

The safety net beneath the safety net?

A briefing on local welfare assistance in the North East

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About the North East Child Poverty Commission

The North East Child Poverty Commission (NECPC) is a cross-sector stakeholder network, which aims to provide a strong regional voice to raise awareness of child poverty in the North East and to work collaboratively to tackle the problem. NECPC is hosted by – but independent of – Newcastle University.

For more information about NECPC's work – and to sign up to receive our regular e-newsletter – please visit our website, <u>https://nechildpoverty.org.uk/</u>, or follow us on social media via <u>@nechildpoverty</u>

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Executive summary

Local welfare assistance schemes (LWAS) – delivered by councils across England since 2013 – should provide accessible, timely and dignified support to people facing a financial emergency, acting as '**the safety net beneath the safety net**' of an adequate national social security system to protect people from serious hardship and harm.

However, since responsibility for administering this provision was passed from central Government to local authorities – without a statutory duty, guidance, or dedicated funding since 2015 – it is clear from previous research and the findings within this briefing that a shrinking patchwork of inconsistent support has been available across England, including in the North East. This is unsurprising given the disproportionate and sustained funding pressures councils in the region have faced over the last ten years.

Mirroring the picture across England, our analysis indicates that **spending to support people in financial crisis in the North East fell dramatically over the decade pre-Covid – by at least 78% – from £19.03million in 2010/11, to just £4.25million in 2019/20, with the number of awards made in the region falling from 116,520 to around 12,266 over the same period**. During a time of clearly rising need, this put increasing and unsustainable pressure on voluntary and community sector (VCS) organisations to step into the breach, even before the impact of the pandemic.

The inadequacies of our national social security system also mean that local welfare assistance schemes are no longer performing the *crisis* function that they should; with many people seeking this support as a result of serious, ongoing flaws with Universal Credit and other benefits, or simply being unable to make ends meet on a sustained low income with rising living costs.

Whilst the Government rightly recognised the importance of strengthening the national and local safety net during the pandemic, it is now time to move beyond 'temporary uplifts' and last minute, short-term announcements of emergency funding to help people meet their daily, basic needs. Ministers must rectify the pre-Covid situation for the long-term, if they are serious about 'building back better' from what went before.

We therefore make two recommendations for Government:

- The 2021 Spending Review must provide English local authorities with the certainty of dedicated, longterm funding for local welfare assistance schemes – aligning the level of funding available in England to that in the devolved nations. This required an estimated investment of £320m a year, and should be accompanied by support and guidance on *minimum* expected provision.
- The Government must review the adequacy of our national social security system to ensure it protects people from poverty, and use the 2021 Autumn Budget to reinstate the £20 a week recently cut from Universal Credit and Working Tax Credit.



Based on the findings of this briefing – and whilst recognising the relentless pressure local authority officers remain under after more than 18 months of a pandemic – we also make several recommendations for North East councils to improve the delivery and consistency of local welfare assistance across the region – many of which we acknowledge may be contingent upon Government confirming adequate, long-term funding for this provision.

In summary, we urge all local authorities in the region to:

- Use their full LWAS budgets each year given the likely level of unmet need in their area.
- Review how they communicate their LWAS, learning from the proactive way support was promoted during the Covid-19 pandemic.
- Review the different routes for accessing their LWAS, with no scheme having online-only applications.
- Reconsider the practice of not providing cash awards, to promote dignity, choice and autonomy and to reverse the entrenchment of emergency food aid as a response to poverty.
- Work closely with other councils particularly those in the same combined authority area to benchmark and improve the performance and consistency of their schemes.
- Consider working together to develop agreed *minimum* standards of local welfare assistance support across the North East.

And, importantly, we urge local authorities to undertake all of this work in ongoing partnership with VCS organisations and local communities, particularly those with lived experience of socioeconomic disadvantage, to co-design improvements to local welfare assistance schemes in the region.



Introduction

What is local welfare assistance?

Whilst the UK's social security system remains overwhelmingly centralised, over the last decade local authorities in England have become increasingly responsible for discretionary welfare provision to support people facing serious financial hardship or crisis in their area.

This includes Council Tax Support (or Council Tax Reduction) schemes, Discretionary Housing Payments, as well as local welfare assistance schemes which are intended to provide short-term support to those in need of urgent help.

Until April 2013, what is now administered by councils in England as local welfare assistance was provided centrally by the Department for Work & Pensions (DWP), through the Discretionary Social Fund. This took the form of:

- **Budgeting Loans** (interest-free cash loans enabling people to meet hard-to-budget-for expenses whilst on a low income/after a period out of work, e.g. furniture/household items, clothing or travel costs);
- **Crisis Loans** (interest-free cash loans to support people in sudden financial crisis with immediate, short-term needs); and
- **Community Care Grants** (cash grants to enable people to resettle independently in the community, after a period of homelessness, in institutional care or having fled domestic abuse)

From April 2013, as part of changes introduced by the Welfare Reform Act 2012, responsibility for most of this provision (Crisis Loans and Community Care Grants) was transferred to upper tier local authorities in England – and to the devolved Governments in the rest of the country – as the UK Government believed that this type of support would be delivered more effectively at a local level and when aligned with other locally-provided services such as housing and social care (National Audit Office, 2016). Budgeting Loans remain nationally administered and renamed 'Budgeting Advances' under Universal Credit.

In 2013/14, the Government provided dedicated grant funding to local authorities in England to design and establish their own local welfare assistance schemes (LWAS), with the amount allocated to each council based on their area's proportion of total DWP spending on Crisis Loans and Community Care Grants in the first six months of 2011/12 (National Audit Office, 2016). It has been previously estimated that **central Government funding for this provision subsequently fell from c.£330m¹ in 2010/11 under the Discretionary Social Fund, to around £178m in 2013/14 (The Children's Society and Church of England, 2018).**

However, from 2015/16 onwards, no separate – or ringfenced – LWAS grant was provided to councils in England, with any funding for this needing to be found from local authorities' general Revenue Support Grant (RSG). The Government has explained that 'this decision was made to further simplify and decentralise funding, because local authorities know better how to make good local decisions to help vulnerable people' (Hansard, 2019).

¹ This figure has more recently been estimated to stand at between £285.1m (End Furniture Poverty, 2021a) and £290.5m (The Trussell Trust et al, 2020a) in real terms.



Nonetheless, it was agreed that the Government would continue to publish a 'notional' annual LWAS figure – or 'visible line of funding' – effectively setting out what proportion of a local authority's Revenue Support Grant it believed councils had available to allocate to local welfare provision in their area, with **£129.6m** *notionally* available to local authorities across England in each year between 2016/17 and 2019/20 (Ministry of Housing, Communities & Local Government, 2018)².

Yet, despite the funding line clearly identified within the Revenue Support Grant for this purpose – and unlike Council Tax Reduction schemes – local authorities have no statutory duty to provide a local welfare assistance scheme to support residents facing a financial emergency or serious hardship in their area; they do not receive guidance from Government on what a scheme could or should look like; nor are they obliged to evaluate or report on how this funding is used. The Government's position is that 'local authorities are open to spend non ringfenced funding as they see fit to meet local priorities, and are accountable to their local electorate for their spending' (Hansard, 2019).

Why are effective local welfare assistance schemes (LWAS) important?

'LWAS are part of the emergency safety net beneath the safety net, designed to support people who fall through the cracks of the social security system. It is therefore essential that it functions as intended' (The Trussell Trust, 2017)

'LWAS should provide a vital mechanism for councils to support low-income households in times of financial crisis. They should provide a rapid and dignified means of supporting the most vulnerable, reducing the likelihood that people will be unable to heat their home, or need to turn to a food bank to get their next meal' (The Children's Society, 2020)

'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' (Greater Manchester Poverty Action, 2018)

'We are clear that food cannot be the answer to people needing a food bank – instead, we need to ensure everyone has enough money to afford essentials. While it is essential that steps are taken to strengthen national social security, we also need a local welfare safety net for times when people face unexpected crises and adverse life events' (The Trussell Trust, 2020)

'People who need crisis support and cannot access it are at increased risk of hunger, debt and destitution. As a compassionate society, we need to ensure the system can prevent people being swept further into difficulty...Local Welfare is a very small proportion of the overall public budget but a vital emergency resource that any one of us could find ourselves needing without warning. It is an emergency life-belt that must be retained. National and local governments must work together to ensure robust, well-funded support is in place, so that when people suddenly encounter crisis, a lifeline is available, wherever in England they happen to live.' (Church Action on Poverty and End Hunger UK, 2018)

² This notional amount was increased to £131.7m in 2020/21 (Ministry of Housing, Communities & Local Government, 2019), but it was decided not to publish any 'visible lines of funding' for the Revenue Support Grant for 2021/22 outside the usual Spending Review period, and the Government will consider publishing them again following future Spending Reviews (Ministry of Housing, Communities & Local Government, 2020b).

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Purpose of this briefing and methodology

Numerous organisations have investigated what has happened to local welfare assistance provision in the years since responsibility for its administration was devolved to councils in England in 2013, all highlighting the importance of having properly-resourced, fully functioning, accessible and dignified schemes in every local area (see text box, page 6, for example).

'A toxic combination of reduced funding, lack of guidance from Government, and the absence of a statutory requirement for local authorities to deliver this type of service has left local welfare provision in many areas hollowed out. Many local councils have reduced funding for local welfare assistance year-on-year at a time when demand for emergency support has continued to rise, but when their budgets have faced increased pressures.'

The Children's Society, 2020

However, almost all of the previous research on this issue has raised serious concerns about the diminishing – and in some cases non-existent – status of local welfare assistance provision in England in the years leading up to the Covid-19 pandemic.

The purpose of this briefing is therefore to use existing nationally-focussed research on local welfare assistance as a basis for examining the picture across the twelve local authority areas of the North East of England³ – a region with some of the UK's highest levels of poverty and deprivation (and therefore likely higher levels of demand for the support offered by local welfare assistance schemes), and one which has been disproportionately impacted by cuts to public

spending and particularly those to local government over the last decade (IPPR North, 2020a).

