



# The State of Crisis Support

Local Welfare Assistance through Covid and Beyond

Adam Nichols MRes (Lead Author)

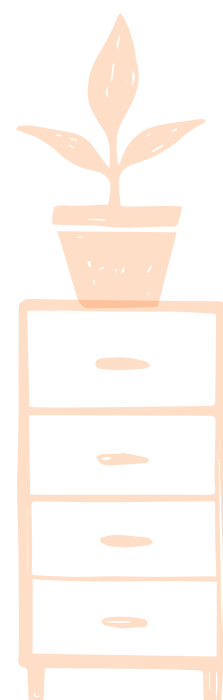
Claire Donovan

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# Contents

3	<b>About End Furniture Poverty</b>
4	<b>Key Findings and Recommendations</b>
5	Key Recommendations for Government
7	Recommendations for Local Authorities
8	<b>Acknowledgements</b>
9	<b>Acronyms and Frequently Used Terms</b>
11	<b>Methodology</b>
13	<b>Part I: Introduction</b>
13	A brief background to LWA in England
15	Defining Local Welfare Assistance Schemes
16	Poverty in the UK – why the Local Welfare Assistance safety net is needed
19	The financial impact of the pandemic on local authority finances and the response from the UK Government
22	<b>Part II: Findings</b>
22	The number of operational LWA schemes across England in 2020/21
23	Reclassifications
23	Consensus outliers
25	Crisis Support Spend in 2020/21
27	Additional Funding for LWA in England and the Need for a Long-Term Funding Settlement
30	Per Capita Spend on LWA, England
32	Deprivation Analysis of Crisis Support (England, Scotland and Wales)
35	Applications and Awards
36	Administration Costs
37	Average Award Value
37	The Provision of Furniture and White Goods in 2020/21
40	Prerequisites to Support – A Last Port of Call?
41	Signposting
43	Terminology and Multiple Identities
44	Ways of Applying
46	Referral Only Schemes
46	Clarity and Accessibility
46	Clarity of Support Provided
46	Language Translation
47	Signposting on LWA Webpages
48	Finding Local Welfare Assistance Schemes Online
50	<b>Part III: Rebuilding Crisis Support Across England - Discussion, Conclusion and Recommendations</b>
55	Key Recommendations for Government
56	Recommendations for Local Authorities
57	<b>Appendix A</b>
63	<b>References</b>



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# About End Furniture Poverty

End Furniture Poverty is the campaigning and social research arm of FRC Group, a group of charities and 100% not-for-profit social businesses. FRC Group has been providing furniture, both new and preloved, to people living in furniture poverty for over 30 years, and reducing and ultimately eradicating furniture poverty is FRC Group's core mission. End Furniture Poverty was created in 2015 to raise awareness of the issue of furniture poverty; to improve our understanding of the consequences and the reality of living in furniture poverty; and to develop potential evidence based solutions to ensure that everyone has access to the essential furniture items that they need to participate in their society and lead a secure life.



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# Key Findings and Recommendations

End Furniture Poverty first examined LWA funding in 2020, leading to the publication of The Postcode Lottery of Crisis Support in 2021. We also pledged in that report that we would issue further FOI requests once 2021/22 local authority budgets were finalised. We knew that a confusing funding picture was emerging given the extraordinary pressures being placed upon local government finance, and that additional Government grants were being made available due to the Covid-19 pandemic.

This report reveals how LWA schemes appeared to receive much-welcomed additional funding, thus emphasising the importance of such schemes, however, in reality, the vast majority of this funding was not channeled into LWA schemes as anticipated.

Crisis support across the UK is fragmented, with England, Scotland, Wales and Northern Ireland taking very different approaches. And, unlike in Scotland, Wales and NI, crisis support in England has been decimated over the past decade, leaving millions without any recourse to help. For this reason the primary analytical scope of this research is LWA in England, albeit some analysis of the devolved administrations.

We will continue to closely monitor LWA funding and we hope that this report not only highlights the vital lifeline these schemes provide to people, but also encourages the Government and local authorities to implement our recommendations.

