



## Strengthening Local Welfare Assistance Briefing

### Why is local welfare provision in England important?

Local Welfare Assistance (LWA) schemes are a quick, responsive way for councils to support people on low incomes to keep afloat when they are swept into financial crisis. LWA schemes are a relatively small but vital part of the social security system – they can be an effective part of a wider raft of local services that help people keep their heads above water, such as debt advice and income maximisation support. However, currently there is no requirement for local authorities to provide a scheme, and so support varies considerably across England.

Timely financial support at a time of crisis can help prevent individuals and families from being plunged into major financial turmoil, especially if their only other option would be to get pulled into debt. LWA schemes can also be a vital resource for people on low incomes who are unable to afford expensive one-off items like fridges without incurring debt. This kind of support at the right time can help prevent higher-cost interventions – and greater stress – further down the line<sup>1</sup>.

But at the moment, local authorities are not statutorily obligated to provide a scheme, so support varies considerably across England. Before the Covid-19 pandemic, one in seven councils did not run a scheme<sup>2</sup> and it is estimated that in 2020 as many as 11.4 million people were living in an area without a LWA scheme<sup>3</sup>. It can't be right that where someone lives restricts their access to the support they need.

During the COVID-19 pandemic both central and local government has recognised the importance of short-term support to individuals facing financial crisis. With additional funding local authorities have stepped up and supported thousands of individuals and families in dire straits. The need for crisis support is not limited to the pandemic and many people will continue to face bereavements, illnesses, job losses and other disruptive events that can create stormy weather. The recently announced £500m Household Support Fund is a welcome step in continuing to support families in crisis through the winter but a longer term funding settlement is needed. An annual commitment of at least £250m in the Comprehensive Spending Review will give local

---

<sup>1</sup> Milton Keynes Council used the New Economy's Unit Cost Database, developed for the Department for Communities and Local Government's Troubled Families Programme, to estimate the cost savings to other public services of their local welfare scheme. It estimated that over a full year awards made by the local authority worth £0.5 million led to a total estimated combined saving for central and local government of £9.7 million, National Audit Office (2016) [Local Welfare Provision](#), p32

<sup>2</sup> The Trussell Trust, The Children's Society, Turn2Us, IFAN et al, (2020), ['Strengthening local welfare support during the Covid-19 outbreak – England briefing'](#).

<sup>3</sup> End Furniture Poverty (2021), ['The Postcode Lottery of Crisis Support'](#)

authorities the confidence to plan and invest in their schemes so they can continue to provide people with support in times of need.

### **Money matters – funding is not meeting need**

The 2020/21 local government finance settlement included a notional figure of £131.7 million for Local Welfare Provision. But, in reality, actual spending is much lower. Wide-ranging funding pressures have meant some Local Authorities have reduced their provision. Of the 150 (out of 151) areas that provided End Furniture Poverty with spending data, a total of **£35.8 million was spent on local welfare provision in England in 2019/20<sup>4</sup>** (when the notional figure was £129.6 million)<sup>5</sup>.

Per capita spending in England (2019/20) was £0.64, which is significantly lower than the other nations (Scotland: £6.88, Wales: £4.19, Northern Ireland: £6.79). This would rise to £2.30 if all of the allocated £129.6 million was spent.

25 out of 151 ‘upper tier’ councils – **roughly one in seven local authorities weren’t running any kind of LWA scheme prior to the pandemic**. A further 21 local authorities spent less than £0.20 per capita.

*Percentage of English local authorities by their spend per capita on crisis support, excluding local authorities without a scheme<sup>6</sup>*



The varying degrees of support available based on the local authority you live in creates a postcode lottery. Ring-fencing of Local Welfare Assistance budgets, accompanied by guidance, would ensure all local authorities in England have a scheme in place which spends what they have been allocated appropriately.

The government has recognised the value of local support for families and individuals facing financial crisis during the COVID-19 pandemic. The Covid Local Support Grant and its predecessors have provided local authorities with £433m to scale up their offer in response to increased demand. Whilst these initiatives have provided a useful tool to protect people from destitution during the pandemic, the time-limited nature of the funding provided has also been difficult for local authorities to manage as they have needed to deliver additional support without the time to

<sup>4</sup> End Furniture Poverty (2021), [‘The Postcode Lottery of Crisis Support’](#)

<sup>5</sup> MHCLG (2018) [Core spending power: final local government finance settlement 2018 to 2019](#)

<sup>6</sup> End Furniture Poverty (2021), [‘The Postcode Lottery of Crisis Support’](#)

recruit new staff to administer it or develop the infrastructure, such as partnerships, needed to deliver support effectively.

The funding released by the government was often used by local authorities to fund interventions beyond local welfare assistance, in part due to the lack of local infrastructure. For example, with the COVID Winter Grant scheme, funding was primarily used to deliver holiday support for families with children who had free school meal eligibility<sup>7</sup>. Furthermore, areas without pre-established schemes often struggled to use funding, instead providing grants to voluntary and charity groups in their community, such as emergency food aid.