Using publicly available information, data shared by other organisations who have conducted research on this issue, interviews with each local authority in the North East (or the organisation which delivers local welfare assistance on their behalf), information shared in follow-up emails, Freedom of Information requests and interviews with a smaller number of non-local authority stakeholders – all conducted throughout the course of 2021 – our analysis seeks to understand whether the inconsistent patchwork of diminishing local welfare provision in England is reflected in the North East, and whether the recommendations previously made for national Government and local authorities would improve the picture in the region.

Whilst recognising the significant restraints within which councils are operating, this briefing also identifies examples of good practice in the North East in order to drive potential improvements in this provision, as – whilst the overwhelming majority of policy levers available to tackle poverty in England remain with the UK Government – local welfare assistance schemes do 'represent one element of the welfare system that is in the gift of local authorities' (Greater Manchester Poverty Action, 2018). Indeed, some local authorities have remarked that the process of being interviewed for this research has already highlighted areas for improvement and nudged them towards making changes in policy and practice.

Much of the analysis undertaken in this briefing – for example around funding levels for local welfare provision – focuses on the situation in the years leading into the Covid-19 pandemic, as the plethora of different pots of ad hoc, emergency funding allocated by Government to local authorities since March 2020 have muddied the picture (see pages 11-12), with some councils in the region using this to boost their existing LWAS and some using it for different purposes. However, the briefing does consider how some local welfare assistance schemes have been amended as a result of Covid-19 and whether any changes made – or lessons learned – during the pandemic will be taken forward by local authorities in the North East.

³ Darlington, Durham, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, Northumberland, North Tyneside, Redcar & Cleveland, South Tyneside, Stockton-on-Tees and Sunderland.



The national picture

What has happened since localisation?

Extensive scrutiny of the ongoing decline of local welfare assistance in England since 2013 has taken place by several organisations (see 'References and further reading') – with the data required to undertake this research usually obtained via repeated Freedom of Information requests, stakeholder interviews and surveys as, unlike in Scotland (see text box, page 9), there is no requirement for English local authorities to publish information about the operation of their schemes. This nationally-focused research has uncovered that:

- By 2019, 23 out of the 152 upper tier councils in England 1 in 7 local authority areas had no local welfare support provided by their council (The Children's Society, 2019)
- This number has now increased to at least 25, leaving c.11.4 million people in England 1 in 5 without any access to crisis support (End Furniture Poverty, 2021a)
- In 2018/19 of those local authorities with schemes who responded to a request from The Children's Society 76% spent less than 50% of their notional Revenue Support Grant allocation on local welfare assistance and 32.5% spent less than 80% (The Children's Society, 2020).
- By 2019/20, this picture had declined even further with 80% of local authorities spending less than 50% of their notional allocation and 39% spending less than 80% of this amount (End Furniture Poverty, 2021a).
- The amount spent per capita by each local authority in England varies wildly, from £0.01 per capita to £7.54 although two thirds of schemes spent less than £1 per head in 2019/20 (End Furniture Poverty, 2021a).
- Spending to support people facing serious financial hardship or crisis in England has plummeted by 87% in less than a decade, falling in real terms from an estimated £285.1m in 2010/11 under the same elements of the DWP's Discretionary Social Fund, to less than £47m in 2017/18 and reaching its 'lowest ever point' of £35.8m in 2019/20 despite £129.6m having been notionally available to local authorities across England for this purpose (Greater Manchester Poverty Action, 2018 and End Furniture Poverty, 2021a).

Previous research has also highlighted the significant – and growing – disparity in the level of funding that is invested per capita in the provision of local welfare assistance across the four nations of the United Kingdom, following the different ways in which this has been delivered since 2013 (see text box, page 9).

Figure 1: Per capita spend on local welfare assistance in each UK nation

	2018/19*	2019/20**
England	£0.73	£0.64
Wales	£3.37	£4.19
Scotland	£6.49	£6.88
N. Ireland	£7.31	£6.79

Sources: *The Trussell Trust et al (2020a and 2020b), **End Furniture Poverty (2021a)



Scotland, Wales and Northern Ireland: a clearer picture of consistent support

In **Scotland**, the Scottish Welfare Fund – comprising Crisis Grants and Community Care Grants – is centrally funded by the Scottish Government but administered by local authorities who are legally obliged to provide a scheme, in line with statutory guidance designed to achieve consistency of provision across Scotland. The Scottish Government also publishes detailed quarterly information about the Scottish Welfare Fund, with data available for each local authority area on the number of applications, reasons for application, proportion of applications approved, timescales for processing applications, total spend and the average value of awards made (<u>https://www.gov.scot/collections/sg-social-security-scotland-stats-publications/</u>).

In **Wales**, the Discretionary Assistance Fund (Emergency Assistance Payments and Individual Assistance Payments) is funded and centrally administered by the Welsh Government, providing consistency of provision across Wales. Information about the operation of the fund is now published by the Welsh Government – although on a less regular basis than Scotland – with figures on the total number of applications for support across Wales, the number of applications approved by type of support provided, and a breakdown of the number of applications and grants awarded by local authority area (https://gov.wales/discretionary-assistance-fund-daf-financial-summaries).

In **Northern Ireland**, the Discretionary Support scheme (Discretionary Support Grants and Discretionary Support Loans) is also funded and centrally administered by the Northern Ireland Assembly's Department of Communities, again providing consistency of provision across Northern Ireland. Limited information about the operation of the scheme – the total value and number of awards made – is published in the Department's Annual Report (<u>https://www.communities-ni.gov.uk/publications/dfc-annual-report-and-accounts-year-ended-31-march-2020</u>).

However, concerns about the hugely varied operation of local welfare assistance schemes across England go beyond funding levels, and issues commonly raised by previous research include the significant discrepancies between different areas in:

- Communication and awareness of schemes
- Eligibility criteria and restrictions
- Application processes, accessibility and timescales
- Type of assistance provided
- Approval rates and evaluation of schemes

Indeed – despite the critical role this provision should play in mitigating serious financial hardship or crisis for low-income families (see text box, page 6) – the position of local welfare assistance schemes in England pre-Covid has been variously described as 'fragmented and threadbare' (Church Action on Poverty and End Hunger UK, 2018); 'withered' and 'collapsed' (Greater Manchester Poverty Action, 2018); 'decimated' and 'highly fragmented' (End Furniture Poverty, 2021a), 'hollowed out' (The Children's Society, 2020) and offering 'an arbitrary and incoherent patchwork of support' (The Children's Society, 2019), whilst 'central government's hands-off approach to local welfare assistance schemes has failed and created a hole in the welfare safety net' (Greater Manchester Poverty Action, 2018) and 'the current arrangements are failing and...Government needs to take responsibility for this' (Centre for Responsible Credit, 2017).



"The DWP washed their hands of the Social Fund in 2013 and sent the problem on to local councils in effect."

"The Government seems to have a trend of little niche funds that are difficult to administer being passed on to local authorities."

"My opinion is that the Government decided to devolve the system to local authorities because of welfare reform and cuts to the welfare budget."

North East LWAS officers

Most worryingly, the non-statutory localisation of welfare assistance took place not only during a decade when local authorities have had to manage substantial and sustained budget cuts alongside rising cost pressures and additional responsibilities (National Audit Office, 2018), the subsequent demise of local welfare assistance schemes in England has coincided with a period of major welfare reform – including the roll-out of Universal Credit – alongside significant reductions in the value and availability of working-age benefits and child-related support: a precarious national social security landscape that has been made worse by rising living costs and growing rates of low paid, insecure work (IPPR, 2021).

The dramatic decline in funding and support available via LWAS in England has therefore taken place at a time when one would expect levels of need to have risen. Indeed, the

Joseph Rowntree Foundation have estimated that more than one million UK households, containing 2.4 million people (including 550,000 children) were destitute at some point in 2019, that is 'not being able to afford the absolute essentials that we all need to eat, stay warm and dry, and keep clean' – a 35% increase in the number of households since 2017, whilst the number of people and children experiencing destitution increased by 54% and 52% respectively over the same time period (Joseph Rowntree Foundation, 2020). The DWP's own survey data indicates that more than four in ten – 43% – of households in receipt of Universal Credit were experiencing 'high' or 'very high' levels of food insecurity pre-pandemic (Department for Work & Pensions, 2021a).

And this growing level of need – increasingly unmet by the state – was clearly reflected by the scale of support being provided by the voluntary and community sector (VCS) to people in financial hardship well before the Covid-19 pandemic took hold, with the Trussell Trust reporting that in its network of food banks alone the number of emergency food parcels distributed in England rose from 863,870 in 2015/16 (the first year in which dedicated LWAS grant funding was not provided to local authorities), to more than 1.48 million in 2019/20 – an increase of 72% in just four years, even before the pandemic hit (The Trussell Trust, 2021b). These are deeply concerning figures, given they do not cover the assistance provided by several hundred independent food banks operating across the UK (with the Independent Food Aid Network – IFAN – having a membership of over 500 independent providers), as well as those people in need who do not access food banks.

With VCS organisations working tirelessly to fill the growing gaps in state support, this landscape was recently described as the country having developed **'an entire ecosystem of charity to meet our basic needs: donated dignity filling in where the state once stood'**, a situation which is **'not only wildly inefficient** – **piecemeal charity can never replicate a social safety net** – **it is also dehumanising'** (Ryan, 2021).