- **32 (1 in 5) local authorities in England did not operate a Local Welfare Assistance Scheme as of 2020/21.** This is an increase on the previous year, when 1 in 7 did not have a scheme.
- Following an additional scheme closure in July 2021, we estimate 13.06m people in England did not have any recourse to crisis support at that point in time. This is a 2.2m increase on 2019/20 levels, when an estimated 11.4m lived in an area without a scheme.
- Despite £233m of additional Government funding for Local Welfare Assistance in England in 2020/21, our analysis suggests most of this funding was not channelled into LWA schemes as anticipated. On the contrary, the funding was spread across 24 different categories of support, (notably Free School Meals, local foodbanks, and other voluntary and community sector organisations).
- Although overall expenditure on LWA schemes in 2020/21 increased by 106% on the previous fiscal year, this increase was funded entirely by additional Government funding, as opposed to local authorities' core spending power. Moreover, although most local authorities with a scheme increased their spend in 2020/21, almost 1 in 5 decreased it in the same year.
- Despite additional funding from Government, and the increase in the amount spent on LWA, expenditure was still 74% lower than that spent on comparable elements of the Discretionary Social Fund in 2010/11.
- Deprivation analyses showed that LWA expenditure correlates with deprivation, meaning more is spent on LWA in areas with higher levels of deprivation, and vice versa. However, while this correlation was observed, increases in LWA expenditure were not correlated with deprivation, due to the major differences in the way in which local authorities spent additional Government funding in 2020/21. These differences resulted in a slightly weaker correlation between LWA expenditure and deprivation in 2020/21 than in 2019/20.
- Applications and awards in 2020/21 increased by 91% and 157% respectively on 2019/20 levels. However, as a result of a large proportion of additional Government LWA funding being redirected to other support, the amount local authorities spent on each award (before administration costs) fell by £29 between 2019/20 and 2020/21; since 2017/18, the average amount spent by local authorities per award has fallen by £113.

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- As of July 2021, almost 1 in 4 (approximately 13.28m) people in England were unable to get any help with furniture and appliances from LWA, despite the fact that the cost of furniture and appliances has increased by 32% and 17% respectively.
  - In 2020/21, the provision of furniture and appliances through LWA schemes accounted for 32.7% of the total amount spent; this is a fall on last year, when such provision accounted for 42.7% of total LWA expenditure.
  - The decrease in the proportional amount spent on furniture and appliances in 2020/21, combined with the fact around 1 in 4 people do not have access to support for these items through LWA is concerning, given that these are some of the most expensive items we all need to achieve a minimum standard of living.
  - The majority (59%) of local authorities with a scheme require people to have attempted some form of support prior to making an application, primarily an advance on their benefit payments as a minimum requirement.
  - Over 1 in 4 local welfare schemes were a 'last resort' option, requiring applicants to have attempted all possible options including: Budgeting Loans and UC advances, credit unions, and local VCS organisations and charities; several local authorities told us the applicant must have even approached friends and family for support before making an application.
  - There were considerable inconsistencies between existing schemes, particularly around the names of each scheme. This lack of continuity may restrict awareness, and therefore accessibility.
  - More than 1 in 3 operational schemes have only one means of applying (e.g. online, email or by phone), and only 3.5% of schemes provide all three options of applying. 38% of schemes only allow people to apply online; this is potentially leaving millions of people with limited internet access - and those with low computing skills - behind.
  - The amount and clarity of information on LWA webpages varies wildly. Some provide a comprehensive breakdown of what support is offered, who is eligible, and offer the ability to translate into different languages. On the other hand, many local authorities provide only threadbare information, and/or use complex language, which could deter individuals from applying for support.

