The decline of crisis support in England

Graham Whitham
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About Greater Manchester Poverty Action

Greater Manchester Poverty Action (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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Introduction

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 in their homes, for example supporting people to establish themselves in their own home after a period of homelessness or 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 in their home.

Community Care Grants and Crisis Loans were an important and necessary part of the social security safety net, preventing people from falling into hardship and deprivation and alleviating pressure on other parts of the welfare system. They were replaced by local welfare assistance schemes operated by top tier local authorities in England (and by devolved governments in Scotland and Wales). The Government’s view was that local authorities were better placed to meet local welfare needs in their area. These reforms were made in the context of funding for the Discretionary Social Fund not meeting demand and the government having to restrict the provision of crisis support so that funding did not run out.

Alongside the localisation of support, central government funding fell from around £330 million in 2010/11 under the Discretionary Social Fund to £178 million in 2013/14 (the first year of local schemes). Since localisation, local authorities continue to be allocated some financial support for local welfare assistance schemes as part of their overall funding settlement. However, this money is not ring-fenced and there is no requirement on local authorities to operate schemes.

When the Government announced this new approach to the provision of crisis support, campaigners acknowledged that localising the Community Care Grants and Crisis Loans elements of the Discretionary Social Fund may have some advantages, such as greater coordination between local agencies. However, concerns were raised about the reduction in central government funding at a time when local authorities were coming under increased financial pressure. Concerns were also raised about the lack of central government guidance to local authorities on how to operate local welfare assistance schemes and the lack of national monitoring and evaluation of schemes.

With further cuts to the government allocation for local welfare assistance schemes since 2013/14, the lack of central government monitoring or guidance and further pressure on local authority budgets, local welfare assistance provision has withered. Research by the Centre for Responsible Credit has recorded the decline in provision and found that several local authorities are not operating schemes.

At Greater Manchester Poverty Action (GMPA), we regularly speak to people with lived experience of poverty and work closely with organisations that directly support people experiencing hardship and deprivation. Far too often it is clear that an inability to access relatively small amounts of financial support to live independently or respond to a sudden, short-term financial crisis can tip people over the edge into greater levels of hardship and deprivation. Since 2010 there has been an increase in poverty and financial hardship in Greater Manchester and across the country, with household budgets under strain and people increasingly in need of additional financial support. Whilst the Discretionary Social Fund was not perfect, we have seen the consequences of that
provision no longer being in place and local authorities being asked to plug a gap in the welfare system whilst being under huge financial pressure.

This report analyses local welfare assistance schemes in England with a view to informing local and national policy responses, as well as acting as a catalyst for conversations in those areas where powers have been devolved to city regions. This is particularly important in Greater Manchester where the election of a high-profile mayor and the devolution of powers has provided a platform for considering how budgets can be better used to prevent deprivation and hardship and whether the city region should seek the devolution of further powers to address poverty.

**Key findings**

This report looks at trends over the last three financial years (2015/16, 2016/17 and 2017/18) in the level of funding allocated to local welfare assistance schemes by local authorities, the amount spent on schemes and the level of support being provided. Information about local schemes was obtained from 131 local authorities (87% of ‘top tier’ local authorities). It finds that:

- At least 22 (15%) local authorities do not have a scheme in place. We estimated that this means there are around 7.75 million people in England living in areas without access to a local welfare assistance scheme.
- Local welfare schemes are under threat in a further 29 local authority areas.
- The total budget for local welfare assistance schemes across England fell from over £64 million in 2015/16 to less than £47 million in 2017/18 (a fall of 25%). This means the average budget for local schemes was around £310,000 in 2017/18 compared to £416,000 in 2015/16.
- The amount spent on supporting people through local welfare assistance schemes fell by 16% between 2015/16 and 2017/18. There was an 11% fall in the number of successful applications for support through schemes over the same period.
- The operation of 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.
- Around two-thirds of local authorities do not provide cash grants or loans through their scheme. Instead support is in the form of vouchers, referrals and advice. This takes choice and control away from people in need.

