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GROUP**



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Financial Fairness Trust

‘YOU HAVE TO TAKE IT BACK TO THE BRICKS’

Reforming emergency support to reduce demand for food banks

March 2022



Executive summary

Emergency support plays a small but vital role in the social security system. It is there to help families through one-off shocks that cause a sudden drop in income or increase in costs, such as the onset of a health problem or the washing machine breaking down. But, in practice, many families are not getting the support they need when they need it, and this is contributing to the rising demand for food banks.

Since the abolition of the discretionary social fund in 2013, the type and level of emergency support available in the UK varies across nations and local authorities. While the Scottish welfare fund (SWF), and the discretionary assistance fund (DAF) provide some form of emergency assistance in Scotland and Wales respectively, provision in England has collapsed in most local authority areas. Freedom of Information requests by End Furniture Poverty found that at least 32 local authorities now have no scheme (an estimated one in five).¹ Per capita spending on the SWF and the DAF is much higher than on the local welfare assistance (LWA) schemes in England.²

The arrival of the Covid-19 pandemic put the vital role of emergency support in the spotlight. Between 2020 and 2022, the UK government provided additional funding for local authorities to support households struggling to pay for essentials in England, with consequential funding allocated to the devolved administrations. The final instalment of this funding package, the £500 million household support fund, is due to end on 31 March 2022.³



“My partner changed jobs earlier in the month and without the household support fund we would have had to rely on family/friends or would have needed to go to a food bank which I don't like doing. My partner works full time and more often than not we have to rely on family and friends to help out with food. I don't like relying on them and I am planning to work once I have passed my driving test with the help of Your Work, Your Way. We cannot live off my partner's working wage and UC for much longer due to the cost of living increases – it isn't working.” – CPAG Your Work, Your Way client, Taunton, two children

This summary is the culmination of two years of research and analysis by CPAG funded by abrdn Financial Fairness Trust. It brings together two years of research and analysis to outline the role emergency support should play, and what needs to change to make this a reality. It includes short- and long-term recommendations for England, Scotland and Wales.

The research included literature reviews, expert workshops, citizens' juries and in-depth interviews with people who had sought emergency support in the past. It also engaged with participants of other CPAG projects such as Covid Realities, the London Calling family panel, and the Your Work, Your Way work support programme. Direct quotes from those involved in the research are included in this summary.

¹ A Nichols, [The State of Crisis Support: Local Welfare Assistance through Covid and Beyond](#), End Furniture Poverty, February 2022

² See note 1

³ UK government, [Household Support Fund: final guidance for County Councils and Unitary Authorities in England](#), November 2021

A health shock impacts family income: Leo’s* experience

Leo is in his 50s, and had been in work without a break in contracts from the age of 16 until he was made redundant in 2019. Leo lives with his wife and children. His wife is a teaching assistant, which brings in a steady income, but not enough to support the whole family. Leo is well qualified and very experienced so he was confident he could find another job soon. He was not worried at all as he felt his redundancy package would keep him going until a new job came up; he also had savings he could use if he needed to.

At the start of 2020, Leo had a heart attack. Luckily, he received excellent and timely treatment, but he needed an extensive period of recovery which restricted the type of work he could apply for. Leo was still confident he could find suitable work because of his level of experience.

Leo was ready to start applying for jobs when the first lockdown happened. The uncertainty caused by the pandemic meant many of the organisations Leo wanted to apply to were no longer hiring. **There were fewer job opportunities and a lot of highly qualified people chasing anything that did come up.**

By the summer of 2020, Leo had used up all of his savings and redundancy pay, so he applied for UC. In September, there was a mistake with Leo’s energy direct debit. Instead of taking £300, the energy company took £3,000. This wiped out everything in the family’s joint account and took them well over their agreed overdraft, meaning they then faced financial penalties and high interest rates on the debt.

The energy company apologised, and immediately agreed to refund the money and fines and interest payments associated with their mistake. However, they said **it would take a month to process the payment. This left Leo and his wife with no money or lines of credit to cover basic bills or, more importantly, food for the family.**

In Leo’s words: *“I have never felt so desperate. I felt like a failure as a father and a husband. I felt so stressed with nowhere to go and nobody to ask for help.”*

Leo called the UC team, the local authority and Citizen’s Advice, but he was unable to get through to anyone as many of the teams were on furlough or working from home so only operating online. They were dealing with so many queries that the websites all said there would be a considerable delay in response times.

Leo had a breakthrough when his UC work coach saw a message on the online platform he used saying Leo needed help urgently but didn’t know where to turn. Going far beyond his job description, the work coach leant on his contacts within the UC team to get someone to call Leo to help.

With the continued support of the work coach chasing people up and stressing the urgency of the situation, Leo finally received a budgeting loan through UC. This covered his food bills until he received a refund from his energy supplier and was able to pay everything back.

Leo only has praise and thanks for his work coach but he feels the system let him down badly.

“I’ve been paying tax all my life until 2019, and we almost went under. Nobody apart from my coach was interested in helping – and that wasn’t in his job remit, he did that because he is a good person. I felt everyone else just ignored me. I was treated like a scrounger, like it was my fault, like I’d made bad choices and now had to live with the consequences. What I’d say to the people in charge is walk a week in our shoes and learn about the people you are meant to be supporting.”

Leo doesn’t like telling people about his experience because he feels ashamed of needing benefits, and that an unexpected mistake meant he almost couldn’t feed his children. **He feels emergency support should be something that we should all be able to rely on without being judged but at the moment, the shame and complexity of it makes it hard to access** – at a time when there are probably more people than ever in need of it.

* Names have been changed.

Long-term vision for emergency support



“Sudden expenses or challenges can happen to anyone – so we need to make sure there is help out there. It’s not just about making poor decisions or being irresponsible, it’s for emergencies. The death of a spouse, loss of a job, losing your home; all of these can happen to anyone and we need to make sure there is the right support there.” – CPAG London Calling family panel member

Emergency support should step in to provide families with support for recurring or short-term events that bring additional costs, and act as a stabiliser when unpredictable life events lead to income shocks. It should be regulated and demand-led so that families can know what they are entitled to and in which circumstances.

Emergency support should include four types of payment:

1. **Key stage development payments** for short-term cost increases associated with raising children that can push families into financial crises. These include costs associated with the birth of a child, school transitions and meals during the school holidays. These would complement and learn from already existing payments such as Sure Start maternity grants in England and best start grants in Scotland.
2. **Lumpy costs payments** to cover one-off costs that are difficult to save up for if you are on a persistently low income. They would cover things such as purchasing and replacing essential household white goods, advance rent payments, and childcare deposits. Unsuccessful applicants could then be referred for budgeting advances and no-interest loans.
3. **Transitional payments** to cover the costs associated with a life shock or transitional phase that can cause a sudden income drop or increase in costs such as: homelessness, relationship breakdown, leaving care or prison. Payments might include, for example, help with furniture once re-housed in a part-furnished or empty property.
4. **Emergency payments** to cover the cost of essentials following an unexpected crisis that can cause a sudden drop in, or loss of, income or an increase in costs. Circumstances that qualify someone for an emergency grant would include, for example, being made redundant, the onset of a health condition, bereavement, separation or divorce.

How do we move towards a better system?

Recommendation 1: review emergency support provision



“We don’t know how effective local authorities are at getting to the most disadvantaged groups, with council tax relief, discretionary housing payments and LWA.” Workshop participant

The UK government should commit to a review of LWA, and the Welsh government should include the DAF in its review of the Welsh benefits system. The Scottish government has already commissioned a review of the Scottish welfare fund. All three reviews should:

- Consider how administrative data already held by different levels of government⁴ can be utilised to identify whether families are eligible for other support.

⁴ Eg, Department for Work and Pensions, Social Security Scotland, local authorities

- Examine how emergency support can complement other parts of the social security system and services delivered nationally and locally.
- Outline a roadmap for change.

Recommendation 2: improve emergency support delivery in line with best practice



“Quite a lot of the feedback we’re getting from food bank managers is about confidence, about how the system works. If they suggest to someone that they apply, that they can be confident that person might get a grant. There’s a lot of confusion [around what the criteria and decision-making processes are].” – Workshop participant

Similar delivery issues with emergency support have been identified across England, Scotland and Wales. A number of best practice examples show that emergency support provision could be improved by:

- Providing awards that reflect each family’s circumstances, including how long the financial crisis will last and family size.
- Informing applicants about the reason for an award rejection, and providing them with information on subsequent support. This will help food bank managers and referral agencies to better understand the rationale behind decisions and when an award might be given.
- Advertising emergency support in places people go regularly (eg, supermarkets and schools).
- Improving relationships between emergency support staff, third sector organisations and advice agencies to create strong referral pathways and divert those eligible for financial support away from food aid.
- Reducing the time between an application for emergency support being made and the award being given.

Recommendation 3: improve consistency across local authorities in England



“It feels quite murky. I appreciate each local council has its own approach but it’s hard to get a sense of it if they talk about it in different ways in different places. Can’t they have a template which they all use to explain where to go, who to talk to and what the criteria are?” – Citizens’ jury participant

In order for LWA to work effectively in England, the system must be better coordinated and more consistent. Across England, LWA has different names, eligibility criteria and per capita spend, and in some cases doesn’t exist at all. In Scotland and Wales, the name and criteria are more consistent.

To ensure support is available in every local authority in England, the UK government should introduce a statutory duty on local authorities to offer emergency support alongside a national strategy for local welfare in England that outlines minimum standards. It should also publish data annually on the delivery of local welfare from each local authority. Local authorities would be responsible for delivery and determining local need.

In the short term, the Department for Work and Pensions should work with the Local Government Association and local authorities to produce a shared outcomes framework for local emergency assistance. A nationally-set framework would improve consistency across England while allowing local authorities to determine how best to achieve it.

Recommendation 4: deliver a long-term funding settlement for emergency support



"There needs to be assurance that the funding is not just a one-off or short term, as that makes it really hard to plan longer-term solutions." – Workshop participant

In order for local authorities to deliver a more coordinated and coherent system in England, a multi-year funding commitment is needed rather than the ad-hoc short-term funding that was provided during the pandemic. Funding allocation for local emergency support should align with need to ensure any claimant who satisfies the conditions for an award can access a payment.

While per capita funding for local emergency support is higher in Scotland and Wales compared to England, both the SWF and DAF could be improved through strategic investments in administration and delivery.

1. Introduction

The *Ending the Need for Food Banks* project launched in May 2020. The project asks: how can emergency support be redesigned so it reduces demand for food banks and food aid? And what would this new system look like?

Emergency support can play a key role in reducing demand for food banks. It can step in to help families and individuals through one-off shocks that cause a sudden drop in income or increase in costs, such as the onset of a health problem or the washing machine breaking down.

