casey's situation they would be the most likely to offer help.

Linda went to the school to ask for a voucher but the school had never given out a voucher. The first staff member Linda asked was not aware they could. It took her several tries to get the voucher. By the time they got the voucher Linda had spent all her money for the week on the energy pre-payment meter as all of Casey's clothes had been dirty and she had needed to wash and dry them all.

The case study highlights a number of problems. At worst social care was unwilling to provide support, at best they were signposting to the food bank. The school wanted to

help but they were not aware that they could. This uncertainty about what help could be offered was experienced by another parent: *'The Jobcentre said they would apply for more help but then they said they didn't do that anymore'*.

There were people who never seemed to get their foot in the door. One of the biggest barriers was a lack of knowledge. Comments like: *'I didn't know that those things really existed'* were matched with pleas to *'get the information that needs to be out there, out there. There is still a lot of information that isn't out there.'* Others, unsure of where to go turned to family members and friends to borrow money or for other support. Of course this was not an option for everyone and put significant strain on relationships with friends and family.

It is clear how these dynamics result in families feeling bounced around even if well-intentioned professionals think they are trying to signpost them to the right place.

Making a formal request for help

Going through the process of making formal applications for help – particularly for items like furniture, white goods, or low cost credit – was one of the major stages in the journey of our interviewees. It was often challenging. The following example, of how to apply for a fuel top-up from a LWA scheme demonstrates how convoluted applications could be:

'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 clients then got to come back and collect a print-out from us.' (Advice Centre, Area Four)

Whilst applying for crisis support through both the voluntary and statutory sector could be complex, on balance we found that the statutory sector was more difficult. Wayne (see case study below), told us about how difficult it was to access the LWA scheme: *'The application process was very frustrating. The first time I done it I failed. The second time I done it they told me I had to get things as they are priced in Argos... once I did that it took them ten days to reply and then five days to get the money.'*

Wayne's story

Wayne is a single father with two children, one of his daughter's has a significant learning disability. Over the years Wayne has asked for financial help a number of times. Many years ago he received a Community Care Grant. He has also accessed budgeting loans, crisis loans, and applied to charities and the local council for help with furniture and white goods.

Most recently Wayne had to apply for new furniture for the children's rooms. He applied to both the council scheme and a local charity. The application process for the council was 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 limits on what he could apply for through the local authority Wayne also approached a charity for help. They said they could help straightaway. This was a relief, but it still took some time to get the help he needed. The charity had applied for a small grant. He then had to go back to the first charity to get the acceptance letter and then take it to another charity to get the furniture he needed. It was a confusing process.

Wayne always tells his children when they are in financial difficulty or are applying for support. He finds this difficult but says it's the best way to cope as his children 'don't like it'

when they don't know. They got very excited when waiting to hear back on the application, which Wayne found stressful as he was worried they might not get it. Wayne finds it difficult because he often feels like he is failing them as a parent.

Alongside the practical struggles of getting an application made there were also significant emotional effects, as Wayne's story demonstrates. These were common. The wait for a decision on Discretionary Housing Payments gave one parent sleepless nights as she worried she would be rejected and end up being made homeless. Another parent, Donna, was asked to bring all her documentation and her children to the JobCentre to make the required changes to her claim after the family home was flooded. Donna felt the staff were not listening to her – she had lost many of the documents in the flood and bringing her youngest child, who has ADHD to the JobCentre would be extremely challenging.

Aftercare

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. Reviewing all our interviews it was clear that 'aftercare' was a significant issue.

It is, however, important to note that aftercare was not always wanted by the families we spoke to. There were a number of reasons for this. One was stigma. Walking into a food bank, or applying for support to buy basic essentials for children like beds were not necessarily things parents wanted to be regularly reminded about.

For others it was not the shame, but a belief in being self-reliant that made them determined not to draw on ongoing support. One mother, struggling after the breakdown of her relationship, felt the only person she could confide in was her GP. She recalled: *'I was trying my hardest not to go down that road [ie. to cope on her own] but then I got so depressed - my doctor said look you need to speak to somebody, you've got to... I had been trying just to do it all on my own'*.

Following a flood, Donna felt that the local authority had really let her down. Her child had been out of education for six months and the problems with her benefits had been extensive. Donna told us: *'I do want to make a complaint but I am so exhausted with it all'*. We asked her if she knew what steps she would take to make a formal complaint but she had not been told what her options were.

Some parents were critical of children's social care services and the support they provided. In their experience social services were too focused on the immediate physical safety of the child and did not do enough to support families' wider needs. When Linda and Mike took in their homeless godchild they felt that the attitude of children's services was *'she's got a bed so it's not a problem'* despite the significant amount of strain and financial pressure it put on them.

Kay had a similar experience after her husband attacked her. 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: *'I was asking, I had to ask a lot. I mean the social workers, they were quite reluctant [to give out food bank vouchers]'* despite the fact Kay had no food for her children to eat.

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.

Consequences of crisis

We found the presence of children in the household to have specific consequences for families. The way the crisis affected the children, the parents, and their relationships to each other, and their day-to-day routines was an especially strong set of themes. In many ways they are interlinked but we present them separately here for ease of narrative.

Practical difficulties related to children

Our interviews with parents identified a number of practical needs that families had to meet. The most obvious of these were increased food and energy costs. Families often tried hard to meet these needs above all others. One mother, who often struggled on a low income, told us: *'Don't get me wrong – I've got enough food for the kids – I always make sure I've got enough food in'*.

Energy bills also posed problems at times. When Linda and Mike took Casey into their home all Casey's clothes were 'rotten'. Linda spent all night washing them, but without any outside space, she had to dry everything on radiators. Linda ended up putting £70 on the energy meter. This was money that she usually spent on food. As a result the family ended up relying on the local food bank to make ends meet.

School uniform was an issue addressed by both parents and stakeholders. The Children's Society has done a significant amount of research into the costs associated with school.³⁵ State education in England is 'free' but modern schools have many costs associated with them that pose a barrier to low income families. The cost of school uniforms, course materials, and school trips often result in children living in poverty finding themselves excluded and marked out as different.

Linda, for example, was determined that Casey's school uniform be clean, and another parent accessed free school uniforms through a 'uniform bank' at her children's school. In Area Six, 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 out grew, their uniforms during the course of the year often struggled to get replacement items and that parents could not prepare for the new school year in August, instead having to dash around the week their children went back to school to obtain all the uniform items they needed.

It was clear that when there are children in the household food, warmth, and clean clothes are non-negotiable for many parents and that they would go without, or make savings elsewhere in order to ensure the basic needs of their children were met.

Another very practical issue we heard about was how parents balanced their parenting duties with the need to make applications and go out to seek help as Donna's case study demonstrates:

Donna's story

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

Donna and her family were in temporary accommodation for six months. During this time Donna found it very difficult to both look after her children and get the family back on its feet financially. For example, she had to go to the JobCentre near the temporary accommodation to change her benefits. At first, they insisted that in order to do this she needed to 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. Donna did not want to do this as her youngest child has ADHD and would not have coped well at the JobCentre.