## Key Recommendations for Government

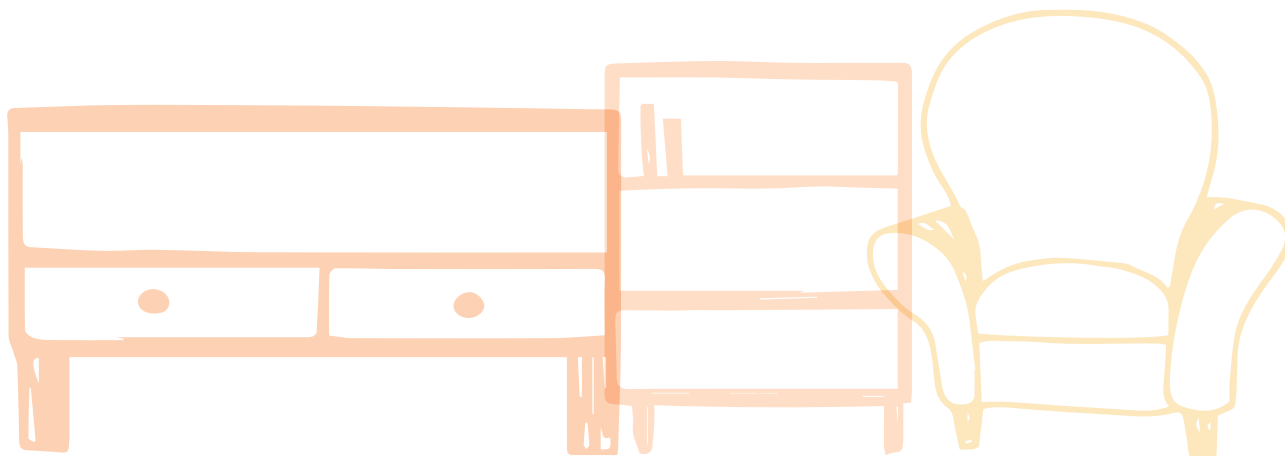
- Commit to a 3-year funding settlement of £485m per annum. This will give local authorities both the time and certainty to expand on existing schemes, or to establish new schemes in areas where they have closed.
- Continue to weight all funding determinations by population and deprivation, thereby ensuring more support is available in areas with higher levels of need.
- Continue to publish Core Spending Power Visible Lines of Funding data showing how much each local authority receives for the provision of LWA.
- Ensure all future funding and guidance is managed by a single Government department.
- Any and all additional funding from Government should be ringfenced to ensure the total amount is spent through LWA schemes.
- Publish clear guidance which all local authorities must adhere to.

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## Government Guidance

Government guidance should aim to:

- Ensure LWA has a national identity and continuity across schemes by using a single name for the service e.g., National Citizens Support Scheme. This will help reduce confusion, expand awareness, and improve accessibility.
- Require Local Welfare Assistance schemes to share the same characteristics:
  - Is budgeted and has an identifiable line of expenditure.
  - Provides grants which take the form of both cash and in-kind awards, allowing schemes to respond to different individual needs.
  - Has a claims process, to which any member of the public can apply, without the need for a referrer. Two methods of applying should be a minimum requirement (e.g., online and by phone).
- Require each scheme to have a webpage which:
  - Is written in clear and concise language.
  - Provides contact information to which applicants and potential applicants can ask questions.
  - Has an option to translate into different languages.
  - Lists all eligibility criteria.
  - Describes what support is available (e.g., help with food, fuel and furniture and appliances) and how that support is delivered.
  - Describes the application process and the estimated timeframe of support.
  - Provides a directory of other sources of support (including other relevant benefits and local VCS organisations).
  - Explains the circumstances under which people who are NRPF can get support.
- Ringfence 50% of the total funding for the provision of furniture and white goods, thus recognising these are some of the most difficult items to acquire for people on low incomes.
- Encourage local authorities to make use of high-quality preloved items.
- Require local authorities to collect and publish data including expenditure and the number of awards provided.
- Require applications to:
  - Be processed within 48 hours, while keeping applicants informed throughout.
  - Be kept to a minimum, taking no longer than 15 minutes to complete.
  - Account for those with limited internet access and those who are not proficient in the use of technology by allowing individuals to apply in-person or by phone.