Since the abolition of the discretionary social fund in 2013, the type and level of support provided to people in need across the UK varies across nations and local authorities. Delivering emergency support became the responsibility of local authorities and the devolved administrations in Scotland, Wales and Northern Ireland, but there was no specific duty to provide it. While the Scottish, Welsh and Northern Ireland governments created the centrally-funded Scottish welfare fund (SWF), discretionary assistance fund (DAF), and finance support service (FSS) respectively, provision of emergency support (called local welfare assistance schemes) in England has collapsed, leaving people in vulnerable situations without anywhere to turn in a crisis.

In England in 2010/2011, £218 million was allocated to help families with emergency costs⁵ (£283 million in 2019/20 prices), compared to less than £41 million spent on local welfare assistance (LWA) in 2018/2019. Freedom of Information requests by End Furniture Poverty found that at least 32 local authorities now have no scheme. They estimate that at least one in five local authorities no longer operated a LWA scheme,⁶ an increase on previous research by The Children's Society, which found one in seven did not have a scheme in 2018/19.

This sits against a backdrop of cuts to other parts of the social security system and a cost of living crisis. Support for families from social security has significantly reduced since 2010.⁷ Further, the five-week wait for the first universal credit (UC) payment can precipitate financial insecurity and destitution (lacking food, fuel or clothing).⁸ Prices are rising at the fastest rate in 30 years,⁹ and energy bills alone will rise by 54 per cent in April.¹⁰

The project originally set out to focus on long-term recommendations for the UK, Scottish and Welsh governments¹¹ to encourage policymakers to step away from the idea of how to 'tweak' the current system and instead to rethink emergency support in its entirety. We did not include Northern Ireland in the study as CPAG does not currently have an office or member of staff based there.

The arrival of the Covid-19 pandemic made clear the vital role emergency support plays in tackling hardship. A survey by the Office for National Statistics (ONS) during the pandemic found that more than one in five parents said they had to borrow money or use credit more often than before the pandemic. Only 47.5 per cent of parents reported being able to afford an unexpected but necessary expense of £850 (compared to 60.8 per cent of those without children). Equally, the largest rise in the number of people who were unable to pay an unexpected

⁵ Equivalent parts of the discretionary social fund.

⁶ See note 1

⁷ L Gardiner, *The shifting shape of social security: Charting the changing size and shape of the British welfare system*, The Resolution Foundation, November 2019

⁸ E Thompson, *#5WEEKSTOOLONG: why we need to end the wait for universal credit*, The Trussell Trust, September 2019

⁹ ONS, *Consumer price inflation, UK: January 2022*, February 2022

¹⁰ Ofgem, *Price cap to increase by £693 from April*, February 2022

¹¹ CPAG does not currently have an office or member of staff based in Northern Ireland.

expense was among those who had a personal income between £10,000 and £20,000.¹²

The UK government provided short-term, time-bound funding for local authorities and the devolved administrations to support households struggling to pay for the essentials, such as food and energy, between 2020 and 2022. The final instalment of this funding package, the £500 million household support grant, is due to end on 31 March 2022.¹³

In response, we shifted the focus of the project to consider short, medium and long-term recommendations:

- What can we do to improve the current system to reduce the use of food banks in England, Scotland and Wales? (We did not include Northern Ireland in the study as CPAG does not currently have an office or member of staff based there).
- What medium-term changes are needed to emergency support to better meet peoples' needs (bearing in mind that discretionary support is plugging gaps left by other parts of the social security system)?
- What fundamental changes are needed to emergency support to ensure it is meeting peoples' needs and better preventing hardship?

The changes needed to the social security system to ensure it prevents destitution and reduces the prevalence of chronic low income is outside the scope of this project. Our long-term recommendations offer a blueprint for an emergency support system that prevents hardship when families face an unexpected crisis. The medium-term and short-term recommendations lay the groundwork needed to get there.

Direct quotes from individuals involved in the research are included throughout the report to demonstrate the issues.

What do we mean by emergency support?

Emergency support is a small but vital part of the social security system. In this report, when we say emergency support, we are referring to financial and in-kind support provided currently by local authorities in England and Scotland, and by the Welsh government. In England, where this support exists, it is in the form of local welfare assistance (LWA) schemes, although the name differs depending on the local authority. In Scotland, it is called the Scottish welfare fund (SWF); in Wales, the discretionary assistance fund (DAF); and in Northern Ireland, discretionary assistance as part of the Finance Support Service.

Emergency support helps households on a low income to meet the cost of essential items, such as food and electricity. It can prevent hardship and alleviate poverty by getting families through a period of financial instability. Emergency support has two main functions: meeting short-term cost increases and getting people through unexpected life shocks and transitions.

Methodology

This report is the product of wide-ranging qualitative research and a literature review. All fieldwork for this report took place between May 2020 and November 2021. We gathered insights from experts on emergency support, a representative cross-section of the public and low-income families to examine what needs to change to ensure

¹² ONS, [Opinions and Lifestyle survey \(9 April to 26 July 2020\), Personal and economic well-being in Great Britain](#), September 2020

¹³ See note 3

that emergency support is best meeting people's needs.

We held four policy workshops, two citizens' juries in England and Scotland, and three in-depth interviews with people who had applied for emergency support. We drew on the lived experience of low-income families by engaging participants in other projects including CPAG's London Calling BAME family panel and Your Work, Your Way project, and the Covid Realities project.

There is a more detailed methodology in the appendix.

About Child Poverty Action Group

Child Poverty Action Group (CPAG) works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families' rights.

Acknowledgements

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About the abrdn Financial Fairness Trust

The abrdn Financial Fairness Trust works to tackle financial problems and improve living standards for people on low-to-middle incomes in the UK. It is an independent charitable foundation registered in Scotland, which funds research, policy work and related campaigning.

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2. Emergency support over time

The current system of emergency support was established in 2013, but locally administered emergency assistance has been a key part of the social security system in the UK for decades.

1980: Single payments

Single payments were introduced in 1980 to replace exceptional needs payments available to people on out-of-work benefits or means-tested benefits. The system was fully regulated: if a claimant met the conditions set out in the regulations, they were legally entitled to a payment. The scheme was demand-led rather than cash-limited so that anyone who qualified for support could access it. Payments covered specific items that were set out in regulations including furniture and clothing, as well as draught-proofing and rent in advance. It was administered by the then secretary of state for health and social security.¹⁴

¹⁴ [The Supplementary Benefit \(Single Payments\) Regulations](#), 1980

1988: Social fund

The social fund was introduced in 1987-1988. Like the single payments system, some elements of it were paid according to provisions set down in regulations (this included maternity payments, funeral payments, winter fuel payments and cold weather payments). But other elements became part of the cash-limited discretionary social fund which included community care grants and interest-free repayable budgeting and crisis loans. The discretionary part of the social fund was governed by directions and guidance from the secretary of state rather than regulations set out in law. This meant that there was no guarantee that people who applied and met the criteria would get a payment. There was no longer any right of appeal but people could, however, have access to the independent review service. The total amount spent on actual grants had reduced to just 30 per cent of awards, with 70 per cent of payments recycling as loans.

The social fund was administered by the Department of Social Security, although the discretionary element was devolved to local authorities (excluding budgeting loans).¹⁵

2013: Emergency support devolved from central government

The current system of emergency support was introduced in 2013 and replaced the discretionary parts of the social fund. Since 2013, the administration of local welfare support has been devolved to local authorities in England and national governments in Scotland, Wales and Northern Ireland.

There is currently no specific duty on devolved administrations nor local authorities to provide an emergency support scheme. There is also no duty to provide information about how that money is spent, and to whom it is given. However, Scotland, Wales and Northern Ireland have set up their own centralised systems that have more consistency in delivery, and reporting requirements, and higher per capita spend than in England. As a result, there is a lack of uniformity in the type and level of support being provided to people in need across the UK.

Local welfare assistance in England

Unlike in Scotland, Wales and Northern Ireland, funding for schemes in England is not ring-fenced. Funding for discretionary assistance/local welfare provision has declined by 55 per cent in real terms in England since 2010.¹⁶ Awareness of LWA is low and the number of people receiving support has fallen. Freedom of Information requests by End Furniture Poverty found that at least 32 local authorities have no scheme. They estimate that at least one in five local authorities no longer operates a LWA scheme, an increase on previous research by The Children’s Society, which found one in seven did not have a scheme in 2018/19.¹⁷

Scottish Welfare Fund

Local welfare provision in Scotland is statutory under the Welfare Funds (Scotland) Act 2015. This allows councils to offer both crisis and community care grants, the eligibility criteria for which were laid out in regulations approved by the Scottish parliament in 2016. The regulations state that crisis grant awards should be made in cash or cash equivalent forms. Community care grants can be fulfilled in cash, cash equivalent or in-kind forms.

¹⁵ [Budgeting Loans](#) are only available to those on one or more of these benefits for six months or more: income support, income-based jobseeker’s allowance, income-related employment and support allowance, pension credit. Universal credit claimants can apply for [Budgeting Advances](#). Department for Work and Pensions, *Social Fund Account 2020 to 2021*, July 2021

¹⁶ 2010/11 to 2012/13 figures use published government data showing discretionary social fund spending by local authority, and including only data for community care grants and crisis loans. See The Children’s Society, [Leave No Family Behind: Strengthening Local Welfare Assistance during Covid-19](#), October 2020

¹⁷ See note 1

Statutory guidance was also made available to local authorities to assist with decision making.

Per capita spending on the SWF is much higher than spending on LWA in England. In 2018/19, £6.49 per capita was spent on the SWF compared to £0.73 on LWA in England.

Discretionary Assistance Fund in Wales

The DAF in Wales is a national fund with two streams:

- Emergency assistance payments provide financial support in an emergency, or where there is an immediate threat to health or wellbeing.
- Individual assistance payments are issued to meet an urgent need to allow individuals to remain living independently, however the individual must be in receipt of income-related benefits to be eligible.

The statutory and voluntary sectors help people to complete applications, and individuals can also apply directly. Local authority, charity, advice agency or housing association staff can apply to be DAF partners, to link claimants to other services. The per capita spend on the DAF in 2018/19 was £3.37 compared to £0.73 on LWA in England.