Things continued to be difficult for Donna's youngest child. Due to an administrative problem Donna could not understand why he could not attend the local school and no alternatives were provided. During this time, her son struggled with anxiety, agitation and low mood.

While Donna went to appointments at the JobCentre, tried to access local welfare assistance, and regularly called the education team at the local authority 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 and tried to keep him calm and happy.

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, support to reduce energy consumption and subsidised childcare. One such initiative we encountered was a group of local residents who baked amazing birthday cakes for children in families who were struggling financially – a small but very meaningful form of support for parents who were often worried they were failing to provide for their children.

Children's well-being and mental health

Many of the parents we spoke to talked about how the crisis, or crises, they had experienced had affected their children's well-being and, in some cases, their mental health. For those families whose financial crisis was the result of a traumatic life event the consequences for children's mental health and well-being were more clear. Following the house flood, Donna told us: *'We were all traumatised so I wanted us to all stay together'* and that two of her children had received counselling to help them come to terms with what had happened.

We found however that 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 many families experienced meant that children often knew their parents had asked for help and, naturally, were keen to know when they would receive an answer. As can be seen in Wayne's reflection about his

LWA application: *'They do get excited because they think we are going to get something new for the house, because everything is always for the house'*

Of course, not all parents were as comfortable sharing the details of the family's financial situation with the children. One mother explained how whilst she knew her eldest child was *'aware that mum isn't going out to work'*, she had not told any of the children about the fact she had needed to use a food bank. She felt it was best that they did not know, that it would worry them unnecessarily, however she did say that she would tell them if they asked directly.

A different parent, who had also worked hard to hide and reduce the consequences of the financial crisis on their children observed however that *'Mental health isn't just in us, its in young children, so whatever the process the parents are going through the children are taking in on mentally even if they might not be showing it.'* Many of the parents spoke about how their children's behaviour had changed – they were perhaps withdrawn, or anxious, or angry.

There is often a narrative in society that children do not understand 'adult things' like financial crises, the benefits system, or domestic abuse. The evidence however firmly shows this is not the case and that children are affected by both specific financial crises and the longer term consequences of living in a struggling low income family. Analysis of the Understanding Society survey found that on typical measures used to inform well-being and mental health, like feeling optimistic about the future, feeling useful, and not feeling like a failure, children living in poverty (60% below the median income) were more likely to score poorly in these domains.³⁶ Using The Children's Society Good Childhood Index, children living in problem debt have been found to be five times more likely to be at risk of having low well-being than those children not living in families with problem debt.³⁷

Whilst some parents felt their children were unaffected, others felt very strongly that they had been. Despite these differing views, what was clear is that all the parents had gone to great lengths to prevent, or at least mitigate the negative consequences to the well-being and mental health of their children.

Crucial relationships

Closely related to the children's well-being, and to the practical reality of caring for children through a crisis were the adult's own identities as parents. Research into children's well-being shows that good family relationships are the most important factor in explaining high well-being scores³⁸ and that poor parent child relationships at age 11 contribute to mental ill-health at age 15.³⁹ Our interviews with parents highlighted how financial crises alter these relationships, sometimes significantly changing the roles that both children and parents play.

One domestic violence charity told us how they often see children *'become "friends" with their mum - they take on a slightly different role - because the mums can tend to offload on the children and so the children become much more aware of things that are going on than they should.'*

Alongside emotional support, children can also find themselves providing physical care for other family members. Donna's two eldest children had to do more to look after her youngest child, who has ADHD, following the house flood they experienced:

'The older ones were aware and they were very helpful. They would take him out to the park and that if I had to go on the phone to talk to people about our situation... [at the time] the main thing was that he wasn't distressed and anxious. But I realise now that they all were'

Providing emotional and physical care to another family member, does not, in itself, undermine family relationships. It can make them stronger. The parents we spoke to however, rarely felt positive about how the financial crisis, and the support received, made them feel as parents.

Parents regularly said things like: *'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'*

The aftermath of the domestic violence made me feel like *'I couldn't be a proper mother because I couldn't look after my children'*

Often these feelings were exacerbated by the crisis support itself. The attitudes of professionals that parents felt were judgmental and critical, or the poor administration of schemes that made them anxious about how long they had to wait for an answer and if they would ever in fact receive any support. Considering how crisis support could be improved one parent told us: *'If you are going to help us, help us by not doing those things [judging us and making us wait] so that we won't feel a certain mental weight when we come home, that we're inadequate as parents because we had to go for help'*.

Summary

The families we spoke to had a range of experiences. Financial crises are always difficult but some parents did have better experiences than others. Whilst some of the features of the process of accessing support – like bouncing around, the difficulties of making application and the lack of quality aftercare, were easy to pull out as distinct themes, understanding the distinct consequences of the crisis on families was more difficult.

The difficulties of day-to-day family life during a financial crisis inevitably change the relationship dynamics between children and parents, with each becoming perhaps more dependent on each other, or perhaps turning away from each other as they struggle with the situation.

There are two broader conclusions we draw that should sit at the centre of any attempt to improve or reform crisis provision. The first is that crisis support must be able to see and respond holistically the household. Given the fragmented nature of the system it is clear that only by working together, around the household in question will crisis provision be at its most effective.

The second broader conclusion concerns the exhausting nature of the system. The experiences of families demonstrated the fatigue and powerlessness the system caused and how this affected their 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. Furthermore, it is clearly not enough to just signpost, organisations instead must find ways of being able to ensure that families will quickly and seamlessly get the help and support they need. Keeping these conclusions in mind, we now turn to the wider case for reform.

Conclusions and Recommendations

Key Findings

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:

- Benefits issues, debt issues and mental health issues, in particular, were often closely inter-linked. It is vital, therefore, that crisis support services seek to address people's needs holistically, offering a package of support, including ongoing support where needed, rather than simply responding to their immediate financial need.
- 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 ESA and PIP 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 health problems cannot be overstated. Quality support must be mental-health-aware and promote, rather than harm, people's mental well-being.
- 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 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. Another issue was housing, particularly 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.

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

- National 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 organisations that refer them. National schemes are underused, whilst local welfare schemes are playing a secondary role, largely disconnected from other crisis support networks.
- Local schemes support relatively few people compared with food banks and compared with the old Social Fund, with potentially high levels of unmet demand. Potential applicants and referrers have been put off by the 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 schemes is severely undermining their effectiveness.

- Awareness and understanding of local welfare schemes among potential referrers were very low in all of the areas we visited, particularly 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.
- 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. This group may instead be resorting to high-cost lenders or getting into arrears on their rent and other bills, exacerbating their financial problems.
- In the absence of an effective or comprehensive local welfare schemes, other statutory and voluntary sector organisations are helping 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 and duplication 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 accessing the additional, ongoing support that 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, who in turn 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.