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## Recommendations for Local Authorities

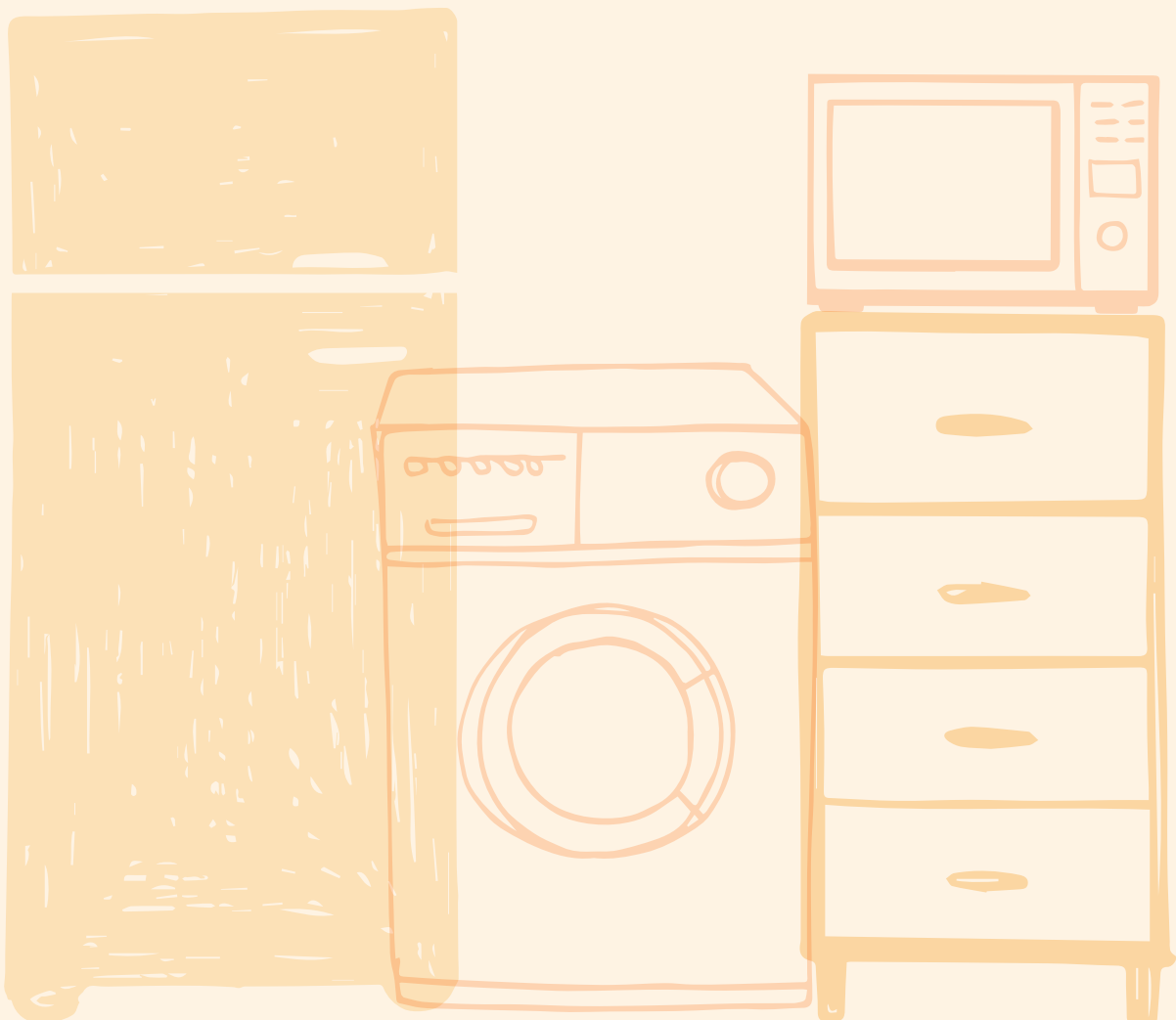
- Adequately fund schemes to protect people against the harms caused by destitution and furniture poverty.
- Fully spend all future Government LWA funding on the provision of an LWA scheme (as set out on page 15).
- Raise awareness of schemes both internally and externally, especially amongst local support workers.
- Ensure schemes have a claims process through which a member of the public to apply for a grant (cash and/or in-kind).
- Claims processes should:
  - Process the application within 48 hours.
  - Keep applicants informed throughout this process.
  - Keep the length of time needed to complete an application below 15 minutes.
  - Account for those with limited internet access, and those who are not proficient in the use of technology, by allowing individuals to apply in-person or by phone.
- Ensure schemes have a webpage which:
  - Is written in clear and concise language.
  - Provides contact information to which applicants and potential applicants can ask questions.
  - Has an option to translate into different languages.
  - Lists all eligibility criteria.
  - Describes what support is available (e.g., help with food, fuel and furniture and appliances) and how that support is delivered.
  - Describes the application process and the estimated timeframe of support
  - Provides a directory of other sources of support (including other relevant benefits and local VCS organisations).
  - Explains the circumstances under which people who are NRPF can get support.
- Ensure 50% of LWA expenditure is spent on the provision of furniture and white goods, thus recognising these are some of the most difficult items to acquire for people on low incomes.
- Make use of high-quality preloved items to help extend budgets.