Therefore, whilst the Household Support Fund will provide £421 million in funding to local authorities in England, it will invariably fund interventions beyond local welfare assistance. Having a long-term, dedicated, funding settlement - which is clearly delineated from other forms of support, such as free school meals - will give local authorities the confidence to plan and invest in their schemes.

### **Standards and guidance on how schemes are run and promoted is needed**

Local authorities can play a key role in providing local welfare lifelines. They already have existing financial relationships with their residents (such as through council tax collection), and a wealth of data about them. Combined with other forms of financial support they provide (Council Tax Reduction schemes and Discretionary Housing Payments), a well-funded and administrated LWA scheme enables local authorities to act as a first point of call for individuals in need. An effective scheme could also act as a central hub for signposting to voluntary sector organisations who can offer additional support to those who need it.

However at present there are significant differences in how local authorities run their schemes. Many are also poorly publicised and may involve highly opaque and onerous processes for applicants. Central government should provide guidance to local authorities on best practice including publicising schemes, offering multiple application channels, offering cash-first and wrapping around additional services, and monitoring applications and awards to better understand need and improve provision.

### **Case Study: The Children's Society's Coordinated Community Support programme**

The Children's Society has been piloting a new approach to delivering crisis support in four local authority areas across England and Wales through its Coordinated Community Support (CCS) programme. The aims of the programme are to address gaps in support through better networking of different local agencies (including the local authority) involved in the provision of emergency assistance, and to reduce repeat instances of financial crisis by addressing underlying causes of crises as well as the immediate emergency. Learning from the programme has demonstrated how the development of a more joined-up approach to emergency support, underpinned by the capacity to coordinate and improved referral mechanisms, improves access to support and outcomes for those experiencing financial crisis.

---

<sup>7</sup> The Trussell Trust, The Children's Society, Turn2Us, IFAN et al (2020) '[Strengthening local welfare support during the Covid-19 outbreak – England briefing](#)'.

## Recommendations

**We recommend that the UK government, ahead of the Comprehensive Spending Review, ensures that:**

- **There is a co-ordinated cross-departmental approach to local welfare assistance.** Responsibility for local welfare assistance, and funding related to it, has moved between different government departments including the Ministry of Housing, Communities and Local Government, the Department for Work and Pensions, and the Department for Environment, Food and Rural Affairs. The Comprehensive Spending Review provides an opportunity to establish a lead department and provide clarity on the relationship between funding and oversight for local welfare assistance, and related but distinct policy initiatives such as Free School Meals and holiday food programmes.
- **There is a three year commitment of funding from the UK Government to local authorities in England of at least £250 million per year for local welfare assistance.** During the pandemic, there have been several short-term funding allocations to councils for local welfare, however a longer term funding settlement would ensure a better use of public money, delivering more effective support by allowing local authorities the confidence to plan and invest in schemes and referral pathways. Long-term funding of at least £250m would help return spending to levels seen when funding for local welfare was devolved in 2012, and bring spending in England in line with current spend in Scotland, Wales and Northern Ireland. On top of the £250 million, additional funding will be required to administer this resource, ensure there is effective local co-ordination to bring together partners and preventive services, and provide capacity to monitor outcomes and impact.
- **Funding for local welfare schemes is ring-fenced, or at least separately identified in the Revenue Support Grant to local authorities.** Spending by local authorities on local welfare assistance has reduced since 2013, with one in seven councils no longer providing a scheme.<sup>8</sup> Providing an identified funding strand could then be used to encourage all councils to provide this vital local safety net. Given the patchwork of provision and some of the challenges of getting support off the ground during the pandemic, there is a strong case for this to be allocated across councils to provide a foundation of support and level up across the country.
- **All English local authorities are required to provide a local welfare assistance scheme open locally to anyone in financial crisis and provide basic monitoring information as a minimum.** Basic and consistent monitoring data ensures that there is transparency about how funding has been spent, but the information required should be developed with local authorities to ensure the information requested will not be overly onerous for local authorities to provide. This will also allow for more effective comparison of outcomes between different models of provision. Further expectations of local schemes are suggested below.

---

<sup>8</sup> The Trussell Trust, The Children's Society, Turn2Us, IFAN et al (2020) '[Strengthening local welfare support during the Covid-19 outbreak – England briefing](#)'.

- **Support through local welfare assistance is available for people with No Recourse to Public Funds.** Through Home Office regulations, people with a No Recourse to Public Funds immigration status are ineligible for local welfare assistance.<sup>9</sup> There have been efforts during the pandemic to make it accessible to this group by emphasising eligibility if there is a care need and many councils have adapted their schemes accordingly – but there remain significant barriers. Going forward, this crisis support should be available to all those who need it, including through greater access to provisions to mitigate the impact of destitution.