Finally we examined the experiences of families with children who had accessed crisis support. From their experiences we drew out specific key themes that emerged related to the needs and experiences of children themselves and specific stages in the families' journeys navigating local support services to identify particular challenges they often faced:

- We looked specifically at the experiences of families with children. These can be particularly vulnerable to crisis and have clear additional needs that must be met. Unless services can see and respond to the whole household the support offered may not be effective.
- 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 floods, more specialist therapeutic support was required.
- Financial crises had negative consequences on the adult's identities as parents or caregivers affecting the crucial parent-child relationships.
- We identified three key stages in families' journeys that posed particular problems and merit attention from those designing and delivering services:
 - i. A stage where families tend to bounce around different services trying, but failing to access support.
 - ii. A phase related to formal requests for help. Generally making formal requests for help 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.
- iii. The final stage was aftercare. Some families received no ongoing support after their crisis whilst others had ongoing support for many months. 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.

Where do we go from here?

Despite strong financial headwinds, significant benefit reform, and individuals presenting with complex needs the services to support people in financial crisis are surviving, if not exactly thriving. One of the things that struck the researchers most in carrying out this work was the huge amounts of goodwill upon which the system functions – people really care about those in crisis and are willing to dedicate their time, talents and money to help them.

At the same time it is clear that local government is somewhat at a loss about what to do. Managing massive budget cuts, and without a statutory duty to provide this kind of support it is not surprising that there is little political energy and the role of local authorities has shrunk.

In principle, we believe the state has an important role to play in crisis provision and should not be delegating this responsibility to the voluntary sector, consciously or otherwise. Morally, the state has an imperative to help those most in need. Practically, given that the failings of state-run systems is one of the major drivers pushing people into financial crisis, it clearly must do more to both prevent this from happening and to ensure there is a strong safety net when it does occur.

In this final section we outline how the system could be reformed. We provide key principles for reform to start the conversation, alongside a series of practical recommendations that all the actors in the complex system can consider within their own local context. We do not have all the answers, but we know that crisis support is too important to quietly slide off the agenda.

Principles for reform

Common branding, eligibility and service standards

We found that knowledge about, and trust in, national and local government crisis provision was frequently poor. More often than not professionals and volunteers who work with people in crisis were unaware of the existence of local welfare assistance schemes, or actively chose not to use them. At the same time, inconsistencies in eligibility within and between local areas meant people were frequently unclear about who they should turn to for support.

In order to address this, partners in local areas must work together to agree common branding, eligibility criteria and service standards.

Developing common branding would help to improve the visibility of crisis support services within a local area, helping ensure that those who need it are aware of the provision available. Better alignment of eligibility criteria would help speed up the process so 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, Advance Benefit payments etc), local welfare assistance, and third sector provision.

Common service standards would ensure that people receive the same level of service regardless of where they seek help, and allow service users requiring more than one form of assistance to better know what to expect when moving between different agencies.

Clear leadership

It was often unclear who was taking responsibility for coordination of crisis provision at the local level. In part this was because of lack of guidance from the national level when local welfare assistance schemes were first introduced in 2013. At the same time, the increasing reliance on the third sector for the delivery of crisis support locally meant that responsibilities had become increasingly diffuse.

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 organization 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 (see Good Practice Case Study Four on page 46), or a respected lead voluntary organisation with delegated responsibility for operating a coordinated crisis support scheme (see Good Practice Case Study One on page 33).

We also recommend that local authorities consider running one system of support over a group of neighboring local authorities – for example across metro-mayor areas. This would shift the leadership responsibilities to a wider geographical level and potentially draw in more resource.

Co-delivery

As noted above, increasingly large numbers of agencies were involved in the provision of crisis support at a local level, but our research found that these services were not always well coordinated. As a result, people were often unclear about who to turn to for help in different circumstances, and the assistance received depended largely on who someone first came into contact with.

Local welfare assistance schemes can and should be the first port of call for people in crisis, as originally envisaged when the system was reformed in 2013. Given that many of the needs we identified are driven by issues like benefits and housing it is imperative that support is co-delivered by local government and other statutory services, with the support of the voluntary and community sector. The role the voluntary sector is playing is already so significant that it seems unlikely support would be as effective if charities faith and community groups were to scale back their input. It also seems unlikely that local government will be enabled to substantially increase the amount of resources it invests in this area in the near future. Together however they can be more than the sum of their parts.

We recommend co-delivery is led by local government displaying generous leadership through longer term strategies and commissioning, and other support like co-location and support with back office functions. Local community groups, churches and other faith-based organisations should be properly included in the support available. They should be able to provide pastoral support and help to strengthen people’s social networks through community-building; ideally, they should have at least one trained member of the organisation to support volunteers and ensure appropriate referrals are made into the crisis

support system, when financial or other specialist support is needed. Local compacts could set out guidelines, codes of practice, and help support effective working relationships.

If this co-delivery between local authorities and third sector organisations is to be successful, they must work together to hold central government to account over the administration and reform of benefits, including improved access to national crisis payments.

Addressing underlying problems to prevent recurring crises

Too often, crisis support does little to address longer term difficulties which led to the crisis emerging in the first place. As a result, financial emergencies occur over and over again, with people simply receiving the same, inadequate short term response.

One of the principal reasons for localising the provision of crisis support was to provide opportunities to join up immediate crisis provision with other services which could address some of the underlying reasons for difficulties emerging. However, the evidence from this, and from previous research, is that this is frequently not happening. Ensuring that there are clear pathways from financial crisis support into other services (including through the development “warm referral” networks, discussed below) is crucial to preventing recurring difficulties.

Warm referral between partner agencies

People facing crisis often do not just face one problem in their lives which is best addressed by a single agency. Instead, many face complex problems requiring input from a range of different services. However, our research identified poor coordination between services which could limit the ability to deliver a joined up approach to holistically address the difficulties faced by individuals and families.

A stronger network of organisations working together to deliver crisis support should facilitate “warm referral” between partner agencies, as we saw in the online referral system used in one area (See Good Practice Case Study Three on page 44). This will enable people to receive multiple forms of support simultaneously in a coordinated manner with all partners trusting the organisation the person first came into contact with to have properly assessed their needs and ensured they met all the relevant criteria. It would also help prevent people relying on support from multiple agencies being required to re-tell their stories or continually have to re-produce evidence

Organisations in the network should be entrusted to make applications for government crisis support, like local welfare assistance, on their clients’ behalf, as well as connecting them to other local services to address underlying needs, such as debt advice and mental health care services. This principle is intended to move the system beyond one of “signposting”, to stop families bouncing around looking for support and to improve their experience by providing holistic and cohesive support. Crucially, this needs to be accompanied by significant new investment in community healthcare and debt and money 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.

