



The cash first approach to reducing poverty prioritises advice and support to maximise income; families in need get cash, shopping vouchers or gift cards in lieu of food parcels.

Building 'cash first' momentum while breaking the food bank paradox from the ground up

SABINE GOODWIN and MARIA MARSHALL

As food bank use continues to soar to unprecedented levels, the Independent Food Aid Network (IFAN) wants to see the UK without the need for charitable food aid, where adequate and nutritious food is affordable to all. But what is driving increasing demand for food aid? What is the problem with responding to food insecurity this way? What role do cash payments play as responses to poverty and destitution? And why is a 'cash first' approach the way forward?

Just over a decade ago, we didn't hear about large numbers of people struggling to afford food, toiletries, rent and heating. Having to rely on social security payments didn't mean waiting for at least five weeks for a first universal credit (UC) payment, getting support for only two children, and risking sanctions for being a couple of minutes late to a Jobcentre appointment.¹ Being in work meant security and adequate wages, not having to still resort to a food bank to feed your family while keeping a roof over your head.²

Back then, if people faced a crisis, it was possible to rely on support from your local authority whether you lived in England, Scotland, Wales or Northern Ireland. In 2013, the UK government eliminated the discretionary social fund that provided local crisis support and left local authorities and their residents in limbo except for unsatisfactory local welfare assistance.³ Now, for people in many local authorities in England who run out of money because of an unexpected event, there is no local crisis support at all. In Scotland, Wales and Northern Ireland the discretionary social fund was replaced with alternative crisis support systems.⁴

Fast forward 11 years and spiralling food bank figures have made headline news again and again.⁵ As we head into a long-awaited election year, it's clearer than ever that the millions and millions of emergency food parcels distributed by the Trussell Trust, Salvation Army, independent food banks, schools, universities, advice providers, housing associations and hospitals haven't been able to prevent rising poverty in the UK. As many as 3.8 million people were classed as destitute by the Joseph Rowntree Foundation (JRF) in 2022.⁶

Demand now exceeds donations and capacity

To make matters worse, food aid providers have recently been running out of resources as the scale of demand outstrips donations, surplus food and volunteer capacity.⁷ What's more, most households struggling to cope with severe food insecurity – cutting back on meals or running out of money to afford food – don't use food banks. The latest Family Resources Survey data from the Department for Work and Pensions (DWP) tells us that the vast majority of households facing hunger, or severe food insecurity, aren't represented in food bank statistics.⁸ No matter how well intentioned, investment in a charitable food response will never address the problem of food insecurity or poverty.

As it's become clear that food banks are not the answer to this problem, we have seen a proliferation in alternative forms of charitable food aid such as social supermarkets, food pantries or affordable food clubs. While one can argue that it may be more dignified to be able to purchase food at lower prices in shop-like environments, these approaches are still part of a second-tier system dependent on surplus food, charitable donations and volunteer labour.

Similarly, there are other forms of 'banks' catching the public's attention. Baby banks received royal patronage last year while bed banks, data banks and fuel banks disaggregate poverty and further entrench a charitable response to people's lack of income.^{9,10}

What these 'banks', and charitable food retailers, have in common is that their teams are swimming against the tide. They can't possibly stop the poverty that's driving the need for their services. Neither food banks nor food pantries can prevent hunger from happening. Baby banks cannot provide parents with the regular income they need to buy formula milk. Fuel banks won't make electricity and gas affordable as energy bills continue to rise. Charity in response to poverty is neither effective nor sustainable.

The 'cash first' approach

The solution that will reduce record-breaking destitution figures, and take the pressure off overwhelmed charity workers and volunteers, is obvious. Going back in time is the way forward. Increasing people's incomes prevents hardship and what we call a 'cash first' approach to food insecurity is gathering credence.

The term 'cash first' was originally popularised in Scotland by the project A Menu for Change, a collaboration of anti-poverty charities dedicated to

demonstrating that food insecurity was rooted in people's lack of income.

