

Crisis support in England has collapsed, with the amount of support provided falling by 88% since 2010/11 according to a major new study

STRICTLY EMBARGOED UNTIL 00.01 HOURS ON WEDNESDAY 19TH SEPTEMBER

Support for vulnerable people wanting to live independently in their own homes and people facing a sudden financial crisis has collapsed in England, and no longer exists in some parts of the country, 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 England has fallen by 69%. Spending on support was £139 million in 2012/13 under the old central government run system, but just £46.6 million in 2017/18 through local welfare assistance schemes.

With no ringfenced funding or requirement on local authorities to operate schemes, some increasingly cash strapped councils don't have any provision in place. Analysis of local schemes in 131 out of 150 top tier local authority areas in England by GMPA finds 22 local authorities do not operate local welfare assistance schemes. GMPA estimates that this means 7.75 million people are living in areas where crisis support is not available.

A further 29 schemes are under threat, with local authorities having cut the budget for their schemes by two-thirds over the last three years or operating schemes on budgets of less than £100,000 a year.

The consequence is that local welfare assistance schemes 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:

- The number of awards made through Community Care Grants and Crisis Loans was over 1.3 million in 2010/11 and over 700k in 2012/13 (the final year of the national scheme). This compares to a little over 161k successful applications for support through local welfare assistance schemes in 2017/18. This represents a fall of 88% between 2010/11 and 2017/18.

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 they 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 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."

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 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 one scheme that was limited to providing people with vouchers to buy nappies and several schemes that are restricted to supporting people with energy bills but not other household costs.

GMPA's research found:

- Funding for local schemes varies massively across the country. Liverpool City Council's local welfare assistance scheme had the largest budget in 2017/18 at £3.1 million. This compares to 16 local authority schemes that had budgets of £100k or less in the same year.

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

- A 25% drop in the total funding for local welfare assistance schemes over the last three financial years.
- Over four in ten applications for support through local welfare assistance schemes in each of the last three financial years were not successful.

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 (including the right to appeal decisions) 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:

Regional figures are available on request.

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 GMIPA

GMIPA 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 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 GMIPA website on Wednesday 19th September.