A warm referral network should prioritise access to support services that are embedded within the local community. National services without a local presence should be made use of in situations where there is no local provision or the individual would rather access telephone or online support over face-to-face contact.

Empowering those in crisis to challenge poor decisions

Our research found that the current system is often difficult to navigate and it is very challenging to apply for support, appeal a decision or make a complaint.

We recommend that there must always be a clear way to appeal decisions about the provision of crisis support and to make complaints about any aspect of the services or support provided. This would help to ensure those receiving support were confident that their full circumstances had been taken into account.

Monitoring impact

Currently families often bounce around between services, support is sometimes duplicated, underlying needs are not always met and the system rarely provides a longer term fix for the needs of families. No-one knows who is providing help, to whom, for how long, and in what manner. As a whole, the services cannot measure their impact and identify gaps in provision because they all monitor their performance in silos.

We envisage a system where data sharing agreements allow data to be held in one place, allowing providers to monitor clients with longer-term needs, quality assure their case work, identify weaker forms of support that do not prevent future presentations and allow decision makers to make decisions based on impact.

Recommendations

National Government

▪ Grants and loans from national Government

Too often it is unclear to people under what circumstances they could seek support through national schemes of grants and loans, and when they need to look for emergency support at a local level instead.

The advertising of Advance Payments, Short Term Benefit Advances, Budgeting Loans and Budgeting Advances must all be improved. They should be available as a matter of course to claimants who are eligible. JobCentre advisers should be able to model what the repayments will mean for future benefit payments based on a projection of the claimant's current entitlement.

▪ Disability benefits

Problems with disability benefits were the most cited cause of benefits-related financial crises. The move from DLA to PIP and changes to ESA are clearly causing significant problems for a large number of people. From the assessments, to mandatory reconsiderations and appeals, it was clear that this system is not working for a vulnerable group of people and needs to be changed.

The DWP should consider significant reform to how disability benefits are being administered. The assessment process, the appeals process, and the entitlements themselves all need consideration.

In particular, we recommend that claimants found fit for work continue to be eligible for ESA during the period of Mandatory Reconsideration, (and equivalent claimants are treated as having limited capability for work during a mandatory reconsideration and appeal in a Universal Credit claim).

The Government should also review changes to levels support for disabled people under Universal Credit. The removal of the "Severe Disability Premium" which provides support for

severely disabled people without a carer is a particular concern, as are reductions in rates of support for many disabled children.

▪ **Local Housing Allowance**

Increasingly support with housing costs for people on low incomes living in the private rented sector is falling further behind average local rents. Consequent shortfalls in Housing Benefit can be a key driver of families facing financial crisis.

Government should end the freeze on Local Housing Allowance rates, which prevents support with housing costs rising in line with local rents. The Government should also review the level of Discretionary Housing Payments provided to local authorities to ensure that they are adequate to ensure the most vulnerable households are prevented from becoming homeless.

▪ **National Loans Scheme**

Prior to 2013, Crisis Loans were a crucial form of interest free credit for families facing financial crisis. The localisation of crisis provision (as well as real term reductions in the value of Budgeting Loans) has significantly reduced the amount of interest free credit available from the State.

Government should establish an interest-free (or low-interest) loans scheme, pulling together and extending its current arrangements for the provision of affordable credit. In particular, the eligibility criteria for Budgeting Loans should be extended to cover all low income families in receipt of Universal Credit. This would help families to manage temporary cash flow problems without relying on high-cost credit or getting into arrears on their rent and other bills.

▪ **Local Welfare Assistance**

A key driver of reduced investment in local welfare assistance schemes has been the lack of ring-fenced funding and statutory guidance for the schemes from central Government. It is still helpful that a notional indication of funding for Local Welfare Assistance provision is included in the Local Government Finance Settlement, however there is no guarantee that this will continue after 2020.

A new funding allocation for local welfare assistance schemes should be made at the next comprehensive spending review which should be protected in real terms. The allocation should be ring-fenced, and be accompanied by statutory guidance on how it is spent.

Currently local welfare assistance is a public fund meaning that it cannot be used to support those with No Recourse to Public Funds (NRPF) conditions attached to their leave to remain in the UK. This condition should be removed.

Local Government

In too many cases the provision of crisis support has not received the prioritisation it needs from Local Authorities. As a result, access to crisis support has been curtailed, and increasingly responsibility for delivering support has fallen to disparate local charities, faith and community groups. Improved local government leadership in coordinating crisis provision must play a key role in re-prioritising, and better joining up, crisis support at a local level.

Local authorities should work across public health, children's services, revenue and benefits departments and housing services to produce a strategy to reduce financial crisis. The strategy should focus on available preventative measures and concrete steps to increase co-delivery of support with the community and voluntary sector.

To help prevent financial crises local authorities should:

- Outline steps to encourage the expansion of credit unions within the local area;
- Take steps to improve the local housing supply through support with retrofitting homes, landlord registration schemes and other measures;
- And review their debt collection practices to reduce the risk of unsustainable debt repayments contributing to families facing crisis.

All Local Authorities should review their Local Welfare Assistance Schemes to ensure that these are responding effectively to crisis needs. Some specific steps to build an effective approach to crisis are set out below. In addition, local authorities should establish a cabinet member with crisis provision and local welfare provision explicitly named within their portfolio.

Metro mayors should work with all their local authorities to explore the establishment of a single metro-area crisis support scheme with common branding and central administration to reduce costs.

Charities, volunteers and community groups

As Local Authority support has reduced, charities, community and faith groups are increasingly taking responsibility for delivering crisis support. However, poor coordination across local organisations in providing a framework of support for families facing crisis can contribute to families not knowing where to turn, or what support to apply for, in order to access help in a crisis.

Charities and community organisations should work together to provide basic training on financial crisis that will support volunteers to help individuals navigate the local system and know what needs to look out for in order to quickly identify additional support services individuals might need.

Charities and community organisations should map local buildings and spaces they have access to in order to foster more co-location and to identify under-served neighborhoods in their area.

Charities and community organisations should establish information sharing protocols locally so they can do 'warm referrals' to other organisations offering support by providing all the necessary information to get support started quickly.

Charities and community organisations should investigate whether they might use shared monitoring tools and measures of outcomes across the local area in order to better understand the impact they are having collectively in the local area.

Local authorities must support charities and community organisations to introduce some of these measures which would enable better coordination of local crisis support provision.

Specific recommendations for improving local welfare assistance schemes

Local Welfare Assistance schemes should provide a cornerstone for the local crisis support offer. However, in too many parts of the country, inadequate or even non-existent provision deeply hampers efforts to provide an effective safety net. We have set out some principles above for guiding the development of schemes. However, there are also many specific, short term changes that local authorities should consider to ensure their schemes are effective.

