

Crisis support in Greater Manchester has collapsed, with the amount of support provided falling 92% since 2010/11 according to a major new study

STRICTLY EMBARGOED UNTIL 00.01 HOURS ON WEDNESDAY 19TH SEPTEMBER 2018

Support for vulnerable people wanting to live independently in their own homes and people facing a sudden financial crisis has collapsed in Greater Manchester with local authorities struggling to respond to demand due to the severity of central government cuts, according to a major new study by Greater Manchester Poverty Action (GMPA).

Since the government's decision to devolve responsibility for Community Care Grants and Crisis Loans to local authorities in the form of local welfare assistance schemes in 2013, spending on this vital crisis support in Greater Manchester has fallen from £19 million in 2010/11 to £3.8 million in 2017/18.

With no ring-fenced funding or requirement on local authorities to operate schemes, some increasingly cash strapped councils in Greater Manchester are having to cut funding for their schemes. The consequence is that local welfare assistance schemes are often run on a shoe string and have come nowhere near close to replicating the support that was available through Community Care Grants and Crisis Loans. In fact, GMPA's analysis shows:

- In Greater Manchester there were 123,220 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 10,077 successful applications for support through local welfare assistance schemes in 2017/18. A fall of 92%.

GMPA Director Graham Whitham said, "The Government's hands-off approach to crisis support has failed. It was unrealistic to expect local councils to pick up the responsibility for crisis support during a period when councils in Greater Manchester have been facing unprecedented cuts to their budgets and without any proper guidance or support from central government."

Graham continued, "The consequence of the Government's approach has been the emergence of an ad hoc approach to crisis support across Greater Manchester and the rest of England. There is no consistency of provision and the type of support people can access varies massively across the country. In many areas local schemes are underfunded and not well advertised. Having a well-funded and well-operated scheme in the place where you live could be the difference between living independently in your own home or ending up on the streets."

Despite being under financial pressure all ten local authorities in Greater Manchester maintain local welfare assistance schemes. However, the budgets for schemes have been cut in five out of the ten boroughs over the last three financial years, and significantly so in the cases of Trafford (a 35% drop) and Bury (a 55% drop) councils. The budgets for the local welfare assistance schemes in Bolton, Stockport and Tameside fell by 21%, 7% and 15% respectively over the same period.

Salford City Council increased the budget for its scheme by 49% and Rochdale Council by 14% between 2015/16 and 2017/18. Manchester City Council and Wigan Council have kept the budgets for their schemes broadly flat. Oldham Council does not set an annual budget allocation for its local welfare assistance scheme and is instead using historic reserves from central government.

Because of the lack of central government support or guidance, schemes vary considerably from one area to another. Worryingly, two thirds of local welfare assistance schemes in England do not provide cash grants or loans, with people instead being provided with vouchers, referrals and advice. Local authorities are increasingly reliant on being able to signpost people to third sector lead provision.

In some instances, the support being provided by schemes is incredibly narrow and therefore cannot meet different needs. GMPA found several schemes that are restricted to supporting people with energy bills but not other household costs.

GMPA's research found:

- Rochdale Council provides vouchers to support people with energy bills and signposts customers to support agencies.
- Trafford Council provides support to people with food and fuel costs in the form of vouchers and staff will look at referring customers to relevant organisations where possible.
- Stockport Council provides grants or refers people to the local credit union for a loan, in addition to providing vouchers.
- Manchester City Council provides cash grants to people experiencing different types of hardship, such as fuel poverty or risk of homelessness.
- There were over 2000 successful applications for support through Bolton Council's local welfare assistance scheme in 2017/18 compared to 223 through Oldham Council's scheme.
- Wigan Council's scheme, at 87%, had the highest proportion of successful applications for support in Greater Manchester in 2017/18.
- Manchester City Council had the highest number of applications for support to their scheme in Greater Manchester (nearly 4000) in 2017/18.

With local authorities under increasing financial pressure, the research found:

- A 25% drop in the total funding for local welfare assistance schemes across England over the last three financial years.
- One third of applications for support through local welfare assistance schemes in the North West were unsuccessful in 2017/18.

GMPA Director Graham Whitham concluded, "The Government's intention was for local welfare assistance schemes to be the first port of call for people facing a financial crisis, the reality is that schemes are often bypassed with people referred to voluntary and community run initiatives such as foodbanks. The state cannot absolve itself of the responsibility to support people facing hardship and deprivation. The Government needs to step in and provide proper funding for crisis support".

GMPA is calling on the Government to:

- Provide annual ring-fenced funding for local welfare assistance schemes at least equivalent to that provided through the old Discretionary Social Fund, alongside a statutory requirement on local authorities to operate schemes.
- Provide guidance and a framework for the delivery of local welfare assistance that sets minimum standards whilst allowing local authorities to adapt schemes to meet local needs.
- Annually monitor and evaluate the effectiveness of local schemes.

At the same time, GMPA is calling on local authorities to:

- Work with local voluntary and statutory agencies to maximise funding and increase awareness of local welfare provision.
- Take a 'cash first' approach so that people in crisis can access loans and grants ahead of the provision of vouchers, food parcels and other handouts.

In combined authority areas GMPA wants to see:

- Discussion between metro mayors, statutory agencies and local authorities on how to maximise local welfare assistance budgets and the impact of schemes. Considerations should include the introduction of common branding and uniform application and referral processes across city regions.

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Notes for editors:

Policy background

Until 2013 the government operated a crisis support scheme called the Discretionary Social Fund. This provided support to people through Crisis Loans and Community Care Grants (as well as Budgeting loans).

Community Care Grants supported vulnerable people to live independently, for example supporting people to establish themselves in their own home after a period of homelessness or a stay in residential care. Crisis Loans supported people facing a sudden financial crisis to cover the cost of household items and living expenses in the event of an unexpected incident such as a fire or flood.

Responsibility for Community Care Grants and Crisis Loans was devolved to ‘top tier’ local authorities in England from April 2013 onwards through new local welfare assistance schemes (responsibility for this provision was passed to devolved governments in Scotland and Wales). At the same time, central government funding for this vital support fell from £330 million in 2010/11 to £178 million in 2013/14.

Since then, while local authorities continue to be allocated some financial support for local welfare assistance schemes, as part of their overall funding settlement, all ring-fenced funding has ended. There is no statutory duty on local authorities to run local welfare assistance schemes and there is no central government framework or guidance in place. Nor does central government monitor and evaluate the effectiveness of local schemes.

About GMPA

GMPA is a not-for-profit organisation based in Greater Manchester that works to address poverty across the city region. We convene and network organisations from across the public, private and VCSE sectors to foster collaboration and innovation and to maximise the impact of efforts to address hardship and deprivation across Greater Manchester. We carry out research and we campaign for changes in policy both locally and nationally so that the structural and systematic causes of poverty are addressed.

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Methodology

Data on local welfare assistance schemes budgets, spending and applications was gathered from top tier local authorities through Freedom of Information requests during in June and July 2018. Information about local welfare schemes was obtained from 131 out of 150 top tier local authorities in England. Top line information was also gathered from local authorities on the type of support that is available through schemes (i.e. whether financial support is available through schemes in the form of cash loans or grants).

In addition, the research analyses historic Department for Work and Pensions Discretionary Social Fund data on the amount spent on, and number of awards made through crisis loans and community care grants in 2010/11, before cuts to funding were implemented, and 2012/13, the final year of the Discretionary Social Fund.

A full report detailing the findings, a map showing changes in funding for local schemes over the last three years and a factsheet will be published on the GMPA website on Wednesday 19th September: gmpovertyaction.org