The Covid response

Despite this completely hands-off approach to local welfare assistance in the years leading up to the pandemic, the Government evidently recognised the importance of ensuring that people affected by serious hardship or an unexpected financial emergency could access timely support during the Covid crisis, with a number of centrally funded – but locally delivered – interventions announced since March 2020⁴:

- **£500m Hardship Fund** (England only, announced 24 March 2020), to be used by local authorities largely to provide additional relief to those in receipt of Council Tax Support, with the remainder boosting existing LWAS (Ministry of Housing, Communities & Local Government, 2020a);
- **£63m Local authority Emergency Assistance Grant for Food and Essential Supplies** (England only, announced 11 June 2020), to be used by councils to support those 'struggling to afford food and other essentials due to coronavirus' (Department for Environment, Food & Rural Affairs et al, 2020);
- **£269.1m Covid Winter Grant Scheme** (England only, £170 million originally announced on 8 November 2020), 'to support children, families and the most vulnerable over the winter', with at least 80% ringfenced for local authorities to support households with children and at least 80% earmarked for support with food and key utility bills, to be spent between 1 December 2020 and the end of March 2021 (Department for Work & Pensions, 2020). A further £59.1 million was announced on 22 February 2021, with the Covid Winter Grant Scheme extended until 16 April 2021 (Cabinet Office, 2021), and an additional £40 million was announced on 14 April 2021 with the scheme extended again until 20 June 2021 (Hansard, 2021d).
- **£160m Covid Local Support Grant** (England only, announced 22 June 2021), effectively an extension of the Covid Winter Grant Scheme until the end of September 2021, in line with the planned end date for the furlough scheme and other Covid-related support (Department for Work & Pensions, 2021c).
- £500m Household Support Fund (UK-wide with up to £79m allocated to the devolved administrations, announced 30 September 2021), to 'ensure those in greatest need can access vital support to help cover every day costs' or 'essentials' including, for example, 'through small grants to meet daily needs such as food, clothing and utilities' 'as we reach the final stages of recovery'. At least 50% of this funding is to be used to support families with children, with the fund to be spent between 6 October 2021 and 31 March 2022 (Department for Work & Pensions, 2021d).

A number of organisations have emphasised that this investment has often made 'the difference between someone staying on their feet or falling into destitution, preventing a financial emergency from escalating into a more sustained crisis' (The Trussell Trust et al, 2021). Notably – given the Government's completely detached pre-pandemic approach to the provision of local welfare assistance in England – whilst councils have had discretion on how best to administer this Covid-related funding to respond to local needs, it has been accompanied by guidance, for example on how the Government expected the funding to be used; the timescales within which it was anticipated this should be done; and the expected beneficiaries, alongside loose reporting requirements on the use of the funding.

⁴ These are in addition to the Test and Trace Support Payment scheme which provides £500 to people on low incomes required to self-isolate as a result of Covid-19, and has also been administered by local authorities in England (quite often by the same teams administering local welfare assistance schemes, additional Covid funding for residents and Covid-related business support): https://www.gov.uk/test-and-trace-support-payment



However, concerns have frequently been raised – including during the interviews undertaken for this research – that the ad hoc, last-minute way in which this Covid-related funding has regularly been announced without consultation (and the tight timeframes within which it has had to be spent, often with the assumption that councils will be able to administer schemes on behalf of Government at very short notice without costs/additional capacity) has given local authorities very limited opportunity to plan the most effective delivery of relatively large amounts of funding, to ensure that this is aligned strategically with other anti-poverty activity, and to even ensure the right staff are in place to support this additional, time-consuming work. This 'may have impacted [local authorities'] decisions on who to support', putting 'pressure on many of them to provide support where it is most readily allocated rather than where it is most needed' – meaning that, across England, 'the temporary funding has not been as effective as long-term funding would be in overcoming the postcode lottery in current provision' (The Trussell Trust et al, 2021). Whilst this temporary, cliff-edge approach by the Government to local welfare assistance-style support may be understandable during a pandemic, it is clearly not sustainable nor efficient in the long, or even medium, term.

A way forward

Notwithstanding the serious issues raised about the operation of schemes in England by several organisations in the years leading up to 2020 – and indeed the Government's more interventionist but ad hoc approach during the pandemic – Ministers remain resolutely of the position that 'provision of local welfare assistance is entirely the responsibility of local authorities' (Hansard, 2021b) and 'it is for local authorities to assess need in their area and to determine the design of any such scheme, including eligibility, access and nature of provision...' (Hansard, 2021c).

However, there has for some time been a cross-party view that the pre-Covid landscape was totally insufficient and the Government has a duty to remedy this situation. Back in 2016, the House of Commons Work and Pensions Committee argued that 'the protection of the vulnerable is a core responsibility of the State. The current lack of a robust evaluation strategy for the welfare safety net as a whole should be addressed; the Government must ensure that its reforms are working as intended. Regardless of responsibility for delivery, central government maintains an ongoing obligation to ensure provision of a safety net which prevents vulnerable people from falling into severe hardship' (Work and Pensions Committee, 2016).

More recently, Paul Maynard MP (Conservative, Blackpool North and Cleveleys) introduced a Private Member's Bill to Parliament – **the Local Welfare Assistance Provision (Review) Bill**, backed by a number of cross-party MPs – which would require the Government: to undertake a review of the adequacy of local welfare assistance schemes provided by local authorities; to provide support and guidance to councils on best practice, eligibility criteria and scheme design; and to review the impact of the pandemic on the sufficiency of schemes. It would also require local councils to publicise their LWAS and account for how they have spent the money allocated to them (Hansard, 2021a).



Alongside these calls, a coalition of national organisations (e.g. The Trussell Trust et al, 2020a) has repeatedly urged the Government to put local welfare assistance schemes on a secure long-term footing, by investing **almost £320m in annual LWAS funding** to bring per capita spending on this provision in England more closely in line with Scotland, Wales and Northern Ireland⁵, and by ensuring that any future funding commitment is made on a ringfenced, multi-year basis (Greater Manchester Poverty Action, 2020). Alongside Paul Maynard MP, previous research on this issue has further argued that the current variability in local welfare assistance available across England necessitates the provision of Government guidance on 'what best practice looks like and a minimum standard that should be required of all local authorities' (The Trussell Trust et al, 2021).

Based on the findings of our research (see page 15 onwards), we support the intentions of Paul Maynard MP's Local Welfare Assistance Provision (Review) Bill as it is clear that neither the pre-Covid LWAS picture in England nor the Government's approach to funding local welfare assistance-style support during the pandemic are sustainable or satisfactory, and the Government – with overall responsibility for the strength of the UK's welfare safety net – has a duty to rectify this position as we move into recovery. This must include using the 2021 Spending Review to provide English local authorities with the certainty of dedicated, long-term LWAS funding (beyond the recently-announced Household Support Fund) – aligning the level of funding available in England to that allocated in the UK's devolved nations, to ensure all councils can meet the need for crisis or hardship support in their area; are able to invest in the necessary infrastructure and capacity to do this; and can deliver their LWAS strategically alongside other anti-poverty work. And, although there are mixed views on this amongst North East councils, this long-term funding should be accompanied by support and guidance from Government on *minimum* expected provision in England, which local authorities can build on and flexibly adapt to the needs and assets of their local communities.

Most importantly, the Government must review its position that it has 'no plans' to make an assessment of whether national income-related benefits are adequate in relation to the cost of living (Work and Pensions Committee, 2021b), to ensure that local welfare assistance schemes are fulfilling their *intended* purpose and complementing – rather that acting as a poor substitute for – adequate, nationally-delivered social security support (The Trussell Trust et al, 2020a). Our social security system should protect people from poverty and provide stability, but it is clear that problems with benefits – both their level and administration – are one of the main drivers for people accessing emergency support (Joseph Rowntree Foundation, 2021a and text box, page 27). This work should begin with an immediate decision to reinstate the £20 a week recently cut from Universal Credit and Working Tax Credit, which will disproportionately impact families with children in the North East and is forecast to sweep 500,000 people across the UK into poverty (Joseph Rowntree Foundation, 2021b).

RECOMMENDATIONS FOR GOVERNMENT

- The 2021 Spending Review must provide English local authorities with the certainty of dedicated, long-term funding for local welfare assistance schemes aligning the level of funding available in England to that in the devolved nations. This required an estimated investment of £320m a year, and should be accompanied by support and guidance on *minimum* expected provision.
- The Government must review the adequacy of our national social security system to ensure it protects people from poverty, and use the Autumn Budget 2021 to reinstate the £20 a week recently cut from Universal Credit and Working Tax Credit.

⁵ This calculation is made on existing pre-Covid spending of c.£41m + an additional £250m to bring per capita spending more closely in line with the devolved nations + £25m to fund the administration of schemes: <u>https://www.trusselltrust.org/wp-</u> <u>content/uploads/sites/2/2020/06/Briefing-Strengthening-local-welfare-support-during-the-COVID-19-outbreak.pdf</u>



The North East picture

The regional context

Whilst the North East of England has many strengths and assets, it also has significant socioeconomic challenges which make properly-resourced, accessible and dignified local welfare assistance schemes – a safety net beneath the safety net – particularly important for our region.

Pre-pandemic, the North East had the highest rate of unemployment of anywhere in the UK in each of the last thirteen years (House of Commons Library, 2021); the joint highest rate of working-age poverty (Department for Work & Pensions, 2021b); the UK's lowest weekly earnings for full-time employees (House of Commons Library, 2021); the highest proportion of pupils eligible for free school meals (Department for Education, 2020); the highest proportion of children living in families with no or little savings to shield them from economic shocks (Action for Children, 2020); and the highest rate of destitution, with 1% of all households in the region experiencing destitution at some point in 2019; a figure that was even higher in Middlesbrough, Newcastle, Hartlepool and Stockton, which all feature in the twenty local authority areas with the highest destitution rates in Great Britain (Joseph Rowntree Foundation, 2020).

For far too many families, the picture was deteriorating rapidly even before Covid-19 took hold – with the North East experiencing the sharpest increase in child poverty between 2014/15 and 2019/20, meaning the region went from having a child poverty rate just below the UK average at 26%, to the second highest of any UK nation or region at 37% within less than a decade. Indeed, of the twenty local authority areas across the country which saw the steepest increases in child poverty over that time period, all twelve North East councils top the table (Hirsch and Stone, 2021). It is argued that 'exceptional levels of poverty in the region are driving dramatic rises in child protection intervention and the number of children in care', with the scale of family poverty in the North East recently described by one Director of Children's Services as 'stark, shameful and obvious' (North East ADCS, 2021).