- Local welfare assistance schemes should not limit assistance to benefits in-kind (such as food or fuel assistance). Whilst these will be important forms of provision, it is crucial that cash support is available for those circumstances where this is the most suitable form of support.
- Bus passes and support with transport costs should be available through the scheme.
- School uniform support should be provided all year round through the scheme
- Local welfare assistance budgets should be spent on crisis support for low income families. We recommend they are not used to commission general services like advice services unless explicitly focused on financial crisis.
- Local welfare assistance schemes should not have eligibility criteria that exclude working families or low income families receiving contribution based benefits.
- Local welfare assistance schemes should be able to provide support with upfront housing costs like rental deposits. Effective coordination with Discretionary Housing Payments could help ensure that they work together effectively where difficulty with housing costs is contributing to the emergence of a financial crisis.
- Access should not be restricted on the basis that consumer credit is available nor on the basis that friends and family might be able to support the individual with their needs. In either case, doing so increases the likelihood of vulnerable families being caught in a “debt trap”.
- 16 and 17 year olds should be eligible for local welfare assistance schemes.
- Residency requirements should not be onerous for local welfare assistance applications and there should be clear exemptions for individuals fleeing domestic violence, those moving area as a result of homelessness, care leavers who were moved out of area as a looked after child, and other groups like Roma, Gypsy and Traveler communities.
- 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.
- Whilst we recommend that partner organisations are utilised to make applications on behalf of their clients there should still be online, telephone and in-person ways for families to make applications directly to local authorities. Upon making this application, regardless of outcome, the local authority should connect them up with other forms of support available locally.
- Schemes should be able to make decisions within 24 hours in emergency cases. Where Local Welfare Assistance is being provided and there is not an immediate crisis, decisions should still be timely. We recommend applicants get a decision within five working days and the support offered is delivered, in full, within 15 working days from date of decision.
- All schemes should have a clear and simple review mechanism for applicants and a complaints system if applicants feel they have been poorly treated.
- Local welfare assistance schemes should be administered in community settings like advice providers, children’s centres, so they are more visible to those who may need to use them.

Appendix A – Seven local responses

Over the next seven pages we present a snapshot of the areas we worked in. This includes some key demographics, information on their Local Welfare Assistance (LWA) Schemes and the types of stakeholder we interviewed.

Area One – the seaside

Area Two – an urban area with a smaller population

Area Three – an urban area with a larger population

Area Four – a sub-urban area

Area Five – a London Borough

Area Six – a rural area

Area Seven – a mixed area

Area One: Seaside

Demographics

Population of approximately 130,000 people
19% are children under 18.

If all councils were ranked out of 10 for deprivation, this area would score a 3 (where 1 is most deprived and 10 is least deprived).

Who we spoke to?

Local authority Crisis Support Team
JobCentre Plus
An advice provider
Food bank
Children's Centre

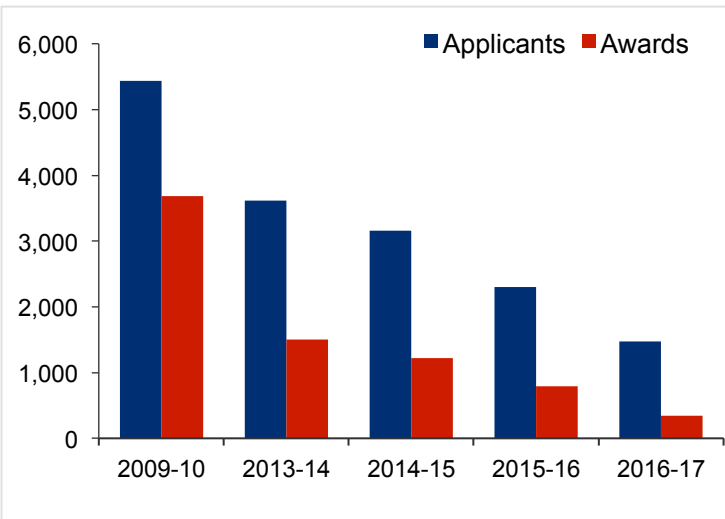
The scheme

A scheme in this area has gone through a lot of change since localisation, and is the only area we studied which has established a loan scheme to aid the sustainability of funding for the support. The whole local welfare scheme includes a loan scheme for furniture and white goods, a bond scheme for rental deposits and crisis support, (e.g. food grants awarded via a local charity).

Due to budgetary pressures, annual budget allocation for Crisis Support ended and reserves used to establish a loan scheme. In 2016/17 crisis expenditure was reduced to less than £40,000 but total awards made were around £80,000 (with the difference probably being attributed to loans not counting as expenditure). The loan scheme is ran by the local credit union, and it is clear the introduction of a loan scheme has seen less people receive support than under the old grant structure, with in year one only 12% of loan applications granted. The deposit bond scheme helps tenants move into new rented accommodation and tenants are expected to repay this after a two year period.

The crisis support is not available for claimants that have been sanctioned, claimants have to have lived in the area for three months and are only able to have two payments in a rolling 12 month period.

Number of applications and awards



What next for the scheme

In 2016, this council chose to no longer allocate funding to crisis support, but to use remaining reserves through a loan scheme (estimated to last 7-10 years).

The scheme is anticipating a rise in demand as Universal Credit rollouts, which may have to change funding criteria as there is currently a limit on awards for daily living expenses of two weeks.

Key Information about the scheme

- **Awards as a percentage of applications: 23%**
- **% of families with children: 26% (24% of all households in the local authority area have dependent children)**
- **There has been a 94% drop in spending on Local Welfare Assistance between 2009/10 and 2016/17**
- **The average Community Care Grant award was £382 and for Crisis Support Grant £40**
- **This area holds a lot of statistical information on the people accessing the scheme, e.g. 70% of the families with children who received an award were single parents.**
- **The council has a holistic view of crisis funding, flexibly supporting households through Discretionary Housing Payment, Section 17 support and crisis support**

Area Two: Urban – small population

Demographics

Population of approximately 530,000
26% are children aged 18 years old.
If all councils were ranked out of 10 for deprivation, this area would score a 2 (where 1 is most deprived and 10 is least deprived).

Who we spoke to?

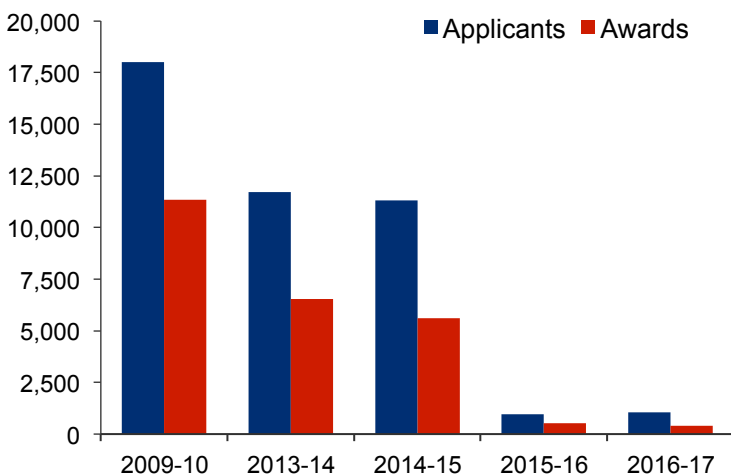
Local authority local welfare assistance scheme manager
Food bank
Domestic violence charity
An advice provider
Children's Centre

The scheme

The scheme offers white goods and furniture where new items can be obtained through a low cost loan and second hand items through a no cost loan. The scheme also provides fuel tops and food parcels. No enforcement action is pursued for non-payment of loans.