The report also compares levels of support provided through Community Care Grants and Crisis Loans under the old Discretionary Social Fund with the support being provided through local schemes, and finds that:

- The amount spent on supporting people through local welfare assistance schemes in 2017/18 was 68.8% lower than the amount spent on Crisis Loans for household items and expenditure and Community Care Grants in the final year of the Discretionary Social Fund.
- 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. This compares to a little over 161k successful applications for support through local welfare assistance schemes in 2017/18.
- The average amount spent on crisis support in each English top tier local authority through the respective schemes in 2010/11, 2012/13 and 2017/18 was:
  - £1,455,821 in 2010/11.
  - £925,951 in 2012/13 (the final year of the Discretionary Social Fund).
• In Greater Manchester, spending on crisis support in 2017/18 was £3.8 million. This is over £15 million lower than spending under Crisis Loan and Community Care Grant provision in 2010/11. The number of successful applications for support through local schemes in Greater Manchester was just over 10k in 2017/18 compared to 123k Community Care Grants and Crisis Loan awards made in 2010/11.

Next steps

The analysis set out in this report shows that crisis support in England has collapsed. GMPA is keen to advance conversations about how local welfare provision can be improved through national, regional and local policy responses. With devolution to city regions and increasing interest in how city regions can utilise new powers to affect change, it is important that conversations focus on improving outcomes for people experiencing poverty. Local welfare assistance schemes represent one element of the welfare system that is in the gift of local authorities.

This does not mean central government can absolve itself of responsibility. Central government’s hands-off approach to local welfare assistance schemes has failed and created a hole in the welfare safety net. At the very least, given that levels of need have increased over recent years and that local authority budgets have been squeezed, central government should provide ring-fenced funding to local schemes equivalent to that provided to the Discretionary Social Fund in 2010/11 (i.e. before welfare cuts began). This should sit alongside a statutory requirement on local authorities to operate schemes with accompanying guidance to ensure there is some level of consistency of provision across the country. Lessons should be learnt from the Scottish Government’s Welfare Fund that applies consistency across the whole of Scotland and includes the right to appeal application decisions. A more hands on approach by government would set a level of expectation, but still allow room for local authorities to adapt provision to meet local needs and to top up schemes through funding from their own budgets. Specifically, 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, we are 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 we want 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.
Methodology

The research findings in this report are based on information from top tier local authorities in England. Information about local welfare assistance schemes was gathered from 131 out of 150 top tier local authorities (including those areas that do not operate schemes) in England between June and August 2018 (a response rate of 87%).

The research sought to identify local welfare assistance scheme budgets and the amount spent on schemes by local authorities in England in each of the last three financial years (2015/16, 2016/17 and 2017/18). Information was gathered on the number of applications for support made to local welfare assistance schemes and the proportion of those applications that were successful (i.e. support was provided). Top line information was gathered from local authorities on the type of support that is available (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.

The analysis of the data undertaken is reflected in full in the research findings set out in this report.

The analysis comes with some caveats, largely because the way in which local authorities operate and fund schemes varies considerably and because information about schemes is not recorded in a consistent way. Where possible any inconsistencies have been factored into the analysis undertaken.
Findings

Funding for crisis support before and after localisation

In 2010/11 the budget for crisis support through the Discretionary Social Fund was £330 million. Following the devolution of crisis support to local authorities in England (in the form of local welfare assistance schemes), funding provided by central government dropped to £178 million in 2013/14. While local authorities continue to be allocated financial support for local welfare assistance scheme provision as part of their overall funding settlement, all ring-fenced funding has now ended and there is no central government framework or annual monitoring and evaluation of schemes in place. Local authorities have effectively been left to their own devices.

Analysis of the funding allocated to local welfare assistance schemes by individual local authorities over the last three financial years shows a 25% drop in total funding and that total funding for schemes in 2017/18 across all top tier local authorities stood at £46.6 million (table 1).

Table 1: Showing the estimated total budget for local welfare assistance schemes across England in each of the last three financial years

<table>
<thead>
<tr>
<th></th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated local welfare assistance scheme budget across 150 top tier local authorities</td>
<td>£62.4 million</td>
<td>£50.4 million</td>
<td>£46.6 million</td>
</tr>
<tr>
<td>Estimated average local authority local welfare assistance scheme budget</td>
<td>£416,161</td>
<td>£335,842</td>
<td>£310,522</td>
</tr>
</tbody>
</table>

The decline of local welfare assistance schemes

Of the 131 areas where information about local welfare assistance schemes was gathered, a total of 22 local authorities were found not to be operating schemes. This represents 15% of top tier local authorities in England. The local authorities not operating local welfare assistance schemes are:

- Bournemouth Borough Council
- Devon County Council
- Isle of Wight Council
- Lincolnshire County Council
- London Borough of Bexley
- London Borough of Barking & Dagenham
- London Borough of Haringey
- London Borough of Hillingdon
- London Borough of Redbridge
- North East Lincolnshire Council
- North Lincolnshire Council
- Northamptonshire County Council
- Nottingham City Council
- Nottinghamshire County Council
- Oxfordshire County Council
- Plymouth City Council
- Portsmouth City Council
- Reading Borough Council
- Staffordshire County Council
- Stoke-on-Trent
- West Berkshire Council
- Worcestershire County Council