This is the backdrop against which non-statutory local welfare assistance was being delivered by councils in the North East pre-Covid with inadequate and non-ringfenced funding, and after ten years of cuts to public spending which disproportionately impacted local authorities in the region (IPPR North, 2020a). And the level of need being unmet by the state pre-pandemic is clear, with 98,521 emergency food parcels distributed to people in crisis in the North East by Trussell Trust food banks alone in 2019/20 – a staggeringly high figure for England's smallest region, meaning that for every 27 people in the North East one emergency food parcel was supplied by the charity, compared with an England-wide figure of one for every 38 people (our analysis of data from The Trussell Trust, 2021b). Of course, these figures do not come close to measuring the scale of support being provided to people in financial hardship across the North East by other local, regional and national VCS organisations even before the Covid-19 pandemic hit.



Newcastle upon Tyne Gateshead Northumberland South Tyneside Sunderland Hartlepool Redcar & Cleveland

Pre-Covid provision in the North East

Figure 2: The 12 North East local authority areas

In light of previous analysis that as many as one in seven councils in England no longer operated a local welfare assistance scheme in the years leading into the pandemic (The Children's Society, 2019), it is very welcome that all twelve local authority areas in the North East continue to offer this provision, particularly given the disproportionate and sustained funding pressures they have faced over the last decade. This is a reflection of the level of need in the region, and important recognition by local authority leaders and officers of the need to maintain this type of support for their residents.

All but two schemes are being delivered by North East local authorities directly, with Citizens Advice

Darlington commissioned to provide Darlington Borough Council's provision since 2016 and South Tyneside Homes operating a 'tenure-blind service' on behalf of South Tyneside Council for any resident of the borough.

Whilst the North East is England's smallest region – by both geography and population size (2.67 million) – the challenges faced by individual local authorities (which themselves vary hugely in size and capacity) can be very different, with a mixture of substantial cities, urban and suburban areas, rural – and often very sparsely populated – counties, post-industrial communities and coastal areas. It is therefore unsurprising that there is variation in the provision of local welfare assistance schemes across the region and indeed ensuring this type of support reflects local needs was one of the aims of passing responsibility for its delivery to councils in England (National Audit Office, 2016). It was also clear from interviews with North East local authorities that the discretionary aspect of their schemes – and the ability to use funding flexibly – is highly valued by councils in the region.

However, this should not result in 'an arbitrary and incoherent patchwork of support' (The Children's Society, 2019) and this analysis sets out to examine whether the concerns raised by previous research about local welfare provision across England are reflected in the North East, whilst making recommendations for potential improvement to policy and practice. We recognise that the ability to implement many of these may be entirely contingent upon the Government providing the security of dedicated, long-term LWAS funding for English councils, as called for in our first recommendation (page 13).



a. Funding

The key concern highlighted by previous research on local welfare assistance is the dramatic decline in funding available for this provision across England since responsibility for delivering it was passed to local authorities, which in turn has inevitably restricted the way in which local schemes have operated and the number of people in crisis able to access this support pre-Covid, as many 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' (The Children's Society and Church of England, 2018). One local authority in the region explained that **'as the funding started to run out, we concentrated on what we needed to keep [in our scheme] for people to survive'**.

As previously set out, the most recently published analysis indicates that, whilst £129.6m was notionally available in 2019/20 for local authorities in England to allocate to LWAS – itself a dramatic reduction on the estimated £285.1m spent by the DWP in 2010/11 (End Furniture Poverty, 2021a) and the c.£178m awarded to local authorities in 2013/14 in dedicated funding (The Children's Society and Church of England, 2018) – *actual* spending on local welfare assistance schemes by English councils had 'reached its lowest ever point' of £35.8m (End Furniture Poverty, 2021a) – meaning that **just 28% of funding notionally available to local authorities across England for local welfare provision was being used for this purpose in the year immediately before the Covid-19 pandemic.**

In common with the rest of England, expenditure on local welfare assistance in the North East also fell dramatically over the last decade despite clearly growing levels of need in the region:

- In 2010/11, when this type of support was administered as a national scheme by the Department for Work and Pensions, £19.03m was allocated to people in financial crisis or hardship in the North East (Greater Manchester Poverty Action, 2018);
- In 2013/14 when local authorities across England were provided with dedicated funding to establish a local welfare provision scheme – councils across the North East were allocated a combined total of £12.4m, with some of this funding intended to cover the costs of setting up an LWAS (Department for Work & Pensions, 2014);
- In each year between 2016/17 and 2019/20 by which point local authorities were no longer obliged to provide a local welfare assistance scheme, but nonetheless received a non-ringfenced 'visible line of funding' for this provision as part of their Revenue Support Grant – the annual amount notionally available to all councils across the North East was £9.24m (Ministry of Housing, Communities & Local Government, 2018).

Thus, even if every local authority in the North East had spent its *entire* notional allocation from the Revenue Support Grant on local welfare assistance in the years between 2016/17 and 2019/20, **the amount expended annually on this provision across the region would have fallen by almost £9.8m** (from £19.03m in 2010/11 to £9.24m in 2019/20) – **a 51% reduction** – **in just under a decade**.



Figure 3: Funding made available – or notionally available – by Government for local welfare provision across all 12 North East local authority areas, 2010/11 to 2019/20



Figure 4: Funding made available – or notionally available – by Government for local welfare provision within each North East local authority area, 2010/11 to 2019/20



Sources: <u>https://webarchive.nationalarchives.gov.uk/20130402231445/http://www.dwp.gov.uk/local-authority-staff/social-fund-reform/localisation-data/</u> (Crisis Loans & Community Care Grants, 2010/11)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/370775/2-local-welfareprovision-review-nov-2014.pdf (Annex D, 2013/14)

<u>https://www.gov.uk/government/publications/core-spending-power-final-local-government-finance-settlement-2018-to-2019</u> (Core spending power: visible lines of funding, 2016-17 – 2019/20)



However, the concept of a 'notional', non-ringfenced allocation for a non-statutory duty is strongly contested – not least at a time when local authorities have been required to manage significant budget cuts, rising cost pressures and additional responsibilities – with some North East councils firmly of the view that, whilst there was a 'visible line of funding' for LWAS in their Revenue Support Grant from 2016/17, there was no corresponding increase in the level of funding actually received to support this provision. As a result, some local authorities are still having to fund their scheme from the vanishingly small amount of resource left from the 2013/14 ringfenced LWAS grant, whilst Sunderland City Council's local welfare provision policy makes clear that it receives no DWP funding for delivering what was previously a function of the national social security system:

'From April 2013 funding for the Crisis Loan and Community Care Aware elements of the DWP Discretionary Social Fund (SF) transferred to councils to enable them to develop local schemes that would be administered at their discretion. Annual funding from the DWP has since ceased but the council continues to provide support for residents to help meet some specific needs that had previously been met by the SF' (Sunderland City Council, 2017)

Mirroring the picture across the rest of England, councils in the North East have subsequently spent a fraction of what the Government has 'earmarked' for local welfare provision since 2016, such that:

- Councils across the region spent £4.6m on local welfare assistance in 2017/18, when £9.24m was 'notionally' available for this purpose (Greater Manchester Poverty Action, 2018).
- This amount has continued to fall with our analysis of figures provided by North East local authorities indicating that it reached £4.4m in 2018/19 and its lowest ever level of £4.25m in 2019/20 (when again £9.24m had been notionally available each year for this provision)⁶.
- Spending to support people facing serious financial hardship or crisis in the North East therefore fell by some £14.78m or at least 78% in just under a decade (from £19.03m in 2010/11 to £4.25m in 2019/20). This is not as steep as the England-wide reduction of 87%, but represents a nonetheless enormous loss of funding at a time of clearly rising need.
- By 2019/20, North East councils were collectively spending 45% of what the Government suggests was notionally available to them for local welfare provision for this purpose a proportion that has fallen year on year but is significantly higher than the England-wide average of 28%.
- Just three of the twelve local authorities in the region Hartlepool, North Tyneside and South Tyneside oversaw a (marginal) increase in their local welfare assistance budgets over the three years before the pandemic, with seven seeing a static or falling budget, and two having no fixed budget for this provision (see footnote 6).

At this juncture, it is important to highlight that the total level of spending across the region; percentage reduction in this since 2010/11; and proportion of local authorities' notional allocations being used is significantly skewed by North Tyneside Council's inability to disaggregate spending on its Crisis Support scheme from the total budget for its 'Gateway Team', which provides a much broader range of support. The regional picture is therefore likely to be even worse than that indicated above.

⁶ This calculation has been made by combining the budget allocated by ten of the North East's twelve local authorities for local welfare assistance in 2019/20, with the actual expenditure that year by Gateshead and Northumberland (which do not have a fixed budget for this provision, with the latter now funding its scheme from reserves).



As revealed by previous national research, there is significant variation in the proportion of local authorities' notional local welfare assistance allocations being earmarked by councils for this purpose – with, by 2019/20, 80% of local authorities in England spending less than 50% of their notional allocation and 39% spending less than 80% of this amount (End Furniture Poverty, 2021a).

This varied picture is again reflected in the North East, with our analysis of data provided by councils in the region indicating that by 2019/20⁷:

- Just one quarter (3/12) of local authorities in the region were able to earmark 50% or more of their notional local welfare assistance allocation for this purpose;
- One half (6/12) of North East councils allocated less than 50% of this amount; and
- One quarter (3/12) of the region's local authorities spent less than 80% of their notional allocations for local welfare assistance on their schemes.

Figure 5: Notional LWAS allocation and actual LWAS budget by each North East local authority, 2017-18 to 2019-20



Again, the North Tyneside picture is skewed for the reasons set out on page 18.

⁷ This calculation has again been made by combining the budget allocated by ten of the North East's twelve local authorities for local welfare assistance in 2019/20, with the actual expenditure that year by Gateshead and Northumberland (which do not have a fixed budget for this provision).