**We recommend that the UK government should encourage all local authorities to provide a local welfare assistance scheme that follows best practice recommendations, as detailed below:**

- **Local welfare assistance schemes should deliver cash-first emergency support as part of their offer.** Cash-first approaches are empowering, and respect people on low incomes suffering a short-term financial crisis as individuals who should have agency in the choices they make just like anyone else.
- **As part of investment into local welfare assistance, councils should provide residents with access to benefits and debt advice services (and expand these services where necessary) to enable people in financial crisis to tackle the root cause of that crisis.** Where possible this should include developing an early intervention model to track financial vulnerability by integrating Discretionary Housing Payments and council tax support into their local welfare model, potentially as part of a wider approach to financial inclusion.
- **Anyone seeking financial support through other local services, including council services, should be informed of the local authority’s local welfare scheme.** There should be a “no wrong door” policy, whereby anyone seeking help due to a financial crisis through another local authority service or financial service provider, such as a credit union, should be informed of the local welfare assistance scheme. This could involve developing clear referral pathways, to coordinate support services available locally.
- **There are at least two channels (such as face-to-face, online or telephone) for people to apply for a local welfare assistance scheme.** Some local welfare schemes in England might currently only have one route to apply for support through. The Scottish Welfare Fund guidance states that local authorities must have at least three channels for people to apply for emergency support through to ensure that access is inclusive to people with different language and literacy needs, and people facing technology barriers.<sup>10</sup>
- **Local welfare assistance schemes should be open to anyone in financial crisis and seek to minimise barriers to support.** For example local welfare assistance should not be targeted at certain groups only, as

---

<sup>9</sup> Home Office (2021) [‘Public Funds: Migrant access to public funds, including social housing, homelessness assistance and social care’](#)

<sup>10</sup> Scottish Government (2021) [Scottish Welfare Fund: statutory guidance – March 2021](#)

seen with the targeting of families through the Covid Winter Grant Scheme. Some councils in England have also set restrictions requiring other avenues of support to be exhausted first, such as using a food bank first. This can create additional barriers to local welfare support which is better designed to meet crisis needs.

- **Successful local welfare assistance crisis awards should be processed within at least 48 hours.** For local welfare support to be effective, the person in crisis needs to access that support as fast as possible. Building on best practice examples, the Scottish Welfare Fund's guidance states that crisis support awards should be processed by the end of the next working day.<sup>11</sup>
- **Local welfare assistance schemes should involve a simple application processes, making it easy for people to apply with clear information about who is eligible.** Schemes with complex forms that require information that can be difficult to acquire may deter people who need support from applying.

---

<sup>11</sup> Scottish Government (2021) [Scottish Welfare Fund: statutory guidance – March 2021](#)

# Resources on Local Welfare Assistance schemes

## Guidance on best practice

- Local Government Association (2020) 'Good Practice Guide: Delivering Financial Hardship Support Schemes': <https://www.local.gov.uk/good-practice-guide-delivering-financial-hardship-support-schemes>
- Child Poverty Action Group (2020) 'Cash in a crisis: Best Practice on Local Welfare Assistance for Local Authorities during Covid-19': <https://cpag.org.uk/policy-and-campaigns/briefing/cash-crisis>

## Reports on need for strengthening Local Welfare Assistance

- End Furniture Poverty (2021) 'The Postcode Lottery of Support': <https://www.endfurniturepoverty.org/the-postcode-lottery-of-crisis-support>
- The Children's Society (2020) 'Leave no family behind: Strengthening Local Welfare Assistance during Covid-19': <https://www.childrensociety.org.uk/sites/default/files/2020-10/leave-no-family-behind.pdf>
- The Trussell Trust (2020) 'Local Lifelines: Investing in Local Welfare during and beyond COVID-19': <https://www.trusselltrust.org/2020/10/29/local-lifelines/>
- Turn2us (2020) 'Living Without: The Scale & Impact of Appliance Poverty': <https://www.turn2us.org.uk/T2UWebsite/media/Documents/Communications%20documents/Living-Without-Report-Final-Web.pdf>
- Turn2us (2020) 'Weathering the Storm: How COVID-19 is eroding financial resilience': <https://www.turn2us.org.uk/T2UWebsite/media/Documents/Communications%20documents/Weathering-the-storm-How-Covid-19-is-eroding-financial-resilience-Full-Report-Final.pdf> (pg 25-26 contain in statistics on awareness based on polling)
- Local Government Association (2019) 'Reshaping financial support: How councils can help to support low-income households in financial difficulty': [https://www.local.gov.uk/sites/default/files/documents/5.49%20Reshaping%20Financial%20Support\\_v02.pdf](https://www.local.gov.uk/sites/default/files/documents/5.49%20Reshaping%20Financial%20Support_v02.pdf)
- London Councils (2019) 'Supporting Low-Income Londoners: The Future of Local Welfare': <https://www.londoncouncils.gov.uk/our-key-themes/tracking-welfare-reforms/local-welfare-provision>
- National Audit Office (2016) Local welfare provision: <https://www.nao.org.uk/report/local-welfare-provision/>

## Level of funding

- Ministry of Housing, Communities & Local Government (2020) Core spending power: final local government finance settlement 2020 to 2021: <https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2020-to-2021>  
Using 'Core spending power: visible lines of funding': <https://www.gov.uk/government/publications/core-spending-power-final-visible-lines-of-funding-2020-to-2021>