Table 1: Spending on emergency support in Britain over time (2018/19 prices)

Year	Type of support	Per capita spend
1980 ¹⁸	Single payments	£2.65
1986 ¹⁹	Single payments	£12.81
1988 ²⁰	Social fund (grants)	£2.32
1997 ²¹	Social fund (community care grants)	£2.59
2003 ²²	Social fund (community care grants)	£2.86
2009 ²³	Social Fund (community care grants)	£2.85
2018/2019 ²⁴	Local welfare assistance in England	£0.73
	Scottish welfare fund	£6.49
	Discretionary assistance fund in Wales	£3.37

2020: Emergency support and the Covid-19 response

In response to the Covid-19 pandemic, the UK-government announced six pots of funding in 2020/21 for local authorities and the devolved administrations to support people facing hardship. For the first time in 10 years,

¹⁸ T Buck, *Poor Relief or Poor Deal?: The Social Fund, Safety Nets and Social Security*, Routledge, 2003

¹⁹ See note 18

²⁰ National Audit Office, *The Social Fund*, February 1991

²¹ Select Committee on Social Security, *Third Report*, April 2001

²² National Audit Office, *Helping those in financial hardship: the running of the Social Fund*, January 2005

²³ Department for Work and Pensions, *Social Fund Community Care Grant Expenditure in 2009-10*, January 2011

²⁴ The Children’s Society, *Leave No Family Behind: Strengthening Local Welfare Assistance during Covid-19*, October 2020

expenditure on LWA across England increased.²⁵

Table 2: Spend per capita across England, Scotland and Wales, 2019/20 to 2020/21²⁶

	Total Spend 2019/20	Per Capita 2019/20	Per Capita 2020/21	Per Capita Increase
England	£35.8m	£0.64	£1.30	£0.66
Scotland	£37.6m	£6.89	£9.05	£2.17
Wales	£13.2m	£4.19	£8.07	£3.88

This funding has always been time-limited, with the final instalment, the £500 million household support fund, due to end on 31 March 2022.²⁷ Clients on CPAG’s work support programme, Your Work, Your Way have reported that the household support fund has been a lifeline for their families. For some, the fund meant they didn’t have to use a food bank. Citizen’s Advice Taunton told us that CAB network in Somerset had to stop taking applications for the fund in February, as their allocation had already run out.

3. How does emergency support help families and what happens when it’s not available?

Emergency support helps households on a low income to meet the cost of essential items, such as food and electricity. It can prevent hardship and alleviate poverty by getting families through a period of financial instability. Emergency support has two main functions: meeting short-term cost increases and getting people through unexpected life shocks and transitions.

Help with short-term cost increases

Every household faces fluctuations in expenses. Research over the years has identified the need for help with ‘lumpy items’ (cover one-off costs that are difficult to save up for if you are on a persistently low income).²⁸ More recently, research by the Centre for Responsible Credit²⁹ and Turn2us³⁰ found that there are short-term events that bring with them additional costs. Many of these are reasonably predictable and cyclical, and affect households across income levels. However, in the lives of low-income families they can create financial crises. Being on a persistently low income makes it difficult to save up for one-off ‘lumpy’ costs, for example replacing white goods.

²⁵ See note 1

²⁶ See note 1

²⁷ See note 3

²⁸ See, for example: M Howard, *Having to lump it: roles for the social fund in ending child poverty*, National Council for One Parent Families, CPAG and Family Welfare Association, 2002

²⁹ D Gibbons, A McCallum and H Murphy, *Improving the Financial Health of Low Income Groups*, Centre for Responsible Credit, October 2016

³⁰ T Kingston, *Life Events and Financial Insecurity*, Turn2us, November 2021



“Sudden expenses or challenges can happen to anyone – so we need to make sure there is help out there. It’s not just about making poor decisions or being irresponsible, it’s for emergencies. The death of a spouse, loss of a job, losing your home; all of these can happen to anyone and we need to make sure there is the right support there.” – London Calling family panel member

“Kids just make your finances less predictable anyway. You never know if they are going to have a growth spurt or rip their uniform or need new shoes.” – London Calling family panel member

In our *The Cost of Learning in Lockdown* report in March 2021, we surveyed 1,570 parents and carers, and 785 children and young people about their experiences of the third Covid-19 lockdown in January to February 2021. Low-income families were more concerned about money than they were during the first lockdown. Having children at home increased costs including food, electricity, gas and learning resources. Ninety per cent of low-income families said they were spending more on bills than usual while children were at home.³¹

While middle-income households can more easily cover these costs with disposable income, savings and access to mainstream credit, or by drawing on family and friendship networks, households with low incomes tend not to have these resources. However, unexpected costs can also tip some of these households into financial difficulties if they do not get timely support. Equally, being on a persistently low income makes it difficult to save up to cover unexpected costs. These additional costs become a source of financial pressure and affect the financial health of low-income households.³²

A survey by the Office for National Statistics (ONS) during the Covid-19 pandemic found that more than one in five parents said they had to borrow money or use credit more than before the pandemic. Only 47.5 per cent of parents reported being able to afford an unexpected but necessary expense of £850 (compared to 60.8 per cent of those without children). Equally, the largest rise in the number of people who were unable to pay an unexpected expense was among those who had a personal income between £10,000 and £20,000. At the end of July 2020, 41.5 per cent of people in this income group were unable to afford an unexpected expense, up from 31.3 per cent at the beginning of July.³³

Unemployment, low pay and the insecure nature of work makes it difficult to save enough for unexpected costs.³⁴ 5.1 million UK workers are in low-paid, insecure work, and two million of these are parents. Black and minority ethnic (BME) workers and women, particularly lone parents, are more likely to be in this type of work.³⁵ Further, in 2019, 1.3 million people in low-paid work had predictable pay but their working hours changed, often making it harder to plan around other costs like childcare and travel.³⁶ Low income is also driven by the inability to work additional hours, primarily due to caring responsibilities, long-term illness, and disability, but also because extra hours are not available.³⁷

³¹ CPAG and Children North East, [The Cost of Learning in Lockdown: March update](#), March 2021

³² See note 29

³³ See note 12

³⁴ TUC, [Insecure work: Special edition of the TUC’s Jobs and recovery monitor](#), July 2021

³⁵ C Jaccarini and L Krebel, [Tackling Insecure Work is Vital to any Meaningful Recovery from Crisis](#), New Economics Foundation, June 2020

³⁶ A Martin, [Insecure Work—Are We at Tipping Point?](#), New Economics Foundation, June 2019

³⁷ ONS, [Labour market economic commentary](#), January 2019

Unable to save up for unexpected costs: Hannah’s³⁸ experience

Hannah lives with her three children in a council flat. Her children are still young; the eldest has just started primary school.

Over the past four years, Hannah has worked when she can, but has had periods of relying on Universal Credit (UC) for all her income. **It’s hard for Hannah to find work that fits around childcare, so the jobs she has been able to do are usually temporary, fixed-term contracts.** She is hoping to find something more permanent once her children are all at school.

Hannah’s income from UC just about covers the basics, but she feels she is always, *“on a knife edge,”* with no real cushion if things go wrong.

Towards the end of last year, Hannah’s washing machine broke down. With three kids, there is a lot of laundry to do anyway but one of Hannah’s children has very bad eczema, which means Hannah needs to wash their clothes and bedding more than you would for a child without the condition. The loads can really add up.

Hannah did not have enough money in the bank to buy a new machine. She looked into getting it mended but it was a write-off. She looked at prices at her local laundrette, but this was much more expensive than washing clothes at home. Hannah was worried that if she used the laundrette, the extra expense would mean she would not be able to save up for a new machine.

None of Hannah’s friends or family were in a position to help her financially, so she reached out to her UC contact to see if she could get a budgeting loan to cover the cost of the machine and pay it back over a few months.

As Hannah had been working for part of the previous six months, she was told she was ineligible – **only people who had been claiming UC for at least six months at a consistent rate could be given a budgeting loan.**

Hannah was told to contact her local council who should be able to help. **Her local council told her they could not help as she was on UC,** but that her contact there should be able to help. This left Hannah feeling, in her own words, *“anxious, worried, frustrated and fed-up.”*

After trying to explain to the local authority and the UC team that she was caught between the two simply because she had taken work when she was able to, **Hannah felt defeated by the whole situation.**

One day, one of her neighbours (who she did not know that well) saw Hannah was clearly distressed and offered to let Hannah use her washing machine until she had saved up enough money to buy her own machine. This took a few months and Hannah is still paying her neighbour back to cover the extra water and electricity she used while washing her family’s laundry (her neighbour did not ask for this but Hannah felt she wanted to pay her way).

Reflecting on the situation, Hannah said it left her feeling: *“Embarrassed, frustrated and penalised for trying to take work when I can. This experience will put me off looking for work again until my kids are at school and I can commit to permanent contracts. I felt judged, patronised and treated like I was trying to scam the system.”*

³⁸ Names have been changed.

Help with unexpected costs and life transitions

An unexpected life shock, for example being made redundant, the onset of a health condition, bereavement, separation or divorce can cause a sudden drop in, or complete loss of income. Transitional phases, such as leaving care, prison, a period of homelessness or escaping domestic violence, often require financial support to set up a new home. Emergency support can step in to help with these costs.



“My partner changed jobs earlier in the month and without the household support fund we would have had to rely on family/friends or would have needed to go to a food bank which I don’t like doing. My partner works full time and more often than not we have to rely on family and friends to help out with food. I don’t like relying on them and I am planning to work once I have passed my driving test with the help of Your Work, Your Way. We cannot live off my partner’s working wage and UC for much longer due to the cost of living increases – it isn’t working.” – Your Work, Your Way client, Taunton, two children

The A Menu for Change project, run by a coalition of Scottish third sector organisations including Oxfam and CPAG in Scotland, found evidence of these trigger points through their longitudinal research into food insecurity (ie, not having enough money to buy food). Interviewing individuals across three local authorities, they found these events led to participants being unable to meet basic costs like food, rent or heating. This often led to the accumulation of rent arrears and debts.³⁹

Polling for the debt charity StepChange revealed that people who had experienced a life event in the last two years – such as separation or falling ill – were three times as likely to be in problem debt.⁴⁰

What happens in the absence of emergency support?

Without access to emergency support, families have to find other ways to manage short-term cost increases or unexpected income drops. Asking family and friends for help, cutting back on essentials, using credit cards or applying for high-cost credit are some of the strategies families use to make ends meet.