It is also worth highlighting that there are major differences between North East local authorities in relation to the proportion of their earmarked local welfare assistance budget that is actually *spent* each year, with the latest available figures for each of the ten council areas with a fixed LWAS budget indicating that:

• Four out of ten spent 100% or more of their authority's LWAS budget; two spent more than 90%; one spent more than 80%; one spent more than 60%; one spent more than 50%; and one spent just 34%.

This is concerning because – whilst some local authorities emphasised the need not to spend their annual LWAS budgets as a result of ongoing uncertainty about future funding for this provision – The Trussell Trust have emphasised that, in mid-2020, 'of people referred to a food bank in the Trussell Trust network who lived in areas with LWAS in England, three in five (60%) people said they had not heard of it...This finding is important as it highlights the point that while LWAS budgets are sometimes underspent this does not mean that need for support is low' (The Trussell Trust, 2021a).

And one of the main disparities highlighted by previous research is the gulf between per capita spending on local welfare provision in England and that in the devolved nations (see Figure 1, page 8), with this figure in Scotland (£6.88 per head) standing at more than ten times the estimated figure in England (£0.64) in 2019/20 (End Furniture Poverty, 2021a).

Per capita funding also varies wildly across authorities in England – ranging from £0.01 per head to £7.54, although two thirds of schemes spent less than £1 per capita in 2019/20 (End Furniture Poverty, 2021a).

Our analysis of data supplied by North East local authorities indicates that, in 2019/20:

- Across the region, £1.59 per capita was allocated to local welfare assistance in 2019/20 more than twice the per capita funding level across England, but considerably lower than that in the devolved nations.
- There were significant differences in the level of per capita funding dedicated to local welfare assistance by the twelve councils, ranging from £0.11 to £5.50.
- Noticeably given the England-wide finding that two thirds of local welfare assistance schemes spent less than £1 per capita three quarters (8/12) of North East schemes allocated above that amount.

However, again, these figures – regional per capita spending and the highest level of per capita funding in the North East (see Figure 6, page 21) – are likely to be lower in reality, for the reasons set out on page 18.





Figure 6: Local welfare assistance budgets and local welfare assistance per capita in each North East local authority, 2019/20⁸

Given the dramatic reduction in funding available for local welfare assistance in the North East over the last decade – from £19.03m 2010/11 to £4.25m in 2019/20 – it is unsurprising that there has been a correspondingly dramatic fall in the number of awards made to people facing financial crisis or serious hardship over the same period:

- **116,520** Crisis Loan and Community Care Grant awards were made by the Department for Work and Pensions to people in the North East in **2010/11** (Greater Manchester Poverty Action, 2018);
- Based on the information provided to for this research by North East local authorities, the number of successful applications through 11 of the 12 local welfare assistances schemes in the region stood at 12,226 in 2019/20⁹.

All of these raw figures paint a deeply concerning picture about the scale of decline in state support for people facing financial crisis or hardship in the North East over the last decade, but what is not captured by the data gleaned from Freedom of Information requests is the huge amount of work being undertaken by LWAS officers across the region to stretch the significantly reduced funding that is available; to draw on, patch together, co-ordinate or promote other sources of support to maximise both the level of assistance available and the number of people receiving it.

https://www.nomisweb.co.uk/reports/Imp/la/contents.aspx, the budget allocated by ten of the North East's twelve local authorities for local welfare assistance in 2019/20, and the actual expenditure that year by Gateshead and Northumberland.

⁸ This calculation has been made based on the local authority population figures available at

⁹ One informed us that data on the number of successful applications was not held.

This includes accessing the Gregg's Foundation Hardship Fund; utilising stocks of second-hand furniture and white goods stored by some councils; providing support via Section 17 of the Children's Act 1989; the use of Discretionary Housing Payments, Council Tax Support¹⁰ and Section 13a discretionary Council Tax reductions; applying for Northumbrian Water's support schemes; accessing assistance from social housing providers; using ward member budgets; referring into Warm Homes teams; in the case of one authority, using a pot of funding bequeathed to them by a resident for local people facing financial hardship; as well as signposting people to the support increasingly being provided within communities by a wide range of VCS organisations, including food banks and other forms of food provision.

The latter has been described as 'blended economy' or a more 'place-based approach' to local welfare assistance, with councils helping to co-ordinate or co-design a local offer of support, rather than the 'default position' that the local authority can and should be the only – or even primary – source of assistance in the current circumstances, particularly for geographically larger areas. However, this clearly depends on the ability of often overstretched local charitable organisations to meet demand, a problematic scenario in a region like the North East with high levels of deprivation combined with less ability to raise funds.

For the most part, this work is done alongside the provision of income maximisation, welfare rights and/or debt advice – either directly by local authorities or others – as a means of trying to address the underlying reasons for people facing serious financial hardship with, for example, Active Inclusion Newcastle's partnership approach based on the position that preventing or reducing poverty in the city is 'everybody's business'. Sunderland has instigated 'financial resilience checks' for anyone seeking to access LWAS (or other local crisis services such as food banks) as part of their 'More Than' offer. In Darlington, it is felt the delivery of the service by Citizens Advice has been 'much more effective in identifying and addressing the underlying reasons for people's financial crises'. Of course, the financial picture outlined above also does not take account of the resource being allocated by many councils to proactive work intended to prevent people from reaching crisis point in the first place. This includes funding the work of local Citizens Advice teams, protecting and investing in local authority welfare rights provision, and the innovative 'Trapped and Tangled' initiative in Gateshead (see text box below) – as well as the funding being used to reduce pressures on family budgets, including through North Tyneside Council's Poverty Intervention Fund and Durham County Council's Poverty Action Plan, for example to reduce school-related costs.

'Trapped and Tangled': A proactive approach to supporting people in Gateshead

On the face of it, Gateshead Council has limited local welfare provision with no fixed budget and significantly smaller spend per capita than every other authority in the region. This is partly because the council no longer offers the community care style aspect of its scheme

(i.e. the direct provision of white goods/furniture)*, which tends to account for more resources in most local authorities' LWAS provision. However, their <u>Trapped and Tangled initiative</u> has used an innovative approach to assisting local residents in financial difficulty. Using Council Tax arrears as a signal of wider need, this acts as a trigger for friendly, proactive contact to be made by officers to discuss the entirety of a person's circumstances and, importantly, understand what the local authority and others can do to help break down complex and often interlinked challenges. Bespoke packages of support have been developed around individual needs, often resulting in transformative improvements in people's circumstances – and all done within two rules: 'do no harm' and 'stay within the law', with the guidance that staff should 'just go and help people and spend what you need to', along as this is 'Proportionate, Legal, Auditable and Necessary'.

*Gateshead does, however, work with the local charity Foundations Furniture (often covering the small fee for residents to access their second-hand furniture service), as well as offering a furniture leasing scheme for people moving into council tenancies.





¹⁰ Some local authorities, for example Newcastle, have invested in a Council Tax Support scheme that goes well beyond their statutory obligations.



b. Communication and awareness of schemes

A lack of awareness about the existence of local welfare assistance schemes – and the inconsistent, and often inadequate, way in which this support is communicated by local authorities to both residents and voluntary and community organisations who might be expected to signpost to this provision – has repeatedly been raised in previous research (e.g. Church of England and The Children's Society, 2018; End Furniture Poverty, 2021; Greater Manchester Poverty Action 2020; and The Trussell Trust 2021a). Indeed, as set out earlier, the Trussell Trust has reported that – in mid-2020 – three in five people referred to a food bank in its network and living in parts of England with a local welfare assistance scheme had not heard of it (The Trussell Trust, 2021a), and the need for all local authorities to properly publicise their LWAS is recognised by Paul Maynard MP's proposed legislation (Hansard, 2021a).

Unlike in Scotland, Wales and Northern Ireland – where, whilst delivered differently, there is consistent branding for their three schemes (see text box, page 9) – it is entirely down to local authorities in England how they brand and promote their LWAS, resulting in a confusing picture across relatively small geographies. This has led to calls for combined authorities (of which we have three in the North East, two with a directly-elected Mayor) to explore the establishment of common schemes – or at least common branding of schemes – across their areas (The Children's Society and Church of England, 2018 and Greater Manchester Poverty Action, 2018). This could form part of the 'gold standard' of delivery advocated by IPPR North (IPPR North, 2020b).

A review of the information provided on North East councils' websites about the different local welfare assistance schemes in the region reflects these challenges, with the twelve different LWAS known variously as:

- Back on Track (Stockton-on-Tees)
- Community Support Scheme (Middlesbrough)
- Crisis and Hardship Expenses and Community Care (South Tyneside)
- Crisis Support (North Tyneside)
- Crisis Support and Community Care Support (Sunderland)
- Crisis Support Scheme and Supporting Independence Scheme (Newcastle)
- Darlington Community Support Scheme
- Discretionary Social Fund (Redcar and Cleveland)
- Local Crisis Support/Local Discretionary Payments (Gateshead)
- Local Welfare Support (Hartlepool)
- NETS (Northumberland Emergency Transition Support)
- Welfare Assistance Scheme (Durham)

Whilst many local authorities we spoke to felt having information about their scheme available on their websites was sufficient, being able to locate the information available on councils' websites about these schemes can often necessitate either knowing the name of the scheme in order to be able to search for it (although knowing this does not always result in any relevant search results); or being able to identify / guess in which subsection of a council's website information about a scheme may be located (and this is done differently across the region) or indeed 'buried' (Child Poverty Action Group, 2020). Trying to navigate this whilst in a state of financial emergency or serious hardship, and with potentially limited access to the internet or digital skills, is clearly likely to be very challenging for many. This is particularly concerning given recent analysis that the North East is likely to have higher levels of digital exclusion than the rest of England (IPPR North, 2021).



Several authorities do ensure that relevant local organisations (and indeed staff across council departments working directly with families, as well as elected members) are aware of their schemes – including through the work of local financial inclusion groups – with a perhaps optimistic view expressed that '**those people** who need it will be able to access the help they need because somewhere down the line, someone will make the correct referral or will signpost them to the help that's available'. However, only a small minority – including Durham, Hartlepool and Darlington – communicate the availability of this support directly to local residents.