We estimate that this means 7.75 million people in England are living in areas without crisis support in place.
A further 29 schemes are under threat. Schemes are classed as being under threat if funding for schemes fell by two-thirds or more over the last three financial years, or if schemes are relying on historic Department for Work and Pensions funding or operating on budgets of less than £100,000 per annum. Schemes in the following local authority areas are under threat:

- Barnsley Borough Council
- Bracknell Forest Council
- City of York
- Derby City Council
- Dudley Metropolitan Borough
- Essex County Council
- Gateshead Metropolitan Borough Council
- Hampshire County Council
- Herefordshire Council
- London Borough of Barnet
- London Borough of Brent
- London Borough of Merton
- London Borough of Newham
- London Borough of Southwark
- London Borough of Sutton
- North Somerset Council
- Oldham Metropolitan Borough Council
- Poole Borough Council
- Rotherham Metropolitan Borough Council
- Royal Borough of Kingston upon Thames
- Royal Borough of Windsor and Maidenhead
- Rutland County Council
- Sandwell Metropolitan Borough Council
- Swindon Borough Council
- Telford & Wrekin Council
- Wiltshire Council
- Wirral Metropolitan Borough
- Wokingham Council
- Wolverhampton City Council.

A further 16 local authority areas have cut funding for their local welfare assistance schemes by between one and two-thirds over the last three financial years, with funding falling by less than one-third in a further 25 areas. A total of 39 local authorities have either increased or kept funding stable.
for their local scheme. We have mapped these findings, with colour coding used to indicate how we have categorised different areas (figure 2).

**Figure 2: Mapping trends in local welfare assistance scheme budgets**

GMPA has published this map online to accompany the release of this report and it is available at: www.gmpovertyaction.org/local-welfare-assistance-scheme
Variations between local welfare assistance scheme budgets

Budgets for local welfare assistance schemes vary considerably across England. Whilst some differences are to be expected due to variations in population size and deprivation levels, the extent to which funding varies is startling. Analysis of the 109 areas that were identified as having schemes in place showed:

- Sixteen schemes operated with budgets of less than £100,000 in 2017/18 and a clear majority of schemes had budgets of less than £500k.
- Just ten local authorities operated schemes with budgets of more than £1 million in 2017/18, with a further twenty-one schemes operating with budgets of between £500k and £1 million.
- Liverpool City Council’s local welfare assistance scheme had the largest budget at £3.1 million.

Spending on local welfare assistance schemes

Due to variations in the way in which local authorities operate schemes, it is difficult to compare spending overtime between authorities. Some local authorities recoup funding through loan repayments and do not include this within spending totals whereas others do. Some local authorities record spending data that only relates directly to support provided to individuals and not spending related to administrative and staffing costs. However, the data does allow us to understand the overall trend in local welfare assistance scheme spending across England. Analysis of scheme spending data shows:

- A 16% fall in the total spend on local welfare assistance schemes between 2015/16 and 2017/18.
- A reduction in spending on local welfare assistance schemes in 70% of local authority areas over the last three years.
- Reductions in spending of 25% or more between 2015/16 and 2017/18 in 47 out of 109 local authority areas\textsuperscript{iv}.
- A total of twenty-six local authorities (not including those areas without a scheme) whose spending on local welfare assistance was less than £100,000 in 2017/18.
- Only five local authorities reported spending more than £1 million on local welfare assistance schemes in 2017/18.

Spending on local welfare assistance schemes compared to spending under the old Discretionary Social Fund

Department for Work and Pensions data shows the amount spent on the Discretionary Social Fund by local authority area in each financial year up until the final year of the Fund (i.e. 2012/13)\textsuperscript{v}. It is possible to compare the total amount spent on Crisis Loans for household items and expenditure and Community Care Grants across all local authorities in the final year of the Discretionary Social Fund with the amount spent on supporting people through local welfare assistance schemes. This analysis shows that local provision comes nowhere near to replicating the level of support that was previously available, and finds that:

- The amount spent on supporting people through local welfare assistance schemes in 2017/18 was 68.8% lower than the amount spent on Crisis Loans for household items and expenditure and Community Care Grants in the final year (2012/13) of the Discretionary Social Fund.
• The amount spent on supporting people through local welfare assistance schemes in 2017/18 was £175m less than that spent on supporting people through Crisis Loans for household items and expenditure and Community Care Grants in 2010/11.