Using high-cost credit often means having to cut back on other essential items in order to make the repayments. Even after cutbacks, some households are unable to maintain their financial commitments and fall into arrears with rent, council tax and utilities bills.⁴¹

The Covid-19 pandemic caused further financial instability for families, with many turning to credit to cope. A survey by Turn2us revealed that, from March to September 2020, the proportion of households that run out of money ‘most of the time’ doubled. Almost 18 million people (34 per cent) have had to use some form of debt to get by since March 2020, with 6.4 million (12 per cent) people using multiple forms of debt.⁴²

Between April and October 2020, over half (57 per cent) of StepChange clients who had faced an income fall since the beginning of the pandemic had asked friends and family for financial help. A third (35 per cent) had sold

³⁹ M MacLeod, [Found Wanting: Understanding journeys into and out of food insecurity: a longitudinal study](#), A Menu for Change, October 2019

⁴⁰ G Brownfield, [Life happens: Understanding financial resilience in a world of uncertainty](#), StepChange, July 2019

⁴¹ See note 40

⁴² T Cave, M Sykes and P Johnson, [Weathering the Storm: How Covid-19 is eroding financial resilience](#), Turn2us, November 2020

personal or household items and 11 per cent had received help from a food bank.⁴³



“Since last summer we've been sent weekly food packages of basic foods from a local charity, who have been involved with the school. For other things, I have received help from family. This however only covers the costs of the bare essentials – food and bills. For clothing I'm relying on expensive credit.” – Aurora, participant in the Covid Realities project

People turn to food banks due to economic necessity – when they do not have enough money to buy food once essential bills have been paid.



“The household support fund really helped me and my family as I have four children and my eldest as a teen eats all the time! This month I have not had to ask my Mum for food shopping. I don't like to rely on my mum for food but she would not see her grandchildren go hungry. I have not accessed a food bank but may have to in the future. I cannot work at the moment as my youngest is not in school and it's too expensive to pay for nursery for him.” – Your Work, Your Way client.” Taunton, two children

‘Destitution’ describes the conditions facing people who cannot afford the absolute essentials, such as food, clothing and housing, and the ability to stay warm, dry and clean. The Joseph Rowntree Foundation’s December 2020 report on destitution estimates that pre-pandemic, more than one million households were destitute in the UK at some point in 2019, including 550,000 children. Since 2017, the number of people and children experiencing destitution had increased by 54 per cent and 52 per cent respectively.⁴⁴

The Trussell Trust’s *State of Hunger* report in 2021 showed that 95 per cent of people referred to the food banks in their network were classed as destitute.⁴⁵ Debt was also a very significant issue for food bank users: nine in 10 had some form of debt, while six in 10 had arrears on bills and owed money on loans.⁴⁶

Two factors compound economic need associated with food bank use:

1. Ill-health or adverse life experiences (such as household separation or eviction) which can worsen an individual’s financial situation by creating extra expenses, and undermine their ability to navigate the social security system. In some cases, benefit problems can further exacerbate health conditions.
2. A lack of financial support either formally, through the social security system, or informally, through family and friends.

⁴³ F Rahman and J Warner, [Covid-19 Client Data Report: Exploring the experience of debt advice clients during the covid-19 pandemic](#), StepChange, December 2020

⁴⁴ S Fitzpatrick and others, [Destitution in the UK 2020](#), The Joseph Rowntree Foundation, December 2021

⁴⁵ Destitution was defined as lacking at least two out of six essentials or not having sufficient income to purchase these essentials, and is viewed as an extreme form of poverty.

⁴⁶ G Bramley and others, [The State of Hunger: Building the evidence on poverty, destitution, and food insecurity in the UK, Year 2 Main report](#), The Trussell Trust, May 2021

Food bank as a lifeline: Erik’s experience

“I am a single parent father with a 14-year-old daughter. Since my partner left around five years ago, I [have] found budgeting extremely difficult, as she was the only full-time worker. We do not have any close family or friends that we can ask for help. When the pandemic started, things became unmanageable. It was my daughter that spoke to a worker at a young carers group that she attends, and they put us in touch with a food bank. To start with, I found it very hard to accept the fact that I needed this help, but it was a lifeline that I feel I could not have managed without.

“For the first time since my partner left, we were able to eat fresh healthy food which has made a huge difference to both of us. I will not say that life is now perfect as there are still bills to pay and school uniform to buy that is always a struggle due to the cost of having to use a uniform provider. However, without the use of a food bank I really do not think we could have managed to survive the pandemic, as we have nowhere else to ask for help or the confidence to ask if there were someone to turn to. I believe there should be more help and advice for people that is easy to access and understand so we are able to make a difference to our own lives.”

Cuts to spending on the social security system since 2010 have significantly reduced support for families.⁴⁷ This contributed to a sharp rise in food bank use. Data from the Trussell Trust shows that food bank use rose sharply in 2013 and continued to rise steadily over the 2010s, with another sharp rise at the beginning of the pandemic. The vast majority of the increase in provision of food parcels is a result of increased underlying need, rather than growth in the number of food banks.⁴⁸

Around one in three people referred to a food bank in late 2018 and early 2020 reported that they fell on hard times just recently. Conversely, a quarter of people reported having been in financial hardship for a very long time. This suggests that food bank use could be lowered if people were better able to access emergency support through LWA, the DAF or the SWF when they needed it, but there also needs to be better support for people experiencing prolonged hardship.

In mid-2020, of people referred to a food bank in the Trussell Trust network who lived in areas with LWA in England, three in five (60 per cent) people said they had not heard of it. This lack of awareness of LWA was also widespread in the qualitative research. This shows that, though some LWA budgets are underspent, this does not necessarily mean that need for support is low.

There is evidence in England and Scotland that some councils are not advertising their emergency support schemes, not because they do not want people to receive their entitlements, but because they don’t feel they have the resources necessary to cope with the demand which advertising would create.⁴⁹

⁴⁷ See note 7

⁴⁸ R Jenkins, S Aliabadi and E Vamos, *The Relationship between Austerity and Food Insecurity in the UK: A Systematic Review*, NIHR, June 2021

⁴⁹ See note 24 and D Hilber and M MacLeod, *The Scottish Welfare Fund: Strengthening the Safety Net: A Study of Best Practice*, A Menu for Change, January 2020

4. A vision for emergency support

Emergency support should be a small yet vital part of the social security system. While wages and benefits should ensure families and individuals have a decent level of income to protect them from poverty, there will still be a need for support for unforeseen costs and unexpected life events. This is where emergency support should step in – to protect families and individuals from destitution, which has been driving the rising need for food banks. It can serve this purpose by providing support for recurring short-term events that bring additional costs that push those on low incomes into financial crisis. Equally, it should act as a stabiliser when life events lead to income shocks. The offer should be consistent and clear – families should know what they are entitled to and in which circumstances.

What should be on offer?

Emergency support should provide four types of payment:

1. **Key stage development payments** for short-term cost increases associated with raising children that can push families into financial crises. These include costs associated with the birth of a child, school transitions and meals during the school holidays.
2. **Lumpy costs payments** to cover one-off costs that are difficult to save up for if you are on a persistently low income. They would cover things such as purchasing and replacing essential household white goods, advance rent payments, and childcare deposits. Unsuccessful applicants could then be referred for budgeting advances and no-interest loans.
3. **Transitional payments** to cover the costs associated with a life shock or transitional phase that can cause a sudden income drop or increase in costs such as: homelessness, relationship breakdown, leaving care or prison. Payments might include, for example, help with furniture once re-housed in a part-furnished or empty property.
4. **Emergency payments** to cover the cost of essentials following an unexpected crisis that can cause a sudden drop in, or loss of, income or an increase in costs. Payments would ensure that essential needs are met. Circumstances that qualify someone for an emergency grant would include, for example, being made redundant, the onset of a health condition, bereavement, separation or divorce.

To ensure that families and individuals do not need food aid, the emergency support system must be clear and consistent. Applicants and advisers need to know which circumstances qualify for support and the likelihood of an award. The eligibility criteria must be defined and the application process transparent.

Emergency support should be fully regulated. There should be a set of conditions a claimant needs to meet. If the claimant satisfies the conditions set out in the regulations, they would be legally entitled to a payment. This would define clear boundaries for help and ensure decisions were consistent.

Case study: best start grants Scotland

Best start grants are a set of benefits introduced by the Scottish government in 2018. These one-off payments help towards the costs of being pregnant or looking after a child.

They are available to those on certain benefits and tax credits (or whose partner claims those benefits) and consist of:

- the pregnancy and baby payment to pay for items such as pregnancy clothes, a pram, a cot, baby clothes and toys;
- the early learning payment to help with the costs of learning such as trips to new places; and
- the school age payment to support with the costs of starting primary school such as stationery, clothes and trips.⁵⁰

The interim evaluation of best start grants found that most of the grant was spent on essential items families needed at the key transitional stages of birth, nursery and school, when they needed them. Without the grant, there were parents and carers who said they could not afford the items at the appropriate times, and they would have had to go without the items until they had saved up enough money.

“Respondents were unanimous” in the view that the best start grant had made a positive impact on their household finances, with some saying it gave them more freedom, not having to choose between paying bills or buying items for children.⁵¹

5. How do we move towards a better system and why should we?

The following section reviews the research findings and identifies recommendations that lay the groundwork for a renewed emergency support system in England, Scotland and Wales. The recommendations fall into four categories:

1. Government-led reviews of emergency support
2. Improvements to emergency support delivery that align with best practice
3. Making LWA in England more coherent and consistent
4. Delivering a long-term funding settlement for emergency support

Recommendation one: review emergency support provision

England

To get a better sense of peoples’ needs and to make sure funding is well-targeted, we need better data and a clearer picture of what’s happening on the ground.

⁵⁰ Scottish government, [Best Start Grants and Best Start Foods](#), January 2022

⁵¹ Scottish government, [Best Start Grant: interim evaluation](#), December 2020



“There’s no good in fixing food banks on their own because they are a problem caused by a web of problems, you have to sort the whole lot out.” – Citizens’ jury participant

“It’s not like you can see job loss, ill health, out of the blue expenses and things like that coming. Is there no way you can get the help when you need it and fill the forms out later?” – Citizens’ jury participant

In the workshops, participants agreed that we do not have a clear enough picture of how effective local authorities are at identifying and measuring residents’ needs. This was the case not only for LWA but also council tax support and discretionary housing payments. It was agreed that this requires more data on the needs of local residents, and a framework for intervention to ensure the local authority is reaching the most disadvantaged groups.



“We don’t know how effective local authorities are at getting to the most disadvantaged groups, with council tax relief, discretionary housing payments and LWA.” – Workshop participant

There was consensus that local authorities should collect data on the characteristics of applicants, why they were applying and why applicants were accepted or refused to better understand local need. However, they should also assess the outcome or impact generated by an award and/or an onward referral. This data could be used to improve the service, make sure it is reaching the right people at the right time, that funding is well-targeted, and as a result make a stronger business case for further funding.



“Policy proposals need to make a good business case for LWA.” – Workshop participant

“Having real data about households is important to be able to evidence the need.” – Workshop participant

A small-scale study with eight local authorities by London Councils and the Financial Inclusion Centre looked at how LWA is evaluated. They found that most of the consulted councils only collected broad programme and budget management data. For example, data on the number of awards made, their value, the reason for award and the number of refusals.