It is clear from our discussions that this is largely due to a concern that more widely advertising this support would lead to unmanageable levels of demand that simply could not be met – even if those applying were in need and satisfied all the (often highly restrictive) eligibility criteria – because of limited budgets and staff capacity, with suggestions that it could result in schemes being **'overwhelmed'**, **'oversubscribed'**, **'unable to cope'**, and **'if it's known about too much, there'll be a run on the bank'**. This again is an indication of the level of need currently being unmet by publicly-provided support in the region.

On reaching the right page on each local authority's website, the level and accessibility of information that is available about individual schemes in the North East also varies enormously, with a small number providing only a telephone number in order to obtain more information (with no details of the type of support available, in what circumstances and how to apply); some providing a basic overview of their scheme; one (Northumberland) providing a more helpful list of information, including responses to frequently asked questions; and two (Stockton-on-Tees and Durham) publishing brief, easy-to-understand guidance notes or factsheets for members of the public and others about the operation of their schemes.

At the time this research was conducted, five out of twelve local authorities in the region did not publish any form of detailed LWAS policy document or decision-making framework. In some cases, this was because information has been removed to avoid confusion about the different types of support available during the Covid-19 crisis and/or the pandemic has prevented websites from being reviewed and kept as up-to-date as would normally be the case; one local authority states that its scheme does not have a policy; whilst some were concerned that publishing too much information about their scheme – including prescriptive eligibility criteria – might put people off from trying to access support, preferring residents to make contact with the council so that their individual circumstances can be assessed before being directed to the most appropriate form of assistance. A small number suggested that providing too much information might encourage some to try and 'beat the system' or 'game' the scheme. However, not providing this information certainly makes it much harder for residents – and those working to support them (who are quite often working with people from different local authority areas across the region) – to understand the purpose of each individual scheme; different eligibility criteria; the type of support provided and timescales for doing so; and the process for appealing decisions.

What is immediately noticeable is the entirely different approach that has been taken by all North East local authorities to communicating the wide range of support that has been available – largely as a result of additional Government funding – to people facing financial difficulty during the Covid-19 pandemic, with all councils having a highly visible, easily located 'one-stop' suite of information linked to their website's homepage, whilst also ensuring this support was proactively advertised in non-digital formats. Deeply concerningly, local authorities explained that during the pandemic they have supported people **'who have never ever thought of asking us for help, because they didn't know; they were too proud; they didn't think it was appropriate; or they thought they'd just continue to try and manage'; 'we found people who weren't living in great circumstances but weren't really in touch with us at all', with one describing 'people coming out of the woodwork who have lived in incredible hardship because they just didn't know that they could possibly ask someone for help'.**



Durham County Council: communicating support in a family-friendly way

Information about Durham County Council's Welfare Assistance Scheme is easy to find on the local authority's website – located two clicks away from the homepage (<u>www.durham.gov.uk</u>, then <u>Benefits</u> <u>and Support</u>, then <u>Welfare Assistance Scheme</u>). As well as an overview of the two parts of the scheme – daily living expenses and the settlement grant – the Welfare Assistance Scheme page includes an easy to understand <u>4-page factsheet</u> about the purpose of the scheme, qualifying conditions, the type of support provided and how to apply, alongside a link to the local authority's much more detailed Welfare Assistance Scheme policy.

Importantly, information about the Welfare Assistance Scheme is located on the Council's website in a family-friendly way alongside a range of other information and advice that may be helpful to those on a low income and/or facing financial difficulty – such as how to apply for free school meals, the Council Tax Reduction Scheme, school clothing grants and Healthy Start vouchers, and how to access welfare rights and debt advice. This means families – and those working with families (including local authority officers) – can easily understand what support may be available to them without having to navigate their way through different sections of a website, and without having to know what *might* be available (or the different names of this support) in order to be able to search for it.

Durham County Council grouped information on its website in this way as a result of the Council's Poverty Action Steering Group and the commitment to a council-wide approach to tackling poverty.





c. Eligibility criteria and restrictions

The often highly restrictive and variable eligibility criteria for local welfare assistance schemes in England – which are for each individual local authority to determine – has been repeatedly raised by previous research on this issue (e.g. The Children's Society, 2019; Child Poverty Action Group, 2020; and Greater Manchester Poverty Action, 2020), meaning that a person's ability to access support when facing financial crisis or serious hardship can be a postcode lottery dependent on where they happen to live (End Furniture Poverty, 2021a).

Having eligibility criteria and decision-making processes in place is clearly important – particularly given the limitations on funding for local welfare assistance – in order for councils to ensure support is received by those in most need whilst managing a tight budget. However, despite the discretion that many local authorities feel they are able to use on case-by-case basis, the experience of LWAS across the region has been variously described by those working for third sector organisations as **'patchy'**; **'like trying to fit a square peg into a round hole'**; **'tortuous'**; **'unpredictable'**; **'idiosyncratic'**; **'very restrictive'**; and **'fairly arbitrary'**, such that **'you have to be properly desperate'** in order to be able to access many schemes.

Obtaining information about the different eligibility criteria in the North East – and therefore understanding who a scheme is (and isn't) for – can be challenging, given the limited material that is made publicly available by several local authorities (see page 24). However, for the ten local authorities that still have a **'community care'** aspect to their scheme¹¹ – where furniture, white goods and in some cases other household items (e.g. flooring, curtains, bedding and crockery) are provided to those resettling in the community; that is, leaving some form of institutional care, supported or temporary accommodation; after a period of homelessness; or having fled domestic abuse – most require people to be in receipt of at least one named benefit and have no access to alternative funds. These include Income Support, income-based Jobseeker's Allowance, income-related Employment Support Allowance; any type of Pension Credit; Universal Credit (in some cases the maximum amount); Housing Benefit; or Council Tax Support. Three local authorities (Newcastle, Durham and Darlington) additionally require applicants to be receiving support from a specialist worker in order to access this assistance, whilst some councils also make this type of support available to families facing 'exceptional financial pressure'.

To be able to receive assistance via the **'crisis support'** part of their LWAS, councils in the region variously describe this as people needing to have:

- 'experienced an event of great or sudden misfortune' (e.g. flooding, gas explosion or house fire)
- 'an immediate short-term need for goods or services that arise due to a disaster or unforeseen circumstances'
- 'a sudden or calamitous event'
- 'a time of intense difficulty'
- 'suffered a disaster or crisis or exceptional hardship through no fault of their own'
- 'an immediate need for items or services as a result of an exceptional event'
- 'unexpected high impact circumstances' or 'no financial funds available, due to an unexpected change of circumstances, to meet daily living expenses'
- 'something that affects you right here, right now and there is nothing you could have done to prevent it'
- an emergency that 'should not normally be as a consequence of an act or omission for which [they] are responsible, and they could not have taken reasonable steps to avoid'
- 'a pressing need that is strikingly different from the pressures generally associate with managing on a low income'

¹¹ Gateshead and North Tyneside do not.



Almost all also require the above scenarios to also pose an immediate (and sometimes 'severe') risk to the health and safety of the applicant and/or a family member in their household before a crisis award can be made – and in some cases this is restricted even further, for example by requiring the applicant, their partner (who they live with) or a dependent child to also be in receipt of treatment, care or support because they are disabled, seriously ill, homeless, pregnant or have some other support need.

And – in addition to all of the above – a variety of further restrictions are placed on crisis support, including:

- **Receipt of benefits:** No crisis scheme makes the receipt of out-of-work benefits a requirement for access (this is important given the prevalence of low paid and insecure/unpredictable work in the region). However, if applicable, many **do** require claimants to have at least applied for a Universal Credit advance payment before being able to receive crisis support, with a number suggesting that it is not local authorities' responsibility to make up for the shortcomings of Universal Credit. In contrast, one local authority does *not* recommend that people apply for a Universal Credit advance because going down that route is 'literally unaffordable' and a 'hiding to nothing.'
- **Repeat awards:** All local authorities place a limit on the number of awards that can be made for the crisis element of their scheme, ranging from no more than three awards in any one financial year, to no more than one in a rolling 12-month period (whilst two councils also restrict awards by value of support provided within a financial year). However, some authorities make clear that additional awards may be considered in 'extreme' or 'exceptional' circumstances.
- Lost/stolen money: A quarter of authorities have placed a blanket ban on issuing support as a result of lost or stolen money or purses/wallets, whilst some allow only one claim to be made as a result of lost money irrespective of the time elapsed between such cases. Conversely, for other local authorities it was clear that this is one of the main reasons cited for a claim, and restrictions on repeat awards in such cases may be relaxed.
- **Other sources of support:** A number of schemes make clear that their LWAS is effectively a scheme of last resort, and applicants must have explored or exhausted all other forms of possible assistance before receiving a crisis award (e.g. DWP, family and friends, employers, and charitable or benevolent funds).
- No recourse to public funds: No LWAS in the region provides support to those with no recourse to public funds (NRPF) as a result of their immigration status.

Reasons for seeking support from LWAS

The mismatch between the stated LWAS eligibility criteria and the reasons people are seeking to access them is stark, with North East local authorities explaining these include issues with Universal Credit, such as the minimum 5-week wait for a first payment (and the subsequent impact of an advance payment on people's financial circumstances), as well as problems with other DWP benefit decision-making. They also include an issue LWAS were never intended to address; that of long-term, inadequate incomes:

- "A vicious circle of one crisis leading to another"
- "Being in a continual cycle of running out of money"
- "The most common issue is they've run out of money. They've no money left"
- "Persistent destitution"
- "It's difficult [for people] to live on such a low income"
- "They are doing everything they possibly can, and still not making ends meet"
- "Sustained low income and people just cannot manage"
- "Families on long-term, low income just don't have the ability to budget to replace [household items]"
- "Ultimately, people haven't got enough money to live on that's the top and bottom of it"



Many local authorities did tell us that they recognise the definition of 'crisis' is highly subjective, with what constitutes a crisis to one person not necessarily being a crisis for another – and this can change depending on individual circumstances (for example, if someone has children) – whilst the definition of a crisis can even be different across different parts of the same local authority, often serving the same people. One council – Middlesbrough – spoke about the need to undertake wider thinking on this, building on their recent development of a local authority-wide Vulnerability Policy, Corporate Debt Management Policy, and the decision to sign up to the Money Advice Trust's 'Stop the Knock' initiative.