The application and decision making process is managed by the local authority but the delivery of the scheme is outsourced to local businesses and charities. Fuel top ups and food parcels are provided through the general advice contracts funded by the local authority. Applications are made online. Decisions relating to furniture and white goods are made within five working days. Decisions around fuel top ups and food parcels are made at the discretion of the provider but do not need separate application.

Number of applications and awards



What next for the scheme

The local authority are committed to the scheme and has commissioned a report on how to expand and improve it. They are keen for the scheme to support local families and the local VCS sector in delivering support. They are aware of the conflict between the financial pressures and providing a quality scheme.

Key Information about the scheme

- Awards as a percentage of applications: 37%
- There has been 94% drop in spending on the Local Welfare Assistance scheme between 2009/10 and 2016/17.
- The average value of awards is £277.
- Offering furniture, white goods, fuel and food parcels was found to be useful but additional items such as bedding, cleaning ware, towels and other items were often needed.
- Concerns that there may be a lack awareness of the schemes existence.

Area Three: Urban – large population

Demographics

Population of approximately 1,000,000
25% are children aged 18 years old.
If all councils were ranked out of 10 for deprivation, this area would score a 1 (where 1 is most deprived and 10 is least deprived).

Who we spoke to?

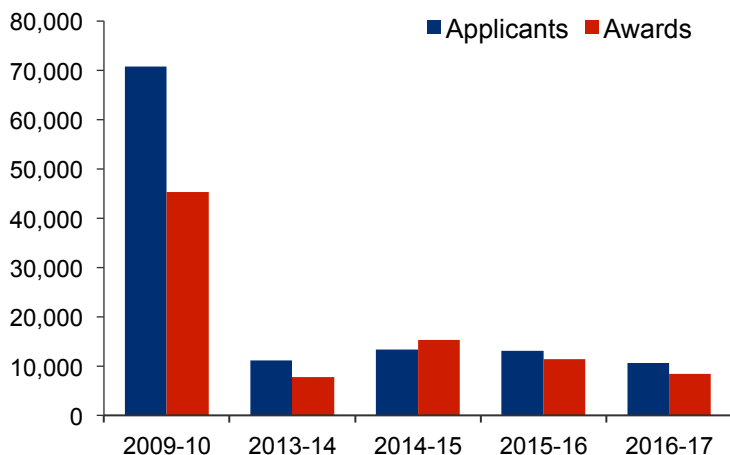
Food bank
Local Authority Local Welfare Assistance Scheme
Credit Union
Children' Centre
Domestic violence charity
Community Centre

The scheme

This scheme, run in-house, offers Crisis Loans and Community Support Grants, as well as help with fuel costs.

Applications can only be made online for both Crisis Loans and Community Support Grants. There are no restrictions on the number of applications that can be made in a 12 month period. Decisions on applications for Crisis Loans are made within 24 hours and decisions on applications for Community Support Grants are made within 10 working days.

Number of applications and awards



What next for the scheme

The Council makes annual budget decisions about the scheme.

The scheme has already seen a reduction in funding.

There is an anticipation that the scheme and other forms of crisis support will have to increase support given due to the roll out of Universal Credit.

Key Information about the scheme

- **Awards as a percentage of applications: 79%**
- **Percentage of families with children who have made an application: 45% (33% of all households in the local authority have dependent children).**
- **There has been xx drop in spending on the Local Welfare Assistance scheme between 2009/10 and 2016/17.**
- **The average Community Care Grant award was £456 and the average Crisis Loan award was £38.**
- **The application form only being accessible online was seen as a barrier to many trying to access the scheme**
- **The most common reason that people access the scheme is due to a delay in benefits payments.**

Area Four: Suburban

Demographics

Population of approximately 1.2 million
23% are children under 18.
If all councils were ranked out of 10 for deprivation, this area would score a 10 (where 1 is most deprived and 10 is least deprived).

Who we spoke to?

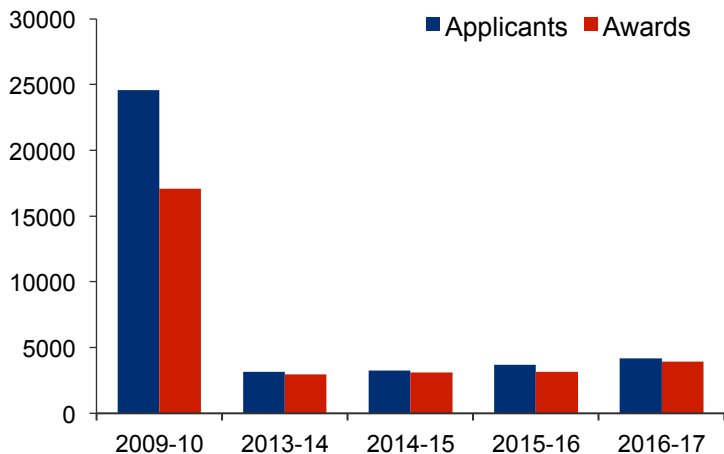
Food bank manager
Trustee of a foodbank
Crisis support service
Citizen's Advice x3
Children's Centre

The scheme

The scheme consists of three elements – a crisis support service, providing a helpline triage service and emergency support (delivered by an independent advice charity), a dedicated council-run phone line offering benefits advice and support via District councils in the area to local Citizens Advice offices to fund their work with people in crisis.

The scheme most comparable to the old Social Fund provision is the crisis helpline. The helpline acts as a gateway to other services, but can also award in-kind support such as food bags, energy vouchers and furniture, with awards focused on priority groups. The helpline facilitates link up with other services locally e.g. debt and budgeting advice and children's centres. The level of support for the scheme has reduced gradually over time – and whilst people can only access the service once in a 6-month period, in practice there are quite a few repeat clients. The profile of spend reflects the decisions taken by the council to focus on coordination and signposting, with more than two-thirds of spending being used to fund a signposting service and to support other local advice providers.

Number of applications and awards



What next for the scheme

This council has no plans to reduce funding for the scheme; however money is being ring fenced to manage the consequences of the Universal Credit rollout.