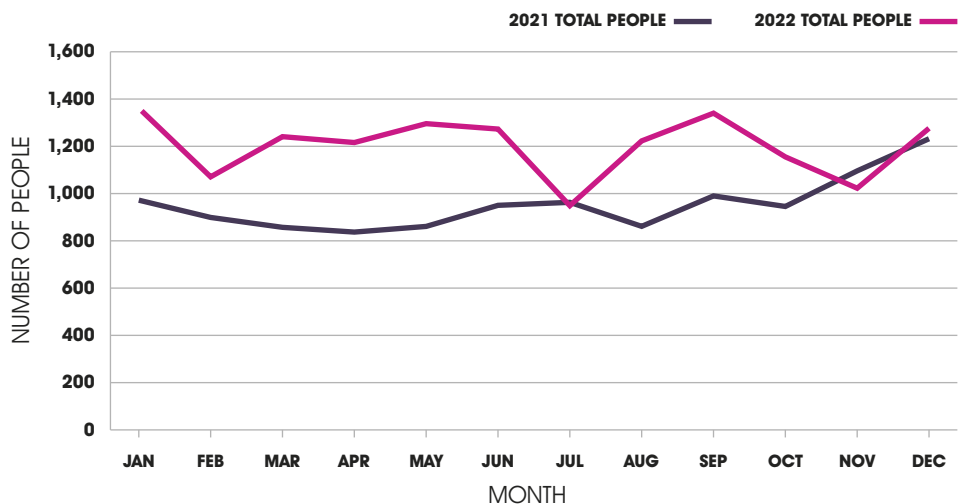
Cash first is an income-focused approach to reducing poverty. Ultimately, a cash first approach would result in everyone in our society being able to access a living income through adequate social security payments and wages, as well as find local support through cash payments in times of crisis. In the meantime, a cash first approach to food insecurity involves prioritising advice and support to maximise income over 'sticking plaster' food support responses. Where charitable support is needed, cash first calls for this to be made via cash, shopping vouchers or gift cards in lieu of food parcels.

We know that a cash first approach to food insecurity works. Food banks in IFAN's network have reported that recent UK government cost-of-living payments have seen food bank numbers temporarily drop. For example, IFAN member The Welcome Centre in Kirklees saw only two months in 2022 when fewer people were supported than in 2021. These months were July and November just as cost-of-living payments were issued (see Figure 1).

Cash First: Ending the need for charitable food aid



Figure 1: Number of people supported with food parcels by month in 2021 and 2022 (The Welcome Centre, Kirklees)



Source: The Welcome Centre, Kirklees



In 2013, the UK government eliminated the discretionary social fund that provided local crisis support and left local authorities and their residents in limbo except for unsatisfactory local welfare assistance. Now, for people in many local authorities in England who run out of money because of an unexpected event, there is no local crisis support at all.

In Scotland, the Scottish child payment, which was raised to £25 per week per child in November 2022, is a direct cash payment to low-income families with children under 16 that is bringing child poverty rates down.¹¹ Latest child poverty statistics for April 2021 to March 2022 demonstrate the difference this intervention was making even before it was increased – 24 per cent of children in Scotland lived in poverty as opposed to 31 per cent in England.^{12,13}

We can also see the effect of cash first in the DWP’s own data. Family Resources Survey figures show there was a 16 per cent fall in moderate and severe food insecurity in households on UC while the short-lived £20 a week uplift to the main social security payment was in place.¹⁴

As this reality becomes more apparent, the real solution to poverty is beginning to gather momentum. Not necessarily in the media or in the plans of political parties about to vie for parliamentary seats in Westminster, but in local communities where hunger, poverty and hardship are real, and the stakes are highest.

How cash first is working in Scotland

Local energy for a cash first approach has been noticeable in Scotland where, in June 2023, the Scottish government unveiled its plan *Cash First: Towards ending the need for food banks in Scotland*.¹⁵

The plan resulted from sustained third sector campaigning in Scotland for a cash first approach to food insecurity rooted in the work of the project A Menu for Change. A consultation on the draft plan ran from October 2021 to January 2022 and received over 400 submissions, including many from food banks. Before the publication of the Scottish government’s final strategy towards ending the need for food banks, local cash first approaches were already being taken across Scotland. IFAN and the Trussell Trust ran a joint conference in Glasgow in March 2023¹⁶ bringing together food aid providers, support workers, local authority teams and campaigners and showcased how communities were not waiting for the Scottish government to direct them towards taking a cash first approach. This was already being delivered at a local level.

While there’s much in the plan that means it falls short of eliminating the need for charitable food aid in Scotland, such as its failure to increase investment in the Scottish welfare fund, there is also much to celebrate, including the focus and investment in cash first local partnerships to tackle food insecurity.

Cash first partnerships are building pathways towards income-focused solutions at the heart of their local communities. Newly formed or existing partnerships in nearly every local authority in Scotland made applications to receive funding from the Scottish government’s Cash-First Fund,¹⁷ showing both the need and the appetite for building local and collaborative cash first approaches.