However, none of the councils consulted formally collect data to measure the impact of accessing support on residents who managed to do so. Nor did they undertake any formal measurement of the social value, wellbeing or the cost-benefit provided by the delivery of their local support scheme.⁵² It is not clear how need is being calculated and what evaluation is taking place across local authorities. Below are two examples of councils that have used data to evaluate and improve delivery of their schemes respectively.

⁵² M McAteer, [Developing an Evaluation Proposition for Local Welfare Assistance Schemes in London](#), Financial Inclusion Centre, July 2021

Case study: Milton Keynes Council’s evaluation of fiscal, economic and social value

A report from the National Audit Office in 2016 highlighted the evidence from Milton Keynes Council, which used the New Economy’s Unit Cost Database 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. The council examined the fiscal, economic and social value derived from a sample of 592 local welfare provision awards it made from January to July 2015.⁵³

Case study: East Sussex County Council

During the first year, after monitoring applications, East Sussex County Council widened its eligibility criteria to support people on low incomes who were not receiving benefits. The council also received a few requests for support with expenses for getting to work for those who have started work and stopped receiving benefits, so it included this within its scheme.⁵⁴

At the time of writing, the Treasury has commissioned a No Interest Loan Scheme pilot across the four nations. It will target people unable to access or afford existing forms of credit, but who can afford to repay small sums, by offering a way to spread essential or emergency costs.⁵⁵ In a feasibility study for the scheme it was noted that it should dovetail with government schemes such as budgeting loans and advances, as well as local authorities’ welfare support schemes, especially in terms of eligibility.⁵⁶ This was echoed in our policy workshops.



“We need to ensure that the loans do not recreate a postcode lottery and that there is a standardised system in place.” – Workshop participant

Two of our case studies highlight the impact of unclear eligibility criteria. Our interviewees Katie and Hannah were both on UC, and applied for budgeting loans, which were refused. Katie was told by the UC team that they did not arrange budgeting loans for utility bills. Hannah was also refused a budgeting loan because she was on short-term, insecure contracts and had not been working consistently for the previous six months. When they applied for local welfare, they were refused and sent back to the UC team.

A review of local welfare and how it interacts with other forms of support is urgently needed.

⁵³ National Audit Office, [Local government: Local welfare provision](#), January 2016

⁵⁴ See note 53

⁵⁵ Fair by Design, [No interest loans scheme \(NILs\)](#), 2022

⁵⁶ London Economics, [NILS feasibility study report](#), August 2019

Unclear eligibility and an incoherent system: Katie’s experience

Katie’s partner was physically abusive to her. She called the police who arrested her partner and arranged temporary accommodation for Katie and her three-year-old daughter.

While she was in the women’s refuge, **Katie was put in touch with a support worker** who helped her to access council accommodation, UC, an emergency pre-paid mobile phone and a nursery place for her little girl.

While Katie was getting settled into her new home, she realised that the utilities were all on pre-paid meters. **She was waiting for her UC payment (due two weeks later) but had to pay her utility meter in advance, which left her short of funds.**

Initially she felt devastated that, after building up the courage to leave an abusive relationship, she was now unable to look after her daughter as they both sat in the dark with no way of cooking a hot meal or having a hot bath.

“I started to question if I had done the right thing. I thought at least my partner wasn’t violent towards our daughter so maybe it would be better for her if I went back as at least we had electricity there.”

Katie phoned the UC team who told her **they did not arrange budgeting loans for utility bills** and there was no way of setting up a payment directly to utility companies. They suggested calling the local authority who said they could not give her a crisis loan because she was on UC.

Despite being classed as vulnerable, Katie could get no help from the UC team or the local authority.

In desperation, Katie called the support worker who had resettled her and her daughter to see if she could help. While Katie was, technically, no longer on her books, the support worker arranged an emergency loan and access to a food bank.

Katie was deeply upset and embarrassed to have to use a food bank, and said she felt so ashamed at having to go and ask for help that she almost didn’t – it was only because her daughter needed food that she went in. Her experience once she arrived, however, was not at all what she expected, and **she spoke of her relief at the respect and support she received**. She was able to choose from a range of fresh, frozen and dried food so she could pick things she knew her daughter liked, and that required little cooking so she would use up less electricity until her next UC payment came through and she could feed the meter.

Katie used the food bank three times over two weeks and, in her words: *“The staff there, I think they were mostly volunteers, made me feel like I was not a burden or a failure. They were kind, friendly, and said I could phone them if I needed anything at all. They said if ever my daughter or I needed any food, they could even bring it to us if I wasn’t able to come down. I never expected so much kindness.”*

Katie feels that people needing emergency support are looked on like they are *“trying to get one over on the system,”* rather than people in desperate need. She feels the system itself is very hard to navigate and she doesn’t even want to think about what would have happened if her old support worker had not stepped in to help. **The suspicion with which she was treated by the UC team and local authority added to her distress at an already difficult time.**

Recommendation: The UK government should commit to a review of emergency support that looks at:

- The state of local welfare provision in England and its effectiveness.
- How data can be shared between the Department for Work and Pensions (DWP) and local authorities to identify vulnerable households and calculate need.
- Monitoring and evaluation frameworks that measure local need, and the social return on investment.
- What package of support should be on offer at a local level, and the eligibility and application routes so the system is coherent (eg, how grants, no-interest loans, affordable credit and budgeting loans dovetail).
- Using a consistent name for LWA by working with service users to identify a name that is clear and accessible.
- Developing a staged roadmap towards shared delivery standards, principles and a universal approach to evaluation and measuring impact.

Scotland

The Scottish government has commissioned IPSOS MORI to review the SWF. The review will assess its effectiveness in achieving its aims and make recommendation for future operation.⁵⁷ In the workshop on the SWF, participants suggested some lines of investigation for a review.



“What’s the training, what’s the grade level, what’s the level of responsibility of decision makers at local authorities, how consistent is that across the board, how supported are these people, how much do they know the guidelines?” – Workshop participant

“There’s a really interesting conversation to be had with local authorities and people in local authorities who are administering this about what they feel needs to change about how the fund operates, for them to feel confident that it can be opened up.” – Workshop participant

Recommendation: The review of the SWF should consider:

- How the SWF can contribute to the Scottish government’s ending the need for foodbanks policy objective.
- Who does, and who doesn’t, apply to the SWF and who is, and isn’t, given an award in order to uncover potential barriers to accessing the Fund.
- Talking to people using foodbanks and charity hardship funds to see why they are being used as opposed to SWF.
- Talking to staff at SWF departments and referring organisations to understand how they perceive the system is working.
- The reasons for repeat applications, paying particular attention to whether it is because of wider issues of poverty, inadequacy of SWF payments or that they are most likely to be aware of the scheme.
- Where in local authority structures SWF decision making sits, and any effect on outcomes.
- How people access other forms of financial help (such as discretionary housing payments, budgeting loans, credit unions and ethical lending organisations) and how this can be better coordinated.
- Working with staff at the Scottish Public Services Ombudsman to understand the problems with the current system.
- What evidence is not currently available and how data from the DWP can be better utilised to understand people’s circumstances and see whether they are eligible for other support.
- The extent to which SWF guidance, which is based on the social fund, should be changed to reflect the

⁵⁷ Public Contracts Scotland, [Review of the Scottish Welfare Fund](#), October 2021

current context of high levels of food bank use and persistent low income. For example, the investigation could explore when a family should be considered in hardship, the amount of support they should expect (particularly in relation to family size), and how individual applications should be prioritised.

- The development of an accountability framework to ensure the fund is being delivered in line with guidance across all local authorities. This could include a minimum standard that would assure applicants, regardless of postcode, that they would receive a similar level of support for a similar set of circumstances.
- The way decisions are communicated to individuals, and how the different approaches work.
- How the success of the scheme, both generally and in the light of the pandemic, can be built on.

Wales

Before the onset of the Covid-19 pandemic, the Welsh government and the Senedd’s Equality, Local Government and Communities Committee had been exploring the establishment of a more coherent and integrated Welsh benefits system, including the rebranding of the DAF.⁵⁸ The social impact of the DAF, and the extent to which its grants lead to a decrease in demand for other public services, are not currently calculated. Administrative data that outlines the reasons for both successful and unsuccessful claims, with a full breakdown of all protected characteristics, family status and local authority area, and whether applicants were referred on to further support, is not routinely published. This makes it difficult for civil society organisations and researchers to analyse it and identify inequalities of access to the scheme. The Well-being of Future Generations Act requires the Welsh government to use a preventative approach in the design and delivery of public services, and data is key to targeting support.⁵⁹

A report by the Bevan Foundation suggests that the eligibility criteria for the DAF is too restrictive and is focused on relatively limited circumstances. To be eligible for the DAF someone must have “no other money for example savings, and considered all other legal lending such as credit unions”. This may deter some people from applying for support that they would in fact be entitled to, or push those on low incomes into debt. The Bevan Foundation suggests creating a new Welsh emergency fund with simpler eligibility criteria.⁶⁰ Further, the Equality, Local Government and Communities committee proposed a DAF awareness campaign on TV and radio, social media, and in print.⁶¹

In December 2021, the co-operation agreement laid out a policy programme for the next three years. Plaid Cymru and the Welsh government reiterated their commitment to tackling poverty and inequality, and their support for devolution of the administration of social security. They committed to exploring how this would work in practice and building the necessary infrastructure.⁶² This work has begun with the convening of an income-maximisation taskforce and a working group to establish the principles that should underpin a Welsh benefits system.⁶³

⁵⁸ Welsh parliament, [Does Wales need more control over the benefits system?](#), June 2021 and Welsh Affairs Committee, [MPs to consider benefits system in Wales as COVID-19 support schemes draw to a close](#), June 2021

⁵⁹ Future Generations Commissioner for Wales, [Taking account of the Well-being of Future Generations Act in the budget process](#), August 2018

⁶⁰ Bevan Foundation, [Transforming Wales: how Welsh public services and benefits can reduce poverty and inequality](#), October 2020 and Bevan Foundation, [Why we need a Welsh Emergency Fund](#), October 2020

⁶¹ Welsh parliament, [Does Wales need more control over the benefits system?](#), June 2021

⁶² Welsh government, [The Co-operation Agreement: full policy programme](#), December 2021

⁶³ Welsh parliament, [WQ84417 \(e\), Tabled on 31/01/2022](#), January 2022

Recommendation: In its exploration of devolving the administration of social security, the Welsh government should pay attention to:

- How effectively the government is utilising the DAF alongside its other programmes of support to meet people’s needs.
- How DWP data can be shared to identify vulnerable households.
- A review of administrative data to explore the reasons for successful and unsuccessful claims, with a full breakdown of all protected characteristics, family status and local authority area, and whether applicants were signposted to further sources of support.
- Whether the administration of the DAF should be bought back into the public sector, as part of a rights-based Welsh benefits system.
- Working with service users to develop a new name for the DAF that is clear and accessible.
- Developing a staged roadmap that moves towards a simpler and more inclusive eligibility criteria for the DAF, and an evaluation framework.
- Developing a staged roadmap for a single point of access for several benefits, using online, phone or postal methods.