Table 2 shows the average amount spent on crisis support in each English top tier local authority through the respective schemes in 2010/11, 2012/13 and 2017/18. The average amount spent in each local authority on crisis support in 2017/18 was just one fifth of what it was in 2010/11.

Table 2: Showing the average spend in top tier local authority areas on crisis support in 2010/11, 2012/13 and 2017/18

<table>
<thead>
<tr>
<th>Year</th>
<th>Average spent in each top tier English local authority on crisis support in selected years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010/11 (Crisis Loans and Community Care Grants)</td>
<td>£1,455,821</td>
</tr>
<tr>
<td>2012/13 (Crisis Loans and Community Care Grants)</td>
<td>£925,951</td>
</tr>
<tr>
<td>2017/18 (Local welfare assistance schemes)</td>
<td>£288,639</td>
</tr>
</tbody>
</table>

The number of awards provided through local welfare assistance schemes compared to the old Discretionary Social Fund

Based on information received from local authorities on the number of successful applications for support through local welfare assistance schemes, there were an estimated 161,337 successful applications for support in England in 2017/18. This compares to:

• 1,329,693 awards made through the Crisis Loans for household items and expenditure and Community Care Grants elements of the old Discretionary Social Fund in 2010/11 and 738,110 awards in 2012/13 (illustrated in figure 3).

Figure 3: Illustrating the collapse of crisis support in England

The likelihood of being able to access support

Because the operation of schemes differs from one local authority to the next and because there isn’t consistent monitoring of schemes, direct comparison of the number of applications and the success rate of applications between local authorities can be problematic. However, both the volume of applications for support and the different success rates of applications across the country further highlights the extent to which the ability to access support is dependent on where you live.
Around 20% of local authorities that operate schemes told us that they received less than 1000 applications for support in 2017/18. A small number of schemes received over 5000 applications for support.

The success rate of applications similarly varies across local authority areas. For example, just 12% of applications for support were successful in Derby in 2017/18 (the lowest rate of successful applications identified), compared to 94% in Cheshire East.

The proportion of applications for support made to local welfare assistance schemes that are successful has been consistent over the last three financial years with:

- 59% of applications to local welfare assistance schemes resulting in support being provided in both 2015/16 and 2016/17, falling by just 1% to 58% in 2017/18.

In addition:

- The number of successful applications for support fell by an average of 11% across those local authorities that operated schemes between 2015/16 and 2017/18.

The type of support available through local schemes

The type of support available through local welfare assistance schemes varies massively. This research identified a range of different types of support being operated through schemes:

- Cash grants
- Loans
- Support towards employment training
- Vouchers for food, energy bills and other household costs
- Referrals to statutory partners
- Referrals to VCSE led provision, including:
  - Foodbanks
  - Debt and financial advice services
  - Welfare rights services
  - Organisations providing low cost whitegoods and other household items.

Some local authorities operate a combination of different types of support, whilst others offer just one type of support. For example, Halton Borough Council does not provide support through grants or loans but offers vouchers for fuel payments, with referrals for support made to the local Citizen’s Advice Bureau, housing associations and other local welfare rights services and organisations such as foodbanks when deemed appropriate.

Darlington Council provides a low value voucher to purchase nappies and refers people to local charities such as Citizens Advice for support with debts, housing and benefits advice. The council also refers to other agencies where relevant to clients, for example homelessness/housing, domestic violence, substance abuse and mental health.

Some local authorities have handed delivery of provision over to third parties entirely. For example, in Blackburn with Darwen, crisis support is provided by local VCSE organisations on behalf of the council. Funding provided by the council supports the provision of services within those organisations.

In some instances, loans schemes are being operated through local partners such as credit unions. In 2015/16, Wolverhampton Council provided £200k of funding to Wolverhampton City Credit Union to
The delivery of a crisis loan scheme and does not appear to have provided further funding towards local welfare provision since then.

Whilst there is strong variation in the type of support available, analysis shows that local welfare assistance schemes have largely moved away from providing people with financial support through cash grants or loans with:

- Around two-thirds of local authorities not providing cash grants or loans through their scheme (illustrated in figure 4).