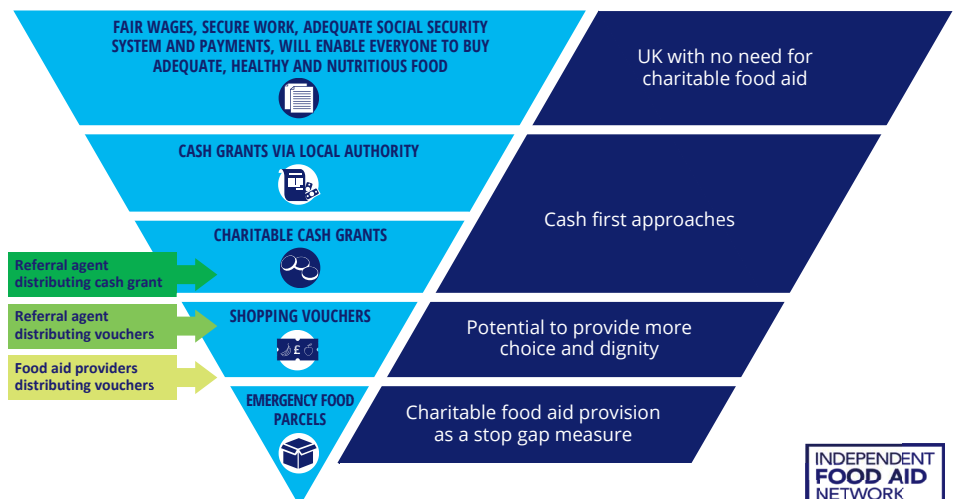
Many food banks have long been distributing shopping vouchers or gift cards as a more effective way to support people facing food insecurity than giving out food parcels. One of the Scottish government’s cash first actions is a food insecurity pilot run by Citizens Advice Scotland through which people accessing a Citizens Advice Bureau in some local authorities can receive a shopping voucher or cash payment directly, alongside or as an alternative to a food bank referral. This is a positive step that will prove the effectiveness of moving responses up the cash first ‘hierarchy’ and will hopefully be rolled out in further areas.

IFAN’s ‘Worrying About Money?’ cash first referral leaflets,¹⁸ which have been co-developed in Scotland since 2020, are also featured in the plan. Based on learning from the project A Menu for Change, the leaflets are three-step resources to guide both people facing money worries and support workers to locally available cash first options and the local agencies best placed to help. Food aid providers have played integral roles in the co-development and dissemination of these leaflets in individual communities across Scotland.¹⁹



One of the Scottish government’s cash first actions is a food insecurity pilot run by Citizens Advice Scotland through which people accessing a Citizens Advice Bureau in some local authorities can receive a shopping voucher or cash payment directly, alongside or as an alternative to a food bank referral.

Why Cash First?





Ultimately, a 'cash first' approach would result in a living income for all through adequate social security payments and wages, as well as local support through cash payments in times of crisis.



To truly tackle food insecurity, we need structural change to prevent financially induced crises from happening in the first place, not just to respond to them. However, when it comes to reversing the institutionalisation of charitable food aid, how crisis support is provided at a local level matters a great deal.

Developing cash first in England and Wales

IFAN has also helped to spread some of the cash first message in local authorities in England and Wales. 'Worrying About Money?' leaflets are in circulation in more than 80 local authorities in England and Wales. Following the co-development of Cornwall's 'Worrying About Money?' leaflet,²⁰ a dialogue was opened between Cornwall Council and local third sector groups on how the local welfare assistance scheme could better support residents facing a financial crisis. These conversations have led to several positive changes in the local delivery of this scheme in Cornwall and have contributed to Cornwall Council's decision to take a cash first approach in its latest distribution of the household support fund (HSF).

Cornwall Council is certainly not alone in prioritising direct support for people when distributing the HSF. The DWP, which funds the HSF, has recently issued more flexible guidance about how local authorities can disseminate the fund. The initial rubric for local authorities frequently referred to food banks as a route to distribute the funding, while now the guidelines explicitly suggest the use of the funding for direct cash or voucher support. Alongside the loosening of the rules, we've seen local authorities using HSF funding not to bolster food banks to distribute food parcels but to provide cash payments directly to people struggling to afford the essentials.

A crisis for crisis support in England

IFAN's new project, Can you get cash in a crisis?, tracks the availability of local authority cash support in a sample of areas in England. This work demonstrates the patchwork nature of cash first support in England compared to the Scottish welfare fund, discretionary assistance fund and discretionary support in Scotland, Wales and Northern Ireland respectively. But it also shows the local authorities successfully delivering crisis support in cash through local welfare assistance schemes and/or distribution of the HSF. For food banks in these areas, this is positive progress indeed.