Middlesbrough Council has signed up to implement all six asks of the Money Advice Trust's <u>'Stop the</u> <u>Knock'</u> initiative, and we would encourage other local authorities in the region to take these steps:

- Make a clear commitment to reduce the council's use of bailiffs over time
- Review the council's signposting to free debt advice, including phone/online channels
- Adopt the Standard Financial Statement to objectively assess affordability
- Put in place a formal policy covering residents in vulnerable circumstances
- Exempt Council Tax Support recipients from bailiff action

Middlesbrough

 Sign the Council Tax Protocol and review the authority's current practice against the 'Supportive Council Tax Recovery' Toolkit
 Stop The Knock



d. Application processes, accessibility and timescales

In contrast to Scotland, Wales and Northern Ireland (see text box, page 30), it is entirely for local authorities in England to decide how applications for local welfare assistance can be made, and the timescales in which decisions should be taken – meaning that the accessibility and timeliness of local welfare provision for families and individuals needing emergency financial support is dependent on where they happen to live.

This varied and inconsistent picture identified by previous research (e.g. The Children's Society, 2019 and Greater Manchester Poverty Action, 2020) is again reflected in the North East, with the following application methods *ordinarily* available in different parts the region:

- Online, telephone, post or by hand delivery (to the Civic Centre): Gateshead
- Telephone or face-to-face (at the Civic Centre): Hartlepool
- Online and telephone: Durham, Middlesbrough, South Tyneside and Stockton
- **Telephone only:** Darlington, Northumberland, North Tyneside and Sunderland
- **Online only**: Newcastle and Redcar & Cleveland (with the latter advising residents to telephone the council to confirm their eligibility before making an online application)

It is worth highlighting that the availability of these different methods of application is not immediately obvious on every local authority's website, however, this is partly due to websites not being updated as regularly as usual as a result of the Covid-19 pandemic, or due to policy frameworks not currently being publicly available.

Some local authorities, including Redcar and Cleveland, confirmed they will also accept applications via their customer service centres or community hubs when they are open, whilst one – Gateshead – had been trialling the use of computers in public spaces pre-Covid for people to 'self-serve', but with assistance being available to complete an application if necessary (with this pilot mainly being introduced as a result of Universal Credit).

The Children's Society have previously raised concerns 'that less than a third of councils [in England] allow people to apply face to face, which risks leaving vulnerable groups or those unable to afford an internet or telephone connection with inadequate access. In addition, many councils are only providing a very limited range of alternative access routes for their scheme, which could also restrict accessibility' (The Children's Society, 2019). It is therefore noticeable that only one local authority in the region – Hartlepool – allowed face-to-face applications to be made pre-Covid, whilst almost half have only one route to access their scheme.

Several made clear during interviews that operating telephone applications meant that people received a personal, caseworker-style service (which some felt was as good as face-to-face), including receiving advice on whether an application for local welfare assistance was appropriate or whether an alternative form of support was more relevant, preventing them from having to go through a complicated online process unnecessarily. Others highlighted the benefits of having online applications, as this frees up scarce resources for those who need additional support face-to-face or via telephone.



However, given recent analysis that the North East is likely to have higher levels of digital exclusion than the rest of England – including as a result of higher levels of poverty and deprivation (IPPR North, 2021) – it is concerning that two local authorities have an apparently online-only application process for people facing serious financial crisis or hardship and therefore severely limited resources. Indeed, IPPR North urged public service providers to 'ensure that digital isn't the only option. The final aspect of inclusive service design with regards to digital provision is the need to offer a suitable offline alternative for anyone who is unable to access digital service for any reason. Digital by default services often do not offer sufficient offline support' (ibid). Furthermore, none of the schemes have information readily available in languages other than English or in accessible formats, although all twelve local authorities said this would be possible on request.

Given the severity of the circumstances required for people to be awarded support from local welfare assistance schemes in the region, it is clearly vital that families in a financial crisis or serious financial hardship receive a decision on their application – and assistance – as a matter of urgency. For crisis support applications – and depending on the time of day the application is made – the target for decision-making by local authorities in the North East varies between 'within 2 hours', to 'as soon as is reasonably practical within 3 working days', with support following successful applications being provided shortly afterwards – in many cases within a matter of hours. For community care style applications, decision-making targets range from between 5 working days of receipt of a completed application to within 1 month, with support often being provided from 48 hours after a decision.

Scotland, Wales and Northern Ireland: multiple routes to support

In **Scotland**, statutory guidance on administering the Scottish Welfare Fund makes clear that local authorities must make provision for applications to be taken via three delivery channels, for example online, via telephone and face-to-face – with paper applications to be available for people 'who are unable to or prefer not to use other methods'. These different application options are required 'in order to meet varying needs, for example, in terms of literacy, access to (and skills to use) the internet and the ability to travel to appointments', and local authorities should 'actively promote' the different application channels available.

Local authorities in Scotland are obliged to make decisions on applications to the Scottish Welfare Fund by no later than the end of the next working day after the required information has been received (for crisis grants), and by no later than the end of the fifteenth working day in the case of community care grant applications (Scottish Government, 2021).

In **Wales**, the centrally-administered Discretionary Assistance Fund can be applied for online, by telephone, by post or via one of the Welsh Government's partner organisations – with weekday applications equivalent to crisis support taking 24 hours to process, and community care type applications taking 10 working days.

The also centrally-administered Discretionary Support scheme in **Northern Ireland** can be accessed online or over the telephone, with decisions usually being made within 1-2 days of a complete application.



e. Type of assistance provided

Much of the previous research on local welfare assistance has raised concerns about the move away from cash support under the DWP's Social Fund (either in the form of grants or loans), to the overwhelming use of 'in-kind' support by local authorities in England since responsibility for this provision was passed to them in 2013 – as this 'fundamentally changes the nature of the support offered, taking it from a means of accessing interest free loans and community grants [under the DWP], to something closer to charitable handouts' (The Children's Society, 2013).

Analysis conducted by Greater Manchester Poverty Action and The Children's Society has indicated that around two-thirds of councils in England were not providing any form of cash grants or loans as part of their scheme (Greater Manchester Poverty Action, 2018 and The Children's Society, 2019). Reservations in other parts of England about paying cash grants to residents 'for fear of it being misused and spent on something else' (Greater Manchester Poverty Action, 2020) appear to also be reflected in the North East, with not a single local authority in the region offering cash support pre-Covid (although this picture has changed slightly during the pandemic, see page 36).

Instead, a wide variety of in-kind support was being used (usually intended to last no more than seven days), including:

- Vouchers for specific supermarkets
- Small food parcels, provided directly by the local authority or via food banks
- Toiletries, via food banks
- Direct provision of essential baby items (nappies and baby milk)
- Shopping packages ordered online and delivered directly to the applicant
- Emergency travel support
- Vouchers for essential clothing
- Gas and electricity top-ups through the use of pre-paid vouchers
- Referrals for items to be supplied by a voluntary or other agency directly

A small number of local authorities were supplying support that is similar to cash, for example PayPoint vouchers (Middlesbrough) that can be redeemed for cash in local shops (and do not require people to travel to larger supermarkets, or to other sources of in-kind support), and allpay pre-loaded payment cards (Redcar and Cleveland), which can effectively be used as an ordinary contactless debit card, although restricted by the types of outlets in which they can be used.

This picture is disappointing given previous – and more recent – analysis on this issue highlighting the disadvantages with offering only in-kind support, which 'takes choice and control away from people in need' (Greater Manchester Poverty Action, 2018) and 'does not always meet the range of needs of families' (The Trussell Trust et al, 2020a). The benefits of adopting a 'cash first approach' in local welfare provision include maximising choice, dignity, control and the speed of support provided (Greater Manchester Poverty Action, 2020); enabling families to use the assistance received to best support their family's needs (Sustain, 2021); providing councils with a more efficient alternative to other kinds of charitable and in-kind support (The Trussell Trust et al, 2020a); supporting the local economy (The Trussell Trust et al, 2020b); and removing what is thought to be a key barrier to people needing to access support (Financial Inclusion Centre for the Local Government Association, 2020). A secure, cash-first payment facility being successfully used by several local authorities across the country is Cash Perks (Independent Food Aid Network, 2021).

CHILD POVERTY COMMISSION

NORTH FAST

Support for a cash-first approach was shared by third sector organisations in the region who thought that 'it's about dignity, trust and treating people like adults'; 'it should be client or customer-led – what would they prefer?'; and people 'shouldn't be tarred with the same brush'. It was also highlighted that many people would be able get much better value for money in certain shops if they were provided with cash, rather than having to use specific supermarkets.

Of course, not everyone will want to access cash – but it should be available by default as an option for those that do, with research by the Child Poverty Action Group in Wales indicating that direct cash payments made by the Welsh Government in lieu of free school meal vouchers during the pandemic were the overwhelming preference of families (Child Poverty Action Group, 2021b).

Developing cash-first referral leaflets

The Independent Food Aid Network (IFAN) represents over 500 independent food banks across the UK, and has a vision of a country without the need for charitable food aid.

INDEPENDENT FOOD AID NETWORK

In response to the entrenchment or normalisation of emergency food aid as a response to poverty – particularly during the pandemic – IFAN has been working with local authorities and other stakeholders across the country to co-design localised **Worrying about money?** leaflets that can act as a straightforward resource for people facing financial crisis, helping them to maximise their income and access any financial entitlements as a response to food insecurity.

These cash-first referral leaflets are being co-developed and distributed in local areas based on learning from the <u>A Menu for Change project</u> in Scotland, with leaflets published in 40 local authority areas across England, Scotland and Wales so far – although none have been produced in the North East to date.