Recommendation two: delivering emergency support in line with best practice

England, Scotland and Wales

Across the workshops, similar delivery issues were identified in England, Scotland and Wales including:

- a lack of awareness of schemes;
- a confusing application process with high evidence requirements;
- slow turnaround times, making food banks a more attractive option;
- awards that don’t take family size into consideration; and
- a lack of feedback and transparency on award decisions, which makes it difficult for food bank managers, advice agencies and individuals to have confidence in the system.



“Quite a lot of the feedback we’re getting from food bank managers is about confidence, about how the system works. If they suggest to someone that they apply, that they can be confident that person might get a grant. There’s a lot of confusion.” – Workshop participant

“The 48-hour turnaround period [for the DAF] is quite long for someone already at breaking point. DAF payments don’t take into account the size of the household. The same award amount given whether you have two or five children. Food banks are able to provide vouchers within two hours.” – Workshop participant

“If we want crisis support to be a true replacement for a food bank, the award must be given on the same day.” – Workshop participant

“This year, 200,000 DAF application have been successful yet 110,000 applications were rejected as of earlier this year. But there is no transparency on the reasons why applications are rejected.” – Workshop participant

The lack of awareness of emergency support schemes was reiterated in our citizens’ juries and London Calling family panel. Two members of the family panel were facing challenges that would have been covered by

emergency support, and other members had experienced issues in the past where emergency support would have been incredibly useful. Many panellists also knew of friends and family whose life choices had been shaped by financial constraints that could have been mitigated by emergency support, but they had not heard of it until the session.



“Never heard of it which is a shame as I could have used it.” – London Calling family panel member

“A friend of mine was in a terrible relationship. Physical and mental abuse every day. She didn’t leave for three years because it took her that long to save enough to be able to leave her partner... if she had known about this, it might have enabled her to leave sooner.” – London Calling family panel member

Best practice partnership working: North Lanarkshire community food and health partnership, North Lanarkshire Council and NHS Lanarkshire, Scotland

In 2015, a tackling poverty strategy was developed for North Lanarkshire which included the aim of promoting a cash first response – that is, ensuring people had access to money advice and emergency grants via North Lanarkshire Council’s financial inclusion team and the SWF.

A food poverty referral pathway was also developed to help make sure people could more easily access these services. The pathway is a two-way referral process: community organisations such as food banks and the Lanarkshire Council Food and Health Partnership refer people to the financial inclusion team, who can help people to access the SWF and/or money advice and other services such as housing. The financial inclusion team will, in turn, refer people to an emergency food aid service as a last resort response. The model ensures that the food bank is the last resort for the person, and that there is no long-term reliance on food banks.⁶⁴ Over 2016 and 2017, the use of emergency food aid decreased by 22 per cent.⁶⁵

⁶⁴ Community food and health Scotland, [How has Lanarkshire Community Food and Health Partnership supported a ‘cash first’ response to food insecurity?](#), June 2021 and North Lanarkshire Council, [The good practice guide to tackling food poverty and insecurity in North Lanarkshire](#), August 2020

⁶⁵ North Lanarkshire Council, [Towards a fairer North Lanarkshire: tackling poverty strategy 2020-2023](#), September 2020

Best practice partnership working: Independent Food Aid Network’s ‘cash first’ referral leaflets

Since June 2020, the Independent Food Aid Network (IFAN) has worked with their members and other local stakeholders in Scotland to co-develop ‘cash first’ referral pathway leaflets for frontline workers and volunteers to give to, or use in conversation with, anyone who is facing financial difficulties. The aim of these leaflets is to help those struggling with money worries to quickly identify and easily access financial advice and cash-based support that might help in their situation, and to reduce the need for food banks and other charitable food aid.

The ‘Worrying About Money?’ leaflets are step-by-step guides for people facing financial difficulties to available local support for their situation. They are designed to help those who have found themselves struggling to make ends meet, and who may be missing out on vital financial entitlements and temporary lifelines, such as SWF crisis grants.⁶⁶

The leaflets are based on resources developed by the A Menu for Change⁶⁷ project in partnership with Faith in Community Dundee and a wide range of frontline volunteers and staff, specialist benefit and money advisers, and people experiencing poverty. Since November 2020, IFAN has expanded its work into England and Wales as a part of the organisation’s wider advocacy on a cash first approach to food insecurity.

Most LWA schemes provide in-kind support (goods or vouchers), or make referrals to charitable organisations, rather than make cash payments. Research by The Children’s Society found that in 2019, of the local authorities that ran a local welfare scheme, 64 per cent were in-kind only, 8 per cent were cash only, and 24 per cent were a mixture of in-kind and cash support.⁶⁸

In-kind support for short-term financial insecurity is problematic for a number of reasons. If individuals or families cannot cover the cost of essentials such as food, in-kind support is usually limited to certain items or goods, and it denies people the dignity of making their own choices about how best to meet their needs. In our *The Cost of Learning in Lockdown* report, parents shared their views on how free school meal replacements were delivered during the lockdown. Payments directly into parents’ bank accounts were the most popular delivery mechanism. Parents noted that supermarket vouchers were often restricted to certain shops.⁶⁹ This limits choice and may also require extra travel, adding further costs.



“People asking for emergency help have been through enough without being made to feel like we don’t trust them to choose the right baked beans.” – Citizens’ jury participant

“Give people the money in a way which makes a difference – who will want help if you are going to spend the next 10 years paying it off? So you’re in debt and that’s why you need help but the answer is to put you in more debt? That makes no sense.” – Citizens’ jury participant

“Choice is what gives us dignity, don’t take that choice away from people.” – Citizens’ jury participant

⁶⁶ IFAN, [Cash First Referral Leaflets](#)

⁶⁷ A Menu for Change, [Tackling food insecurity in Scotland](#), January 2020

⁶⁸ Information provided through The Children’s Society’s Freedom of Information request in 2019. Sent to all local authorities. Of the 125 local authorities that responded and said that they had a LWA scheme, 80 schemes were in-kind only, 10 were cash only, and 30 had a mixture of in-kind and cash support. See note 24

⁶⁹ CPAG, [The cost of learning in lockdown: family experiences of school closures](#), June 2020

Recommendation: improve emergency support by taking the following steps to address delivery issues:

- Ensure the decision-making process and award amount take into account how long the financial crisis will last and family size.
- Ensure decision-making is transparent, and that applicants are informed of the reason for the decision and offered onward support. This will help food bank managers and referral agencies feel more confident about the likelihood of a successful decision in the future.
- Advertise emergency support in places people go regularly (eg, supermarkets and schools).
- Local authorities in England and DAF delivery partners should work to reduce the time between an application for emergency support being made and an award being given.
- Local authorities in England and DAF delivery partners should work to improve their relationships with third sector organisations and advice agencies in order to create strong referral pathways that divert those eligible for financial support away from food aid.
- Local authorities in England should work towards a cash-first approach for crisis payments.

Recommendation three: towards a consistent service in England

From our policy workshops, it is clear that in order for LWA to step in and prevent households becoming destitute the system must be better coordinated and consistent. There is a postcode lottery of support, and the current offer is fragmented. Across local authorities, LWA has different names, eligibility criteria and per capita spend, and in some cases doesn’t exist at all. End Furniture Poverty estimate that one in five councils in England no longer run a scheme.⁷⁰ Research by The Children’s Society revealed significant variations in how councils spent this LWA budget. For example, some local authorities only provided loans, rather than grants, to residents in a financial emergency.⁷¹



“It feels quite murky. I appreciate each local council has its own approach but it’s hard to get a sense of it if they talk about it in different ways in different places. Can’t they have a template which they all use to explain where to go, who to talk to and what the criteria are?” – Citizens’ jury participant

Equally, Freedom of Information requests by End Furniture Poverty found that, where there was a scheme in place, the amount spent on it varied considerably. In 2019/20, some local authorities spent as little as £0.01 per capita while two thirds of schemes spent less than £1 per capita. In contrast, one scheme spent £7.54. This geographical unevenness persisted even when each local authority’s deprivation level was taken into account.⁷²

Our research has shown that LWA needs to have a defined purpose. Workshop participants agreed that it must be clear what we mean by LWA, what it should consist of, and the needs it aims to meet. The need for minimum standards was made clear.



“There needs to be a definition of LWA that we all agree on.” – Workshop participant

⁷⁰ See note 1

⁷¹ See note 24

⁷² See note 1

This was reiterated in the interviews with three people who had applied for emergency support in a time of crisis. They felt the rationale behind the eligibility criteria was opaque and the application process felt arduous. When at their most distressed, applicants were faced with uncertainty, confusion and no clear path to follow to get help, adding to the psychological trauma with which they were already trying to cope.



"I was on the point of giving up, I really was, despite being on everyone's system and classed as vulnerable. It was only when my police case worker got involved that I felt I was getting anywhere."
– Interviewee, Citizens' jury

"I've called for help about a few things over the last two years and you get this anxiety in the pit of your stomach because you never know if they are going to say yes or no – even if you're calling about something you spoke to them about before." – Interviewee, Citizens' jury

Citizens' jury participants and members of CPAG's London Calling family panel agreed that a coordinated, national approach is needed for consistency across local authorities, so applicants would know where to go to find help in a time of vulnerability and distress.



"If there was more transparency, we'd know where to go and what to expect – you'd feel more certain and more reassured." – London Calling family panel member

The improved consistency would enable families, individuals, food bank staff and advice agencies to know what people are entitled to and the likelihood of a successful award. In turn, LWA could reduce demand at food banks because people would be better able to understand when they are eligible for it, and apply before having to turn to food banks.



"It must be a national policy otherwise some councils are going to do the bare minimum – which right now appears to be actually nothing." – London Calling family panel member

"I don't like all the layers and all the different approaches. Sounds like some councils are using the budget well and some are just spending it on whatever they like when they should be helping people in trouble." – London Calling family panel member

There was consensus in the policy workshops that the departmental responsibility for LWA is unclear. Hardship funding for councils during the pandemic came from the Department for Levelling Up, Housing and Communities, Department for Environment, Food and Rural Affairs, and the DWP.