Key Information about the scheme

- **Awards as a percentage of applications: 94% (2016/17)**
- **The average Community Care Grant award was £76 (for furniture or white goods) and for Crisis Support Grant £17 (for food bags and fuel vouchers).**
- **In addition, the scheme offers “active signposting” to other local community services, such as Children's centres and debt/budgeting advice**
- **The level of support has been reduced in recent years; so, for example, they no longer replace washing machines and only offer table-top ovens and fridges, whilst clothing vouchers are now for charity shops, not high-street shops.**

Area Five: A London Borough

Demographics

Population of approximately 240,000

19% are children aged 18 years old.

If all councils were ranked out of 10 for deprivation, this area would score a 5 (where 1 is most deprived and 10 is least deprived).

Who we spoke to?

Local authority local welfare assistance scheme

Citizen's Advice

A legal centre

A charity-run early intervention programme

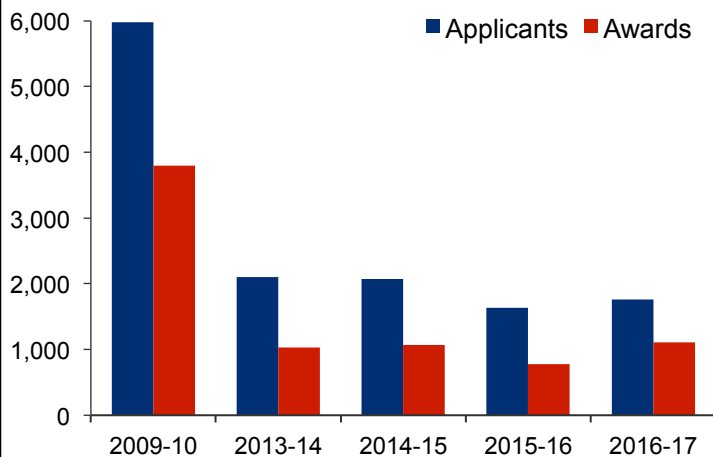
Two food banks

The scheme

The scheme offers two types of support, Community Support Awards and Crisis Awards. Vouchers are offered for clothes and furniture and cash payments are offered for food. The administration of the scheme is run by a private contractor in a different part of the country.

Most applications for the scheme are made through referral agencies. There are very few direct applications. There is a complex scoring process in place to decide who receives an award. One criteria of the scheme is whether a one off payment is likely to solve the problem. If not, then the request will generally be refused.

Number of applications and awards



What next for the scheme

At the time this research was undertaken, the local authority was consulting on the future of the scheme. A decision has since been made to retain the scheme for at least the next two years, albeit with a reduced level of funding.

Key Information about the scheme

- Awards as a percentage of applications: 63% (2016/17)
- Percentage of awards going to families with children: 43% (23% of all households in the local authority have dependent children).
- The average Community Care Grant award for 2016/17 was £1,029 and the average Crisis Loan award for 2016/17 was £54.
- The main reason for community support awards is people moving from temporary to permanent (unfurnished) accommodation
- The main reason for crisis awards is for people who have been turned down for ESA (to cover the gap whilst they apply for JSA/UC)

Area Six: Rural

Demographics

Population of approximately 520,000

19% are children under 18.

If all councils were ranked out of 10 for deprivation, this area would score a 4 (where 1 is most deprived and 10 is least deprived).

Who we spoke to?

Food bank

Network of debt advice centres

Furniture recycling scheme

Citizens Advice

Local authority Local Welfare Assistance Scheme

Troubled Families Programme team

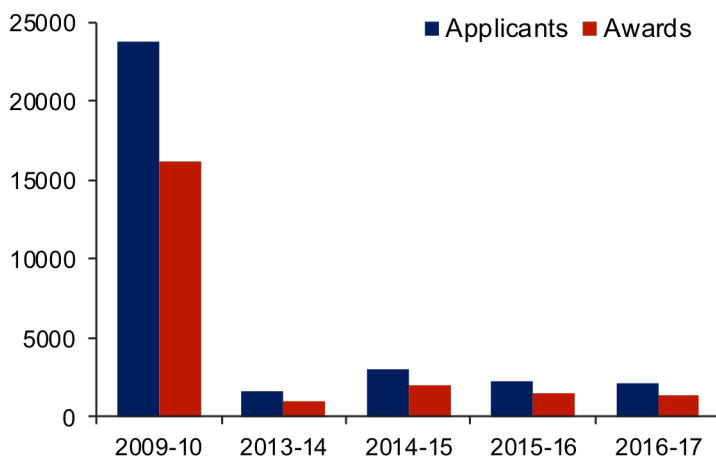
The scheme

This scheme is run in-house with two components: Daily Living Expense (DLE) Awards and Resettlement Grants.

The application process for DLE Awards (for is mainly done over the phone and an online form completed with the claimant, with claims processed in two hours, and food delivered the following day. Claims for Resettlement Grants are normally done via a referral agency. Only one Crisis Award can be granted per year.

The scheme is linked into other local services – and the same team also manages the administration of Discretionary Housing Payments. Local welfare assistance funding is spent on both direct support to clients and local employability programmes.

Number of applications and awards



What next for the scheme

This council remain politically committed to the scheme, with no plans to reduce spend next year. They are considering allowing claims every six months to meet the anticipated needs of Universal Credit, and allowing two payments under the Crisis Awards provision to count as 'one payment'.

The scheme is currently being reviewed and considered alongside Section 17 support for children.

Key Information about the scheme

- **Awards as a percentage of applications: 65% (2016/17)**
- **% of awards going to families with children: 33% (27% of all households in the local authority area have dependent children)**
- **The average Resettlement Grant award was £804 and for Crisis Support Grant £80**

Area Seven: Mixed

Demographics

Population of approximately 1.2 million
21% are children under 18.
If all councils were ranked out of 10 for deprivation, this area would score a 6 (where 1 is most deprived and 10 is least deprived).

Who we spoke to?

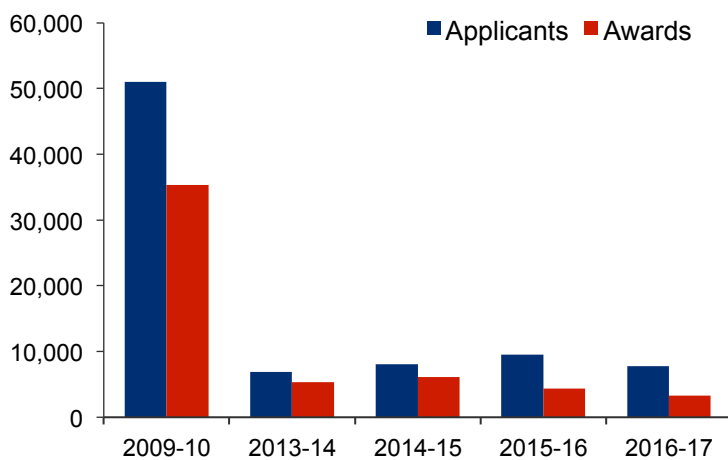
Local job centre
Food bank
Community Centre
Women's centre
Coordinating voluntary sector organisation

The scheme

The scheme is broken down in a comparable way to the old national Social Fund, into immediate short term needs and assistance for claimants to maintain their independence in the community. The scheme was originally delivered by an outsourced provider, later moved to a foodbank and then came in-house to the council.