We would therefore urge local authorities in the region to get involved in this project: ifanuk.org/cashfirst





Where information about community care style provision exists, it is clear that the type of support provided varies across the region, with some local authorities supplying the basics (e.g. essential white goods and furniture), some going further and also providing items including household linen, kitchenware and utensils, carpets, seating, bedding and, in one case, storage or removal costs.

Some local authorities will only arrange the direct supply of these items, others will provide vouchers for them to be purchased – and in many cases the white goods or furniture provided will be second-hand or refurbished.

However, Sunderland City Council is moving towards providing people with cash awards for this part of its local welfare assistance scheme, so that applicants can prioritise the use of this support and choose/purchase their own furniture and household goods.

Given the costs involved in providing even basic furnishing for a home, a number of councils explained that they will often work in partnership with other local organisations, such as housing associations and charities, in order to maximise the support that can be provided.



f. Approval rates and evaluation of schemes

Unlike Scotland (see text box, page 9), there is no requirement for councils in England to publish any information about the performance of their schemes, and indeed the only local authority in the North East to produce any data along these lines is Newcastle City Council which makes available a month-by-month breakdown of awards made in each financial year via its Crisis Support Scheme and the reasons for applications.¹²

As Greater Manchester Poverty Action (GMPA) have highlighted, assessing the performance of different schemes can therefore be challenging, even when using information provided by local authorities: '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 – based on the data supplied by North East councils – the very significant variation in local welfare assistance approval rates across the region does appear to mirror concerns about 'the extent to which the ability to access support is dependent on where you live' (Greater Manchester Poverty Action, 2020):

- In 2019/20, 47% of applications to local welfare assistance schemes across 11 out of 12 council areas in the region were approved¹³;
- In the same year the approval rate differed greatly across the region, ranging from just 25% of applications being approved in two council areas, to 72% in another (with one of the joint lowest and the highest approval rates being in two neighbouring authorities).

Echoing GMPA, a number of councils were keen to emphasise that this variation may be a result of the lack of accuracy in data collection/recording, or because councils are measuring different things – and that having an LWAS application rejected does not mean people are being turned away without any form of support, with many local authorities working hard to secure or signpost to alternative forms of assistance (see page 22). However, what was clear from interviews with local authorities is that most – if not all – were unaware that local welfare assistance approval rates differ so significantly across the region, and there has therefore been no real attempt to understand why this is the case; that is, whether it is down to the way in which data is recorded, or if – more worryingly – a postcode lottery of provision means it is simply much harder to receive this type of support in some parts of the North East than others. This should form a key part of any future monitoring or benchmarking of schemes.

Whilst none had done so to date – largely due to the relentless pressures of the pandemic – a number of local authorities indicated they are planning a post-Covid review of their schemes, which they said will include attempts to measure the social value of this provision in order to continue to build the case for future investment. A frequently cited example of this type of work is a study undertaken by Milton Keynes Council which estimated that, over a full year, local welfare assistance awards worth £500,000 led to a total estimated combined saving to central and local government of £9.7m (National Audit Office, 2016). More recently, an officer from Cambridgeshire and Peterborough County Councils told the Work and Pensions Committee that they regularly look at case studies, sampling those who have accessed their local welfare assistance scheme 'to see what the benefits have been for those families'. From a recent tranche of 50 families, they were able to identify that five children had been prevented from going into care and four children had been helped to move back from care to their families, as a result of the LWAS support they had received (Work and Pensions Committee, 2021a).

¹² https://www.newcastle.gov.uk/services/welfare-benefits/crisis-support/crisis-support-facts-and-figures

¹³ One informed us that data on the number of successful applications was not held.



No local authority has any real means of local residents or service users helping to inform or shape their local welfare assistance schemes on an ongoing basis – other than via the usual council complaints or feedback forms – however, Sunderland City Council discussed work they had recently undertaken to better understand from residents what constitutes a reasonable 7-day food parcel (in terms of the value and variety of food provided), in order to try and establish a city-wide standard across emergency food aid providers. Most councils in the region did feel they were able to engage with other local stakeholders, such as VCS organisations and frontline advice providers on this issue, usually via a local financial inclusion or wellbeing group through which members could raise concerns if they want to do so.

There were also differing views on whether any North East-wide forum exists for local authorities to be able to discuss and benchmark their schemes – or indeed to consider the findings of this briefing – with this depending on where the local welfare assistance scheme sits within each local authority. For a number of councils, LWAS is led by the revenues and benefits team – in which case there is a regional revenues and benefits managers' network. However, for a number of others it is located in a different department, or an outside organisation, which meant they did not feel such a forum exists. It was, however, considered helpful for all local authorities to be able to discuss the operation of their schemes, and share best practice, on a regional basis.



Changes made during the pandemic

A number of local authorities used the additional Covid-related funding provided by Government to boost their existing local welfare assistance schemes (see page 11), and/or made changes to the way in which their provision was delivered as a result of the pandemic.

This includes Gateshead Council establishing a network of local community hubs, to which people in crisis were directed in order to receive assistance. One local authority reported using all of the community care part of their LWAS budget to support people escaping domestic abuse. Citizens Advice Darlington began to provide top-ups for pay as you go mobile phones, alongside existing top-up support for fuel bills. South Tyneside Council used some of the additional funding from Government to establish a new Hardship Fund, in addition to its existing Crisis Support scheme, for people facing financial hardship as a result of the pandemic.

Newcastle City Council responded to changing circumstances – such as the unavailability of home shopping delivery slots – by moving to pre-paid vouchers issued via email or to a mobile phone that could be redeemed for cash at PayPoint outlets, as well as making direct cash payments into bank accounts if no other option was available (Financial Inclusion Centre for the Local Government Association, 2020).

And Northumberland County Council is completely transforming the delivery of its local welfare provision, following the formation of an entirely new service, Northumberland Communities Together (NCT) – including through supporting the provision of cash support.

Northumberland Communities Together

Northumberland Communities Together (NCT) was established in response to Covid-19 as a partnership between the County Council, voluntary groups, community organisations, charities and individual volunteers to help people across the county stay safe and well, and connected to support and social contact.



This was vital during the pandemic as Northumberland is by far the largest local authority in the North East by geography – covering almost the same area as the rest of the region put together – and is one of the most sparsely-populated parts of England.

Northumberland Communities Together will continue post-Covid, with some services and support – including elements of local welfare assistance – moving away from the Council and into organisations in the community who are felt to be in a better position, with the support of the Council, to provide a much wider, accessible, holistic placed-based offer of support – with people encouraged to drop-in to local hubs to stay connected with their community and find out what more may be available or appropriate for them in the moment and longer term.

During the pandemic, this included establishing a local discretionary hardship fund as part of the local welfare assistance offer, from which community organisations could make awards – in cash – of transformative, sizeable payments to local families, making a meaningful difference to their circumstances and taking them out of the cycle of perpetual crisis / needing to repeatedly access LWAS support. This approach will continue to be part of Northumberland's local welfare assistance scheme as we move into the recovery.



Recommendations

RECOMMENDATIONS FOR GOVERNMENT

- The 2021 Spending Review must provide English local authorities with the certainty of dedicated, long-term funding for local welfare assistance schemes aligning the level of funding available in England to that in the devolved nations. This required an estimated investment of £320m a year, and should be accompanied by support and guidance on *minimum* expected provision.
- The Government must review the adequacy of our national social security system to ensure it protects people from poverty, and use the Autumn Budget 2021 to reinstate the £20 a week recently cut from Universal Credit and Working Tax Credit.

Our findings on the local welfare assistance landscape in the North East emphasise the importance of the initial recommendations we made for Government in this briefing. It is clear that this provision is no longer the 'safety net beneath the safety net', with hundreds if not thousands of voluntary and community organisations across the region stepping into that role as significant levels of need are unmet by state support. This is the result of inadequate and insecure funding at a time of sustained and rising demand, and the Government must rectify this position for local authorities in England in the long-term.

It is also clear that one of the main – if not *the* main – drivers of demand for local support are the inadequacies of our social security system, which means the national safety net has become threadbare and worn with totally unacceptable numbers of people falling through the gaps. This will clearly worsen as the £20 a week cut to Universal Credit and Working Tax Credit takes hold and this must be reversed as part of wider work to ensure our national security system protects people from poverty as it should.

We also make the following recommendations for local authorities in the North East – recognising that many may be entirely contingent upon the Government providing the security of dedicated, long-term LWAS funding that is needed for English councils.

RECOMMENDATIONS FOR LOCAL AUTHORITIES IN THE NORTH EAST

- Local authorities' efforts to maximise the limited funding that has been available for local welfare assistance are significant, but all councils should aim to use their full LWAS budgets each year given the likely level of unmet need in their area. Councils should also continue to invest in work to prevent financial crisis and to reduce families' living costs.
- Local authorities should review the how they communicate their LWAS to both VCS partners and residents, learning from the proactive way support was promoted during the Covid-19 pandemic and ensuring this information is easy to understand and located on their websites alongside other sources of support.
- Local authorities should also review the different routes for accessing their LWAS, preferably
 ensuring at least two options are available. No scheme should only be accessible online, given
 levels of digital exclusion in the region.

contd.



RECOMMENDATIONS FOR LOCAL AUTHORITIES contd.

- Local authorities should reconsider the practice of not providing cash awards, to promote dignity, choice and autonomy and should avoid the entrenchment of emergency food aid as a response to poverty by promoting cash-first referral options above in-kind support.
- Local authorities particularly those in the same combined authority area should consider working more closely together to benchmark and improve their schemes, particularly in relation to:
 - Branding and application routes and whether these could be more closely aligned
 - Reviewing narrow eligibility criteria and those excluded from support to understand whether they are fit for purpose/meeting local needs
 - The significant variability in approval rates for LWAS applications across different areas and whether this is compounding the postcode lottery of crisis support
- Local authorities should also consider working together to develop agreed *minimum* standards of local welfare assistance support across the North East.
- All of this work should be undertaken in ongoing partnership with VCS organisations and local communities, particularly those with lived experience of socioeconomic disadvantage, to co-design improvements to local welfare assistance schemes in the region.



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