Across our research, it was clear that the DWP is strongly associated with social security delivery. Although local councils are responsible for local welfare, our work with members of the public shows that participants locate local welfare within the wider social security system and see the DWP as the owner of information on local welfare.



“This is non-negotiable. If you call any part of the social security team or the local council, they should be able to tell you immediately [about local welfare in your area].” – London Calling family panel member

“It should be on all local councils’ websites and on [the] DWP’s website. And on gov.uk and on top of any search about emergency support.” – London Calling family panel member

Recommendation: In the short term the DWP should work with the Local Government Association (LGA) and local authorities to improve consistency across authorities by producing a shared outcomes framework for tackling destitution and hardship. The framework should:

- Establish a set of indicators that local authorities must meet (this could mirror the NHS outcomes framework approach).⁷³
- Set outcomes nationally to improve consistency in delivery across local authorities. Councils would be able determine how best to meet them.
- Recognise that the many different programmes and services have a cumulative effect on outcomes.
- Recognise that local needs are driven by external factors, such as inflation or a major local employer closing down. Reducing repeat applications should not be a desired outcome.
- Provide guidance that outlines what constitutes hardship support, and set minimum standards that local authorities must meet.

In the long term, a national strategy for LWA is needed alongside a statutory duty on local authorities to deliver it with a ring-fenced budget. If emergency support is to reduce demand for food banks in England, there must be a scheme in every local authority, clear eligibility criteria and robust guidance.

In Scotland, there is a duty to deliver the SWF alongside statutory guidance. Although this has not created a panacea in which there is no destitution and food banks are no longer needed, the fund’s successes hold important lessons for policymakers in England. Every authority in Scotland has a scheme and the per capita spend is much higher than in England.⁷⁴

At the time of writing, the Scottish government is in the process of commissioning a review of the SWF to assess its effectiveness in achieving its aims, and make recommendation for future operation.⁷⁵ The UK government should look to the findings of this review for lessons for England.

Recommendation: To ensure support is available in every local authority in England in the long term, the government should work towards:

- Implementing a statutory duty on local authorities to deliver local welfare.
- Creating a national strategy for local welfare in England, with statutory guidance to improve consistency in delivery across local authorities.
- Publishing data on the delivery of local welfare from each local authority, to provide a national picture.
- Establishing a name for LWA schemes that is consistent and clear by working with service users.

⁷³ NHS Digital, [NHS Outcomes Framework Indicators](#), August 2021

⁷⁴ The Trussell Trust, [Strengthening local welfare support during the COVID-19 outbreak – England briefing](#), June 2020

⁷⁵ See note 57

Recommendation four: a longer-term funding settlement for emergency support

England

Local authorities need a longer-term funding settlement to deliver a more coordinated and coherent system. Participants in our workshops welcomed the five packets of funding during the pandemic for hardship and holiday support, but the short-term nature of the funding hindered long-term decision-making. Short timeframes meant money had to be spent quickly rather than strategically, and funding cliff-edges made long-term planning and coordination difficult.



“There needs to be assurance that the funding is not just a one-off or short term, as that makes it really hard to plan longer-term solutions.” – Workshop participant

Participants also argued that funding needs to be clearly tied to a defined purpose to ensure it is spent on alleviating hardship and could meet a spectrum of needs. Analysis of how funding for local authorities was spent during the height of the Covid-19 pandemic provides insight into some of the issues that arise when this is not the case. In February 2021, The Children’s Society and the Trussell Trust published analysis from around 50 local authorities and learning from the Trussell Trust food bank network on how the Covid winter grant scheme funding was spent.⁷⁶ The funding ran from 1 December 2020 to 31 March 2021 and was for councils to support those most in need across England with food, energy and water bills, and other associated costs.⁷⁷

The research revealed that local authorities had mostly used the grant for free school meals (FSM) holiday support over the Christmas and February half-term school holidays. Councils had very limited time to spend the money and the data on children eligible for FSM was readily available. As a result, the majority of councils had primarily used funds to provide supermarket vouchers to children who already had FSM eligibility, although some also used funds to invest in, or set up, local welfare schemes.⁷⁸ Research by End Furniture Poverty estimates that only 17 per cent of the combined value of the Covid winter grant scheme and emergency assistance grant was spent on LWA in 2020/21.⁷⁹

LWA schemes and FSM holiday provision both provide vital support for low-income households, but they meet different needs. Individuals and couples, as well as families with children, need support to help cope with a variety of short-term income drops or to settle in their community after leaving care or prison. Local welfare needs specific funding, distinct from FSM holiday provision.

In addition to being better for people in need, citizens’ jury participants felt investing more in emergency support would be a better deal for taxpayers in the long run. As discussed earlier, spending on emergency support grants has been on a declining trend since 1986. Between 2010/11 and 2020/21, funding for local welfare in England fell by 55 per cent in real terms, from around £290.5 million in 2010/11 to £131.7 million in 2020/21.⁸⁰

Jurors wanted to see funding increased in line with the current cost of living so that LWA could offer people enough to get through short-term financial instability, prevent the situation escalating, facilitate financial

⁷⁶ See note 74

⁷⁷ UK government, [COVID Winter Grant Scheme: guidance for local councils](#), November 2020

⁷⁸ See note 74

⁷⁹ See note 1

⁸⁰ This includes relevant parts of the discretionary social fund for the years 2010-13. For more see note 24

resilience and family stability, and save money down the line.



“It’s not working well to help people – it can’t support people and it leaves them short of everything to the point where they don’t have a chance of breaking out of it so they get stuck being dependent. Who does that help?” – Citizens’ jury participant

“The costs must reflect what people are experiencing now. It’s no good giving someone the money to bring up a child in 2021 if the costs are based on 1981.” – Citizens’ jury participant

Recommendation: To have an effective and coherent LWA system in England, local authorities need a longer-term funding settlement.

- In the short term, the government should provide annual funding to local authorities dedicated to tackling destitution and hardship. This would support local authorities to strategically invest in the delivery of LWA.
- In the medium term, funding commitments for LWA in England should be made on a multi-year basis. This funding should align with local need to ensure local authorities are equipped to meet a statutory duty to deliver support.
- In the long term, the budget for LWA should be demand-led and regulated so that, if the claimant satisfies the conditions set out in the regulations, they are legally entitled to a payment.

Scotland

The Scottish government has the power to provide discretionary payments and assistance, and it distributes the SWF to local authorities based on the income domain of the Scottish Index of Multiple Deprivation. This aims to ensure more money goes to the areas where more people experience poverty.⁸¹

Per capita spending on the SWF is much higher than on the LWA schemes in England (in 2020/21, £9.30 per capita was spent in Scotland compared to just £1.30 in England, inclusive of extra Covid-related grant funding).⁸² Covid-19 created ever greater need for support among low-income families affected by the financial impact of the pandemic. In response, the Scottish government doubled the budget of the fund in March 2020 (an extra £45 million) and had already promised to increase funding before the pandemic.⁸³

In the workshops, participants expressed concern about inadequate funding for the administration of the SWF. This was also highlighted in research by the A Menu for Change project, in which SWF staff suggested that an underfunding of the administration budget was preventing local authorities from consistently implementing best practice or sufficiently advertising the fund as a source of cash support in a crisis.⁸⁴ This is particularly important when the budget is increased, as it was during the pandemic.

⁸¹ Scottish government, [Scottish Welfare Fund](#), accessed February 2022

⁸² See note 1

⁸³ Scottish government, [Helping communities affected by COVID-19](#), March 2020 and Scottish government, [Budget heralds landmark in social security powers](#), February 2020

⁸⁴ See note 39



“There’s evidence of a lack of administrative capacity at the local level to deliver the fund, and that in itself being a barrier to realising its potential.” – Workshop participant

“When the Scottish government gave more money to the Scottish welfare fund during the pandemic, what they didn’t do is increase local authorities’ funding for administration.” – Workshop participant

Recommendation: The Scottish government should increase the funding allocated to administering the SWF. As the overall budget increases, the administrative budget should rise to reflect the larger administrative burden.

Wales

The per capita spend on the DAF is also higher in Wales than on LWA schemes in England. In 2020/21, £8.07 per capita was spent compared to £1.30 in England.⁸⁵ The Welsh government and public services in Wales are funded through a combination of a block grant from the UK government and revenue generated by taxes in Wales. Most levers, in terms of tax and social security, sit with the UK government.

During the pandemic, more vulnerable people and families across Wales turned to the DAF for support. In May 2020, the Welsh government allocated an extra £11m to the DAF and expanded the eligibility criteria until March 2022.⁸⁶ Between March 2020 and May 2021, over 200,000 Covid-19 related emergency assistance payments were made, with almost £14m paid out.

In the latest budget, the Welsh government allocated an additional £7m to the DAF and also increased the budget for financial inclusion work by £7m. Investment in advice services will increase by 16 per cent from 2022/23 onwards.⁸⁷ However, this is comparatively much lower than the budget available under the discretionary social fund.⁸⁸ Workshop participants agreed that the DAF needs more capacity to make sure it’s effective.



“Spending is considerably lower than the previous crisis support programme in 2010.” – Workshop participant

Plaid Cymru and the Welsh government believe that reversing outsourcing to the public sector, and bringing activities back in house or at least under local democratic control and delivery, should be supported where possible. In November 2021, Lesley Griffiths MS confirmed that the government will be looking into this in 2022-23.⁸⁹

Recommendation: The Welsh government should increase the funding allocated to administering the DAF, and consider bringing the administration of the DAF back into the public sector, as part of a rights-based Welsh benefits system.

⁸⁵ See note 1

⁸⁶ Welsh government, [Discretionary Assistance Fund receives £11m boost in Wales](#), May 2020

⁸⁷ Welsh government, [Draft Budget 2022-23: A Budget to build a stronger, fairer and greener Wales](#), December 2020

⁸⁸ See note 24

⁸⁹ See note 62 and Welsh parliament, [Y Cyfarfod Llawn/Plenary](#), November 2021

6. Conclusion

Emergency support should be a small but foundational part of the social security system. When families and individuals face financial instability and can't afford to heat their homes, buy food, or clothe their children, emergency support should be there to prevent destitution. If struck by an unexpected life event or unforeseen cost, which could escalate into a financial crisis, it should act as a stabiliser.

To reduce demand for food banks, people's needs must be met either before they reach the point of destitution, or by ensuring support reaches them quickly when they do. By providing support for predictable, 'lumpy' costs to those on low incomes, financial resilience is reinforced. Best start grants in Scotland show the promise of such interventions. For food bank managers and advice services to feel confident that they can refer clients for emergency support, and for individuals to feel confident applying, the eligibility criteria and likelihood of a successful award must be clear. Moving towards a demand-led, regulated system would give more clarity to applicants and advisers, define clear boundaries for help and ensure decisions are consistent.