*Figure 4: Illustrating the type of support available through local welfare assistance schemes*

Local welfare assistance schemes in Greater Manchester

As with other parts of England, crisis support in Greater Manchester is considerably lower than it was under the old Discretionary Social Fund. This has real implications for efforts to tackle poverty across Greater Manchester as money targeted at vulnerable people and people experiencing hardship has been sucked out of the city region. Spending on crisis support in 2017/18 was £3.8 million. This is over £15 million lower than spending under Crisis Loan and Community Care Grant provision in 2010/11. The number of successful applications for support through local schemes in Greater Manchester was just over 10k in 2017/18 compared to 123k Community Care Grants and Crisis Loan awards made in 2010/11.

*Figure 5: Illustrating the fall in spending on crisis support in Greater Manchester since 2010/11*
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. In 2013-14 and 2014-15 Oldham Council received government grants totalling £2.059 million for local welfare provision. Unspent elements of this ring-fenced grant have been rolled forward via a specific earmarked reserve.

The type of support and numbers of people accessing support also varies considerably across the city region. For example:

- 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.

Local welfare assistance schemes in areas with high levels of poverty

Local authority areas with high levels of poverty and deprivation are more likely to have high numbers of people requiring crisis support. Analysing the 25 local authority areas with the highest rates of poverty in England shows that many local authorities have worked hard to maintain relatively high levels of funding for crisis support through their local welfare assistance schemes. However, Nottingham, Barking and Dagenham and Haringey have among the highest poverty rates in the country and do not have schemes in place. Across the 25 areas for which valid data was obtained:

- The budgets for local welfare assistance schemes fell by an average of 17% in the 25 most deprived local authorities in the country.
- There were an average of 1497 successful applications for support through local welfare assistance schemes in 2017/18, but this masks the huge difference in the numbers of people accessing support in different areas. Whilst there were 7,116 successful applications for
support through Birmingham City Council’s scheme there were just 124 in the London Borough of Hackney.

- The amount of support being provided through local schemes in the most deprived parts of the country is around one seventh of that provided through Community Care Grants and Crisis Loans.
Conclusion and recommendations

The analysis set out in this report shows that crisis support in England has collapsed.

The amount of support being provided through local welfare assistance schemes is dramatically lower than under the old Discretionary Social Fund. In some parts of the country there is no crisis support in place, with 22 local authorities not operating schemes and a further 29 schemes under threat.

This report complements research by The Children’s Society and The Church of England, The Centre for Responsible Credit and the National Audit Office (among others), who have all highlighted the decline in crisis support in England since localisation in 2013. The report reinforces concerns set out by campaigners and social policy experts and calls for a rethink about how crisis support is delivered.

In the absence of central government guidance on local welfare provision for local authorities, The Children’s Society and Church of England set out a report detailing the limitations and precarious nature of local welfare assistance schemes in May 2018 and proposed several reforms that could increase the impact of local schemes. They recognised that partnership working between local authorities and statutory and VCSE partners could help increase the impact of local welfare assistance schemes and called for a more joined up approach to local welfare provision to ensure that VCSE lead emergency support is properly linked into the local welfare ‘offer’.

GMPA believes that local welfare assistance schemes could act as a focal point and hub for a wider crisis support and welfare offer within a locality (including discretionary housing payments and council tax support). This could ensure that more people are able to access crisis support and that schemes are delivered more effectively. Steps that could be taken locally to achieve this could include raising awareness of local welfare assistance schemes and mapping VCSE provision to ensure any gaps in support are filled. A system of follow up with people accessing crisis support through local schemes could be introduced to better understand the impact of crisis support and help minimise the reoccurrence of crisis.

The National Audit Office suggested several steps that could be taken to improve local welfare assistance schemes in 2016. They set out concerns about the impact of localising crisis support and called on local authorities to review the effectiveness of the support they provide to meet local welfare needs and to collect and make use of information on who seeks help and why. This would enable local authorities to target support where it is most needed and to highlight the potential future savings to the public purse when local welfare assistance schemes are available. Local authorities should use this information to make decisions on funding and consider whether other public services and charitable organisations have sufficient capacity to meet any increase in demand caused by reductions in local welfare provision.

Within local authorities, consideration needs to be given to whether vulnerable people and people experiencing financial hardship have access to cash grants and loans within a given locality. The current narrowness of local schemes limits their impact. It is important that people can access cash to ensure they have choice, control and dignity, and also to ensure local welfare provision can meet multiple needs rather than being restricted to providing support with specific household bills or items. Local welfare assistance schemes should 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 (which may often be provided through VCSE partners).
With devolution to city regions and increasing interest in how city regions can utilise new powers to affect change, it is important that conversations in those areas focus on improving outcomes for people experiencing poverty. Local welfare assistance schemes represent one element of the welfare system that is in the gift of local authorities. 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.