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# Acknowledgements

We would like to thank all local authorities who took the time to complete Freedom of Information requests. We would also like to thank The Children's Society, Turn2Us, Greater Manchester Poverty Action, Church Action on Poverty, and Damon Gibbons at the Centre for Responsible Credit for their previous research documenting the decline of LWA in England over the past decade.





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# List of acronyms and frequently used terms

**Furniture Poverty** - is the inability to afford to buy or maintain, or access, any household furniture or appliance item that is essential to achieve a socially acceptable standard of living. Furniture poverty is a specific subset of material deprivation.

With regards to the items included, our definition of furniture poverty is broad; we include both furniture and appliances (sometimes referred to separately as 'appliance poverty').

**Poverty** - There are several measures of poverty in the UK, many of which focus solely on relative income levels. This approach, however, is problematic and fails to reflect the true cost of living. We use several key indicators of poverty in this report: including the number of households living below the Minimum Income Standard, in addition to others, such as foodbank use, homelessness and rent arrears. The primary indicator, the Minimum Income Standard, sits within the 'consensual method' developed by the sociologist, Peter Townsend. The MIS determines the minimum amount of income needed to achieve a socially acceptable minimum standard of living.

**Relative Income Poverty** is when someone earns below 60% of the average national income.

**Essential items of furniture or 'the essential items'** - are the items of furniture and appliances which you need to achieve a socially acceptable standard of living.

- Bed, bedding, and mattress
- Sofa and/or easy chairs
- Carpets in living rooms and bedrooms
- Washing machine
- Cooker/oven
- Table and chairs
- Wardrobe/drawers
- Curtains or blinds
- Refrigerator and freezer
- TV

**LWAS** – Local Welfare Assistance Scheme

**LWA** – Local Welfare Assistance, also known as local welfare provision. These are schemes in England only.

**SWF** – Scottish Welfare Fund

**DAF** – Discretionary Assistance Fund (Wales)

**DS** – Discretionary Support (Northern Ireland)

**Crisis Support** – a collective term that includes LWA, SWF, DAF and DS

**FOI** – Freedom of Information Request

**SF** – Social Fund

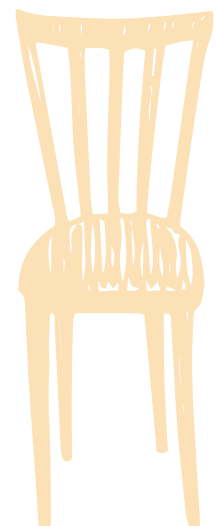
**DSF** – Discretionary Social Fund

**LA** – Local Authority

**UTLA** – Upper Tier Local Authority

**LTLA** – Lower Tier Local Authority

**EAG** – Emergency Assistance Grant for Food and Essential Supplies



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**CWG** – Covid Winter Grant