Emergency support, however, cannot stand in for a well-functioning and well-funded social security system. It should reinforce an already sturdy safety net. As it stands, it cannot paper over the cracks wrought by underinvestment. Prices are rising at the fastest rate in 30 years, and energy bills alone are expected to rise by 54 per cent in April. The government should increase benefits by at least 7 per cent in April and ensure support for housing costs increases in line with rents. The UK government should follow the lead of the Scottish and Welsh administrations and invest in families.

The Covid-19 pandemic made it clear how vital emergency support is. With the household support fund due to end on 31 March 2022, many councils in England are facing a funding cliff-edge. Many families will be unable to get the financial support they need.

It is crucial that the UK government provides local authorities with a longer-term funding settlement. It's time to commission a review into the future operation of emergency support in collaboration with the devolved administrations to ensure all families experiencing hardship get the support they need.

A way forward for emergency support

Wages and benefits should ensure people can pay for essentials and save for expensive items such as washing machines. Nevertheless, emergency support will always be needed to help families with unexpected as well as one-off costs, to ensure that they can continue to pay for the essentials, such as food, clothing and heating.

For emergency support to play this vital role it should be centrally regulated and demand-led so that any claimant who satisfies the conditions set out in the regulations is legally entitled to a payment. The payments provided should include preventative payments linked to the predictable financial pressure points families face (such as school transitions), support with lumpy costs (such as tenancy deposits) and support with transitional life phases (such as relationship breakdowns).

The following recommendations will help us to get towards this vision of emergency support.

Recommendation 1: review emergency support provision

As the Scottish government is currently doing, the UK government should commit to a review of LWA, and the Welsh government should include the DAF in its review of the Welsh benefits system. All three reviews should:

- Consider how administrative data already held by different levels of government⁹⁰ can be utilised to identify whether families are eligible for other support.
- Examine how emergency support can complement other parts of the social security system and services delivered nationally and locally.
- Work with service users to identify a name for emergency support provision that is clear and accessible.
- Outline a roadmap for change.

Recommendation 2: improve emergency support delivery in line with best practice

Similar delivery issues with emergency support have been identified across England, Scotland and Wales. A number of best practice examples show that emergency support provision could be improved by:

- Providing awards that reflect each family’s circumstances, including how long the financial crisis will last and family size.
- Informing applicants about the reason for the award decision, and providing them with information on subsequent support. This will help food bank managers and referral agencies anticipate if an award might be given.
- Advertising emergency support in places people go regularly (eg, supermarkets and schools).
- Improving relationships between emergency support staff, third sector organisations and advice agencies to create strong referral pathways and divert those eligible for financial support away from food aid.
- Reducing the time between an application for emergency support being made and the award being given.

Recommendation 3: improve consistency across local authorities in England

In order for LWA to work effectively in England, the system must be better coordinated and more consistent. Across England, LWA has different names, eligibility criteria and per capita spend, and in some cases doesn’t exist at all.

To ensure support is available in every local authority in England, the UK government should introduce a statutory duty on local authorities to offer a LWA scheme alongside a national strategy for local welfare in England. It should also publish data annually on the delivery of local welfare from each local authority.

In the short term, the DWP should work with the LGA and local authorities to produce a shared outcomes framework for LWA. A nationally-set framework would improve consistency across England while allowing local authorities to determine how best to achieve it.

Recommendation 4: deliver a long-term funding settlement for emergency support

In order for local authorities to deliver a more coordinated and coherent system in England, a multi-year funding commitment is needed rather than the ad-hoc short-term funding that was provided during the pandemic. Funding allocation for LWA should align with need to ensure any claimant who satisfies the conditions for an award can access a payment.

While per capita funding for LWA is higher in Scotland and Wales compared to England, both the SWF and DAF could be improved through strategic investments in administration and delivery.

⁹⁰ See note 4

7. Appendix

Methodology

Workshops with experts

Four workshops were carried out with experts on emergency support. Each workshop examined what can be learned from the current system in England, Scotland and Wales, and how emergency support should be improved.

The workshops investigated:

- how emergency support should be delivered
- what emergency support should constitute and the needs it should be meeting
- how the DAF can better tackle destitution in Wales alongside the Welsh social security system
- the lessons learned from the SWF and how it can be improved

The workshops took place in summer 2021.

Each workshop was attended by 11 to 16 experts who represented a range of third sector organisations, housing associations, academics, and national as well as local governments. Attendees were invited based on their expertise and knowledge on the workshop's theme.

Workshops began with a short introduction by the project lead, followed by presentations to give a base understanding of the discussion topic. The project lead then asked questions. Notes from the discussion were taken and fed back to the advisory group.

Advisory group

An advisory group of 20 experts from local authorities, the House of Lords, academia and the third sector provided guidance on the workshop topics and gave feedback on the findings. They also advised on the project's recommendations.

Citizens' juries

CPAG commissioned two citizens' juries to enhance its insight into public perceptions of food banks as a solution to crisis and financial insecurity, and public support for alternatives.

One citizens' jury was conducted throughout the week of 16 August 2021, with jurors recruited from a range of local authority areas in England, and one in the week of 30 August 2021 with jurors from different parts of Scotland.

There were 14 participants in each jury. They were recruited to represent a mix of ages, ethnicities, and attitudes to/experiences of social security and emergency support.

Interviews for the citizens’ juries

Three in-depth interviews were conducted to better understand the experience of people applying for emergency support, and to provide first-hand testimonials to discuss with the jurors:

1. Interviewee one had applied for emergency support and was given financial support and food bank access
2. Interviewee two had applied for emergency support and was given an emergency loan
3. Interviewee three had applied for emergency support and was refused

All interviewees were claiming UC.

CPAG’s London Calling family panel

In November 2020, we convened a panel of Londoners aged 21-54 to hear about the challenges faced by low-income families and Black and minority ethnic groups in the city. We wanted the panel to represent communities in London whose voices have been overlooked, or whose views have not been actively sought by policy-makers.

Each panellist is from a Black and minority ethnic background. The panellists self-defined their ethnicity, and the panel reflects London’s overall Black and minority ethnic population.⁹¹

We held two sessions in November 2021 where we sought the panel’s knowledge of LWA schemes, their views on food banks and the changes they believe are needed.

The Covid Realities project

The Covid Realities project is a collaboration between parents and carers from across the UK, researchers from the Universities of York and Birmingham, and CPAG. We worked alongside parents and carers to share experiences of life on a low income during Covid-19, developing ideas together for what needs to change and why.⁹²

In April 2021, Covid Realities parents and carers responded to two questions for this project:

- Have you ever used a food bank?
- If you were struggling for essentials, where would you go for help instead?

CPAG’s Your Work, Your Way project

Your Work, Your Way is an innovative work support programme for potential second earners from low-income families, helping them overcome barriers to get into work and progress. It aims to tackle in-work poverty by developing a new approach to supporting mothers, including potential second earners in low-income families, into employment or self-employment and progression in work. It works in four very different areas: Bury, Coventry, Luton and Taunton Deane which cover urban, town and rural economies.

Via our advisers, we asked our clients in Bury, Coventry, Luton and Taunton Deane whether they had accessed the household support fund, how it had helped their family, and if it were preferable to being helped by a food bank,

⁹¹ CPAG, *‘Stretched too far’: the experiences of families living on a low income in London during the Covid-19 pandemic*, October 2021

⁹² For more see the [Covid Realities website](#).

or not.

Findings from our citizens' juries

We conducted a citizens' jury during the week of 16 August with jurors recruited from a range of local authority areas in England, and a citizens' jury the week of 30 August with jurors from different parts of Scotland.

The aims of the juries were:

1. **To ascertain public knowledge and perceptions of food banks**, identifying commonalities and differences across different groups.
2. **To explore initial perceptions of those who use food banks** and emergency support in general.
3. **To establish how perceptions evolve**, if at all, throughout the jury discussions.
4. **To explore jurors' views on reforming emergency support** to avoid the need for food banks – what are the pros and cons from their perspective?
5. **To establish how jurors would approach the future of food banks** – what would they like to see happen, why, and are there any tensions to overcome?

There were 14 participants in each jury who were recruited to represent a mix of ages, ethnicities, and attitudes to/experiences of social security and emergency support.

People who were opposed to social security and/or emergency support on principle, along with people who had experience of working in the social security sector, were not selected to be jurors.

What did the jurors think and how did their views change?

Social security should be more generous

Jurors' agreed critical first step to improving emergency support was identified as addressing issues with social security overall. A fit-for-purpose social security system would **reduce the financial insecurity that leads to the need for emergency support**, and help build resilience by empowering people to find long-term job opportunities.

Eligibility for emergency support should be more inclusive

The majority of jurors felt that asking for emergency support was such a difficult experience that anyone willing to do it must be in genuine need. As such, **they favoured relaxing eligibility criteria significantly and trusting claimants, particularly those with children or leaving a violent household.**

Emergency support should be easier, faster and more respectful

When people need immediate, adequate financial help and moral support, they often have to deal with frustration and mistrust. Jurors agreed that emergency support should be: transparent, easy, from one team or person, more human, and that it should support emotional wellbeing as well as financial need.

Emergency financial support should be given as grants, not loans

Jurors felt very passionately about providing help as grants, not loans. Claimants may have already contributed to the system through tax and national insurance payments, may be contributing now, and would, hopefully,

contribute in the future. Grants were genuinely helpful, whereas loans were seen as “deferred debt” for people already struggling.

Engaging with emergency support as a topic prompted many jurors to change their opinions

Throughout the discussions, jurors became increasingly sympathetic to the needs of those who apply for emergency support, and more inclusive in their views of who should be supported. They were shocked at the current system and its failures to provide support, and both **the personal stories and data presented shifted opinions**. The biggest shift was seen in jurors who were the least knowledgeable about food banks at the start of the session.

By the end of the sessions, jurors all agreed that food banks were a symptom of an inadequate social security system and, as such, should not be needed

Jurors were keen to stress that **the role food banks play for those in need now is very valuable**. However, the need for food banks was **unconscionable in today's society**. To eradicate them would require reform to social security as a whole and emergency support itself.

Jurors felt it was essential that emergency support was benchmarked against a realistic view of today's living costs

Being expected to live below a decent standard of living was viewed as damaging and counterproductive – jurors agreed it was not a responsible use of taxpayers' money, but a hindrance to claimants recovering their self-esteem and financial independence.

Jurors felt that the support given to the most vulnerable should reflect society's values

Dignity, humanity and kindness were central to jurors' recommendations for reforming emergency social security support.