Referrals for household items must come from an approved referral partners and be made online, with a maximum of three household items provided to single people and five to couples or families. Two awards per year are allowed for food parcels or heating costs, and applications for this need to come over the phone. Repeat claimants are referred to local advice services for additional support, such as budgeting advice. Decisions on immediate short term needs are normally made in two working days and for household items in 10.

Number of applications and awards



What next for the scheme

The provision for the scheme appears to be reviewed annually in line with budget setting, and was scheduled for review in early 2018.

Key Information about the scheme

- **Awards as a percentage of applications: 42%**
- **There has been a 87% drop in spending on Local Welfare Assistance between 2009/10 and 2016/17**
- **The average Grant Award through the scheme was £154**
- **There was a reported rise in referrals and need during the summer holidays and winter months when costs rise.**

Appendix B – Glossary of terms

General Terms:	
Low income household	In this report a 'low-income household' refers to a household that receives all, or a significant portion of its income through benefit payments, or a household not receiving benefits but with a comparable level of income.
Financial crisis	A financial crisis is an event which puts the immediate health and well-being of a household at risk. The causes can be acute or chronic.
Destitute/destitution	The government's definition of destitution is set out in the Immigration and Asylum Act 1999 and the Nationality, Immigration and Asylum Act 2002. In the latter, the definition states that a person and his dependents are destitute: 'if they do not have and cannot obtain both (a) adequate accommodation, and (b) food and other essential items'
Minimum Income Standard	The amount of money required for a minimum household budget. The minimum income standard project, undertaken by the Joseph Rowntree Foundation is a useful indication of what this might be: https://www.jrf.org.uk/report/minimum-income-standard-uk-2017
Poverty	Unless otherwise stated, the definition of poverty used throughout this report is relative poverty after housing costs. This means that disposable household income, after paying housing costs such as rent, is less than 60% of the average (median) in the UK, adjusted for family size.
Statutory organisations	We have used the term 'statutory' loosely to describe all services directly delivered by the state. We accept that not everything the state does is enshrined in 'statute' (ie in legislation, and the exact meaning of the term). For example, there is no legislative obligation to provide children's centres (which are also often outsourced to a third party), but they are funded by local government.
Community and voluntary sector	When using this term we refer to charities, social enterprises, faith and community groups working on a not-for-profit basis. In this sector, the work of paid staff is often augmented by that of volunteers.
Social Fund/Local Welfare Assistance Terms:	
Social Fund	Officially, the Discretionary Social Fund, this was a cash-limited fund which made discretionary, one-off payments, to help with immediate needs. It consisted of budgeting loans, crisis loans and community care grants.
Local Welfare Assistance	The Social Fund was localised in 2013 and the funding for

(LWA) Schemes	crisis loans and community care grants was transferred to local authorities for them to administer through 'local welfare assistance schemes.
Community Care Grants	Part of the Social Fund, these were 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.
Crisis Loans (Alignment Payments and Living Expenses)	Part of the Social Fund, these were interest-free cash loans to help with immediate short-term needs in a crisis. In some cases so-called 'Alignment Payments' were paid, to help where claimants were waiting for a first payment of benefit (or a first payment of wages after moving into work).
Budgeting Loans/ Budgeting Advances	Budgeting Loans or Advances are for people who have been in receipt of one of the main means-tested benefits for at least six months or more. They are loans to cover a significant expense, such as replacing broken appliances.
Short Term Benefit Advances (STBAs)/ Advance Payments	Advance payments or STBAs are for people experiencing difficulties whilst waiting for the first payment of a new or adjusted benefit claim. They are loans repaid from future benefit payments.
Benefits related terms:	
Universal Credit	This is the new mean-tested benefit that is gradually replacing six existing benefits (Jobseekers Allowance, Income Support, Employment and Support Allowance, child tax credit, working tax credit and housing benefit).
Legacy Benefits	Refers to the system of benefits that predates Universal Credit. Legacy benefits are still in operation in many areas. Legacy benefits consist of: Jobseekers Allowance, Income Support, Employment and Support Allowance, child tax credit, working tax credit and housing benefit.
Job Seekers Allowance	A legacy benefit paid to those available for and actively seeking work. The amount depends on whether the claimants is eligible for contribution, or income based support. Currently the allowance for a single person over the age of 25 is £73 a week.
Employment and Support Allowance	A legacy benefit paid to those unable to work because of an illness or disability.
Disability Living Allowance (DLA) and Personal Independence Payments (PIP)	Those with an illness or disability may also claim DLA which is intended to cover the additional costs associated with the claimants care or mobility needs as a result of their disability or illness. DLA has been phased out for adults and replaced with PIP, but children still receive DLA.

Hardship Payments	Hardship Payments are for claimants who have had their benefits stopped, mostly due to a sanction. It is a partial payment of up to 40% of their full entitlement. Hardship payments are grants under the legacy system, but loans under UC.
Two-child limit	An amount of child tax credit and the child element of Universal Credit used to be paid for all children in families claiming these benefits. But since April 2017, these payments have been restricted to two children. Currently this only affects third or subsequent children born after 1 April 2017, but from 2019 the restriction will apply to all children.
Housing related terms:	
Discretionary Housing Payments (DHP)	Since 2001 local authorities have been given discretionary housing payments funding to help them support those whose housing benefit payments are not sufficient to cover their housing costs.
Benefit Cap	This puts a limit on the total amount of benefits that can be received by an out-of-work household (excluding disability benefits). It is currently set at £20,000 a year for a family with children outside of London and £23,000 in London.
Under-occupancy charge (Bedroom Tax/Spare Room Subsidy)	This is also known as the 'bedroom tax' or 'removal of the spare room subsidy'. It is a reduction in housing benefit if you live in social rented housing and are classed as having a spare bedroom. You lose 14% of your housing benefit if you have one spare bedroom or 25% if you have two or more spare bedrooms.
Local Housing Allowance Rates	Determines the maximum amount of Housing Benefit paid to people renting from a private landlord. How much a claimant can get is determined by a number of different factors: their 'eligible' household size, where they live and their rent.
Other terms:	
No recourse to public funds condition (NRPF)	A condition placed on the visa of many migrants preventing them from accessing 'public funds' like benefits and other support. Undocumented migrants are also considered to have 'no recourse to public funds' as they do not have the documentation to prove their entitlement.
Section 17 support	Section 17 of the Children Act 1989 requires local authorities to take steps to improve the welfare and well-being of children in their area who are at risk of having their development undermined because of ill health, threats to their safety, abuse, neglect and other concerns. Local authorities can provide financial support through this provision, most often for families with children who have no recourse to public funds in order to ensure a basic

	standard of support for the children.
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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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