**Crisis support in Scotland and Wales**

In 2013, as well as passing responsibility for crisis support to local authorities in England, the UK Government devolved responsibility for this provision to governments in Scotland and Wales. Both the Scottish and Welsh governments have forged approaches to crisis support that the UK Government and local authorities in England could learn from.

The Scottish Government introduced a Scottish Welfare Fund to replace the Community Care Grant and Crisis Loan elements of the old Discretionary Social Fund. This has been placed on a statutory footing and the scheme combines a national framework, guidance and reporting mechanisms with flexibility at the local authority level. The Scottish Government provides a budget of £38 million to local authorities across Scotland with a requirement that they apply consistent award and eligibility criteria. The Scottish Welfare Fund provides support in the form of Community Care Grants and Crisis Grants.

The Welsh Government has introduced the Discretionary Assistance Fund that operates through a range of delivery partners. There are two types of support. Individual Assistance Payments are intended to support vulnerable people to remain or establish living independently in their own homes. With these grants people can receive white goods such as a fridge, cooker and washing machine and essential home items such as beds, bedding and seating. Emergency Assistance Payments aim to support people experiencing a sudden financial or other crisis. The payment helps people to cover the cost of food, gas and electricity, clothing and emergency travel.

Research by The Centre for Responsible Credit found that the Welsh Government’s Discretionary Assistance Fund made nearly 34,000 Emergency Assistance Payments and 4,600 Individual Assistance Payments to people in Wales in 2016/17\(^{\text{xvi}}\).

Whilst action by local authorities has the potential to improve local welfare provision, this report shows that the collapse in crisis support has been the result of central government taking a hands-off approach. Local authorities cannot be expected to replicate the level of support that was provided under the old Discretionary Social Fund without significant ring-fenced funding from central government. Nor can the ad hoc nature of local welfare assistance schemes be addressed without clear guidance from the Government that sets minimum standards and expectations of local welfare assistance schemes. As this report has shown, local welfare assistance schemes vary massively from one local authority to the next.

The Government urgently needs to show leadership if crisis support is to be improved. A new approach to welfare provision by central government would provide greater support to local authorities, both in terms of ring-fenced funding, but also through guidance and a framework for the delivery of provision. At the very least, given that levels of need have increased over recent years and that local authority budgets have been squeezed, central government should provide ring-
fenced funding to local authorities equivalent to that provided through the Discretionary Social Fund in 2010/11 (i.e. before welfare cuts began). This should sit alongside a statutory requirement on local authorities to operate schemes with accompanying guidance to ensure there is some level of consistency of provision across the country.

In Scotland and Wales, where the operation of crisis support was devolved to national governments rather than local authorities, different approaches have emerged (see text box). Lessons should be learnt from these approaches. For example, the Scottish Government’s Welfare Fund applies consistency across the whole of Scotland and includes the right to appeal application decisions whilst still allowing for some local flexibility. A more hands on approach by the UK Government could similarly allow room for local authorities to adapt provision to meet local needs and to top up schemes through funding from their own budgets. Specifically, 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.
Appendix

Crisis support before and after localisation – English regions

Analysis of Department for Work and Pensions Crisis Loans for household items and expenditure and Community Care Grants expenditure, as well as award data and the equivalent local welfare assistance data by English region, shows the extent to which crisis support has collapsed in each part of the country. Table 3 shows expenditure on crisis support through the old Discretionary Social Fund in 2010/11 and 2012/13 and estimated local welfare assistance scheme data for each of the last three financial years across the nine regions of England. This shows that:

- In the North West, expenditure on crisis support fell from £46.7 million in 2010/11 to £9.5 million in 2017/18.
- In the North East, expenditure on crisis support fell from £19 million in 2010/11 to £4.6 million in 2017/18.
- In Yorkshire and the Humber, expenditure on crisis support fell from £21.7 million in 2010/11 to £3.9 million in 2017/18.
- In the West Midlands, expenditure on crisis support fell from £24.4 million in 2010/11 to just under £3 million in 2017/18.
- In the East Midlands, expenditure on crisis support fell from £16.2 million in 2010/11 to £0.9 million in 2017/18.
- In the South West, expenditure on crisis support fell from £14.8 million in 2010/11 to £2.3 million in 2017/18.
- In London, expenditure on crisis support fell from £36.9 million in 2010/11 to just under £9 million in 2017/18.
- In the South East, expenditure on crisis support fell from £20.3 million in 2010/11 to £3.1 million in 2017/18.
- In the East of England, expenditure on crisis support fell from £17.4 million in 2010/11 to £5.4 million in 2017/18.