However, crisis support in England currently stands on a precipice. Sixty-two per cent of all local welfare spending in England is from the HSF,²¹ yet the DWP has refused to confirm its extension, or whether it will be abandoned, beyond March 2024.²² To truly tackle food insecurity, we need structural change to prevent financially induced crises from happening in the first place, not just to respond to them. However, when it comes to reversing the institutionalisation of charitable food aid, how crisis support is provided at a local level matters a great deal. The potential abandonment of the HSF risks the removal of local cash first responses before they have had a chance to cement themselves in communities. Without the resources to support people in crisis, local authorities will have no choice but to continue to rely on overstretched food banks to support increasing numbers of people falling into hardship.

And as food bank teams continue to do their utmost to meet the needs of people unable to afford the bare essentials in their communities, they know their help can only ever temporarily fill the gap. This paradox has already spanned more than a decade: more and more food bank teams, on top of fire-fighting, have been working hard to make their voices heard.²³ In many cases, local authorities have listened to these voices and taken action to provide cash first support and embed income-focused referral pathways to help people facing financial crises. Now, more than ever, our government – and any government in waiting – must listen too.

Sabine Goodwin is director and Maria Marshall is project manager at the Independent Food Aid Network (IFAN).

Footnotes

1. T Pollard, *From compliance to engagement: Rethinking the use of conditionality in our social security system*, New Economics Foundation, 2023 and CPAG, *The cost of a child in 2022*, 2022
2. Loughborough University, 'Number of children in poverty living in working households on the rise', 5 June 2023
3. David Simmons, 'What is replacing the social fund?', *Welfare Rights Bulletin*, issue 223, April 2013, CPAG
4. Crisis support via cash payments is available in every local authority in Scotland, Wales and Northern Ireland through the Scottish Welfare Fund (Scotland), Discretionary Assistance Fund (Wales) and Discretionary Support (Northern Ireland). Crisis support varies across local authorities in England.

5. IFAN data, foodaidnetwork.org.uk/data
6. S Fitzpatrick, G Bramley, M Treanor, J Blenkinsopp, J McIntyre, S Johnsen and L McMordie, *Destitution in the UK 2023*, Joseph Rowntree Foundation, 2023; The Trussell Trust, *Mid-Year Stats April–September 2023*, available at trusselltrust.org/news-and-blog/latest-stats
7. S Goodwin, 'Food banks are being forced to ration supplies. We can't sustain this level of poverty for much longer.', *The Big Issue*, 24 Oct 2023
8. Department for Work and Pensions, *Family Resources Survey, March 2023*
9. S Weale, 'Anti-poverty campaigners raise concerns about royal visits to baby banks', *The Guardian*, 12 Dec 2023
10. S Crossley, K Garthwaite and R Patrick, *The different types of poverty: Is there a problem with how we currently talk about poverty?*, British Politics and Policy blog, London School of Economics, 17 Oct 2019
11. CPAG, IFAN and others are calling for this payment to be increased to at least £30: see cpag.org.uk/news/budget-must-shift-dial
12. Action for Children: *Where is child poverty increasing in the UK*, actionforchildren.org.uk/blog/where-is-child-poverty-increasing-in-the-uk
13. L Ditchburn, *Why aren't more people talking about the Scottish Child Payment?*, The David Hume Institute, 18 September 2023
14. Department for Work and Pensions, *Family Resources Survey, March 2021*
15. gov.scot/publications/cash-first-towards-ending-need-food-banks-scotland
16. See foodaidnetwork.org.uk/cash-first-future
17. See gov.scot/publications/cash-first-fund-form-and-guidance
18. See foodaidnetwork.org.uk/cash-first-leaflets
19. H Biggs, A Hamid and A MacGregor, *Worrying About Money?: Scotland's cash first referral leaflet, Impact findings*, ScotCen Social Research, 2021
20. See worryingaboutmoney.co.uk/cornwall
21. D Bond and C Donovan, *On the Cliff Edge: Crisis Support 2022/23*, End Furniture Poverty, 2023
22. I McRae, 'End to Household Support Fund will mean "more people will go cold, hungry and lose their homes"', *The Big Issue*, 22 Dec 2023
23. S Goodwin, 'Ending the food bank paradox', *BMJ* 2022; 379 doi: <https://doi.org/10.1136/bmj.o2919>