Table 3: Showing expenditure on crisis support in selected years by English region.

<table>
<thead>
<tr>
<th>Region</th>
<th>2010/11</th>
<th>2012/13</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>North West</td>
<td>£46,708,500</td>
<td>£25,386,900</td>
<td>£8,970,945</td>
<td>£10,023,412</td>
<td>£9,489,177</td>
</tr>
<tr>
<td>North East</td>
<td>£19,033,000</td>
<td>£10,177,200</td>
<td>£4,611,387</td>
<td>£5,853,480</td>
<td>£4,643,196</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>£21,657,900</td>
<td>£15,726,800</td>
<td>£5,427,120</td>
<td>£4,960,297</td>
<td>£3,951,140</td>
</tr>
<tr>
<td>West Midlands</td>
<td>£24,381,700</td>
<td>£17,618,300</td>
<td>£4,826,566</td>
<td>£3,267,528</td>
<td>£2,976,932</td>
</tr>
<tr>
<td>East Midlands</td>
<td>£16,201,700</td>
<td>£10,302,000</td>
<td>£1,412,410</td>
<td>£1,261,298</td>
<td>£961,212</td>
</tr>
<tr>
<td>South West</td>
<td>£14,797,700</td>
<td>£9,847,400</td>
<td>£4,513,903</td>
<td>£4,016,432</td>
<td>£2,254,423</td>
</tr>
<tr>
<td>London</td>
<td>£36,938,700</td>
<td>£25,639,500</td>
<td>£9,515,405</td>
<td>£8,684,309</td>
<td>£8,994,560</td>
</tr>
<tr>
<td>South East</td>
<td>£20,300,200</td>
<td>£13,501,600</td>
<td>£3,489,715</td>
<td>£3,422,436</td>
<td>£3,126,380</td>
</tr>
</tbody>
</table>
East of England  | £17,418,300 | £10,140,400 | £6,336,451 | £6,942,555 | £5,449,677

Comparing the amount of support provided through the old Discretionary Social Fund and local welfare assistance schemes by English region (shown in table 4) shows the extent to which crisis support has fallen across England:

- In the North West, there were 297,730 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 61,400 successful applications for support through local welfare assistance schemes in 2017/18.
- In the North East, there were 116,520 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 12,129 successful applications for support through local welfare assistance schemes in 2017/18.
- In Yorkshire and the Humber, there were 138,730 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 14,455 successful applications for support through local welfare assistance schemes in 2017/18.
- In the West Midlands, there were 106,560 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 19,761 successful applications for support through local welfare assistance schemes in 2017/18.
- In the East Midlands, there were 96,210 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 3,633 successful applications for support through local welfare assistance schemes in 2017/18.
- In the South West, there were 93,200 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 12,479 successful applications for support through local welfare assistance schemes in 2017/18.
- In London, there were 176,130 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 26,245 successful applications for support through local welfare assistance schemes in 2017/18.
- In the South East, there were 147,353 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 16,516 successful applications for support through local welfare assistance schemes in 2017/18.
- In the East of England, there were 105,680 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 13,181 successful applications for support through local welfare assistance schemes in 2017/18.

Table 4: Showing the number of awards made through crisis support schemes in selection years by City Region

<table>
<thead>
<tr>
<th>City Region</th>
<th>Awards made through Crisis Loans for household items and expenditure and Community Care Grants</th>
<th>Number of successful applications for support through local welfare assistance schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010/11</td>
<td>2012/13</td>
</tr>
<tr>
<td>North West</td>
<td>297,730</td>
<td>152,590</td>
</tr>
<tr>
<td>North East</td>
<td>116,520</td>
<td>59,830</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>138,730</td>
<td>84,990</td>
</tr>
<tr>
<td>West Midlands</td>
<td>106,560</td>
<td>64,240</td>
</tr>
</tbody>
</table>
Crisis support before and after localisation – city regions

Analysis of the data by city region allows to look at the extent to which crisis support has fallen in those areas that have metro mayors\textsuperscript{xviii}. As with England as a whole, spending on crisis support in city regions through welfare assistance schemes in 2017/18 was considerably lower than the amount spent through the old Discretionary Social Fund. Analysis of expenditure on crisis support in 2010/11, 2012/13 and 2017/18 (shown in table 5) finds that:

- In Greater Manchester, expenditure on crisis support fell from £19 million in 2010/11 to £3.8 million in 2017/18.
- In Liverpool City Region, expenditure on crisis support fell from £14.7 million in 2010/11 to £4.4 million in 2017/18.
- In Tees Valley, expenditure on crisis support fell from £6.9 million in 2010/11 to £0.3 million in 2017/18.
- In the West Midlands City Region, expenditure on crisis support fell from £16.5 million in 2010/11 to £2.2 million in 2017/18.
- In the West of England Combined Authority, expenditure on crisis support fell from £3 million in 2010/11 to £0.15 million in 2017/18.
- In the Sheffield City Region, expenditure on crisis support fell from £6 million in 2010/11 to £1.2 million in 2017/18.

Table 5: Showing expenditure on crisis support in selected years by City Region.

<table>
<thead>
<tr>
<th>City Region</th>
<th>2010/11</th>
<th>2012/13</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Manchester</td>
<td>£18,928,500</td>
<td>£9,646,300</td>
<td>£3,833,744</td>
</tr>
<tr>
<td>Liverpool City Region</td>
<td>£14,683,100</td>
<td>£8,275,100</td>
<td>£4,400,964</td>
</tr>
<tr>
<td>Tees Valley</td>
<td>£6,894,700</td>
<td>£3,294,000</td>
<td>£317,835</td>
</tr>
<tr>
<td>West Midlands</td>
<td>£16,482,500</td>
<td>£12,407,000</td>
<td>£2,226,713</td>
</tr>
<tr>
<td>West of England CA</td>
<td>£2,979,800</td>
<td>£2,104,200</td>
<td>£156,655</td>
</tr>
<tr>
<td>Sheffield City Region</td>
<td>£5,990,700</td>
<td>£4,193,900</td>
<td>£1,188,373</td>
</tr>
</tbody>
</table>

The number of awards made through the respective schemes is also strikingly lower across all city regions in England. Analysis of the number of awards made through Crisis Loans and Community
Care Grants in 2010/11 and 2012/13, and through local welfare assistance schemes in 2017/18 (shown in table 6) finds that:

- 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.
- In Liverpool City Region, there were 89,850 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 34,166 successful applications for support through local welfare assistance schemes in 2017/18.
- In Tees Valley, there were 38,910 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 3,367 successful applications for support through local welfare assistance schemes in 2017/18.
- In the West Midlands City Region, there were 93,190 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 17,524 successful applications for support through local welfare assistance schemes in 2017/18.
- In the West of England Combined Authority, there were 18,730 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 6,944 successful applications for support through local welfare assistance schemes in 2017/18.
- In the Sheffield City Region, there were 37,880 Crisis Loans for household items and expenditure and Community Care Grants awards made in 2010/11, compared to 3,656 successful applications for support through local welfare assistance schemes in 2017/18.

Table 6: Showing the number of awards made through crisis support schemes in selection years by City Region

<table>
<thead>
<tr>
<th>City Region</th>
<th>Awards made through Crisis Loans for household items and expenditure and Community Care Grants</th>
<th>Number of successful applications for support through local welfare assistance schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010/11</td>
<td>2012/13</td>
</tr>
<tr>
<td>Greater Manchester</td>
<td>123,220</td>
<td>59,240</td>
</tr>
<tr>
<td>Liverpool City Region</td>
<td>89,850</td>
<td>46,360</td>
</tr>
<tr>
<td>Tees Valley</td>
<td>38,910</td>
<td>18,730</td>
</tr>
<tr>
<td>West Midlands</td>
<td>93,190</td>
<td>56,970</td>
</tr>
<tr>
<td>West of England</td>
<td>18,730</td>
<td>10,270</td>
</tr>
<tr>
<td>Sheffield City Region</td>
<td>37,880</td>
<td>23,940</td>
</tr>
</tbody>
</table>

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i This report and the research supporting this report deals solely with crisis support provision in England.


It should be noted that Devon, Oxfordshire and Worcestershire county councils indicated that local welfare assistance schemes are the responsibility of district councils in their area. However, none of these three county councils indicated that they are providing an annual budget to their respective district councils to support the delivery of local schemes. It is therefore GMPA’s view that local welfare assistance schemes as intended under government policy are not being provided in these areas.

Estimate based on ONS population figures for each of the 22 local authority areas without schemes in place.

Map produced and designed by Emmanuel Rivera (September 2018).

I.e. those areas for which we had valid spending data.


Please note that a different approach was taken to estimate spend and award figures for individual English regions than the method used to calculate England wide figures.

Figures for the Cambridgeshire/Peterborough City Region are not shown due to insufficient data.