**CLSG** – Covid Local Support Grant

**HSF** – Household Support Fund

**EFPP** - End Furniture Poverty

**DWP** - Department for Work and Pensions

**UC** - Universal Credit

**HB** - Housing Benefit

**DHP** – Discretionary Housing Payments

**IFS** – Institute for Fiscal Studies

**PSE** - Poverty and Social Exclusion

**JRF** - Joseph Rowntree Foundation

**MIS** - Minimum Income Standard

**NAO** – National Audit Office

**ONS** – Office for National Statistics

**CAB** – Citizens Advice Bureau

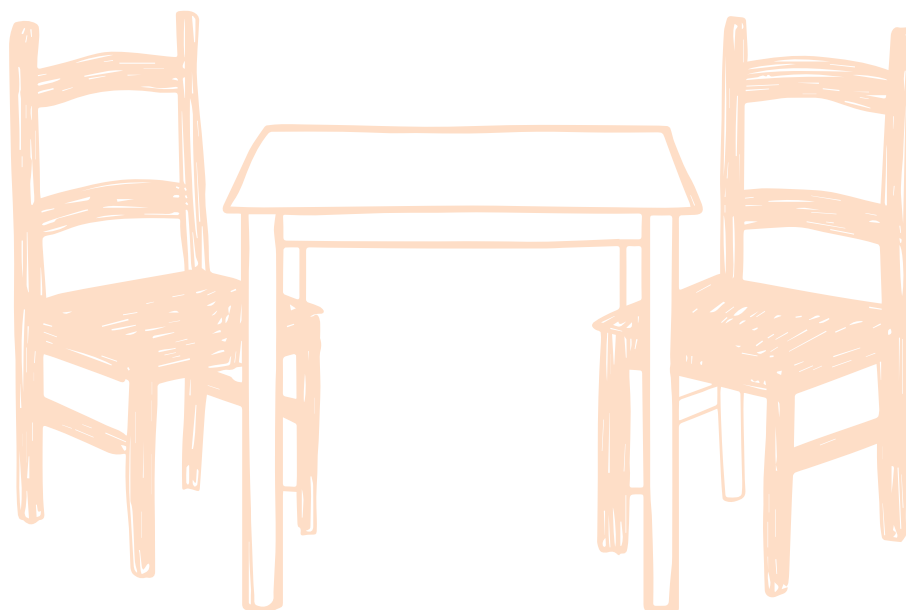
**NRPF** – No Recourse to Public Funds

**TPO** – Third Party Organisation

**FSM** – Free School Meals

**CPI** – Consumer Prices Index

**IMD** – Indices of Multiple Deprivation which measure deprivation in England by income deprivation; employment deprivation; education; skills and training deprivation; health deprivation and disability; crime; barriers to housing and services; and living environment deprivation.



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# Methodology

This report is the product of extensive quantitative surveying of Local Welfare Assistance (LWA) schemes in England, and of the Scottish Welfare Fund (SWF), the Discretionary Assistance Fund in Wales (DAF), and Discretionary Support in Northern Ireland throughout 2021.

## Understanding the local authority tier system

There are two local authority structures in the England, single tier and two tier. In the single tier system, one local authority has sole responsibility over local powers; single tier authorities include London boroughs, metropolitan district and Unitary Authorities (e.g. Sheffield City Council). Under the two-tier system, there is one county council (upper tier) and several district councils (lower tier); under this system, local authorities share responsibility for local service provision across their respective jurisdictions. Henceforth, all authorities in the single tier system and county councils in the two-tier system are referred to as upper-tier local authorities.

## Data gathering

In 2020/21, there were 151 upper-tier local authorities in England, each of which received a survey in the form of a Freedom of Information Act 2000 request. In our previous report, *The Postcode Lottery of Crisis Support*,<sup>1</sup> we surveyed both upper-tier and lower-tier local authorities; however, this project showed LWA is almost an exclusively upper-tier service. With that in mind, in addition to the fact that lower-tier authorities do not receive notional funding for LWA from the Government (unlike their upper-tier counterparts), we focused solely on upper-tier authorities for this report.

Upon receiving responses to our first FOI, it quickly became clear that additional Government funding for LWA (the Emergency Assistance Grant for Food and Essential Supplies and the Covid Winter Grant) was not exclusively channelled into LWA schemes as expected. On the contrary, our findings suggest this funding was used to provide a wide range of support, with a significant amount channelled into third party organisations such as food banks and for the provision of free school meals (see page 28). This, of course, differs from LWA, which is a named service to which a member of the public can apply for a grant (cash or in kind) when experiencing a financial crisis (in comparison to grants targeted to specific cohorts e.g. families already in receipt of FSM).

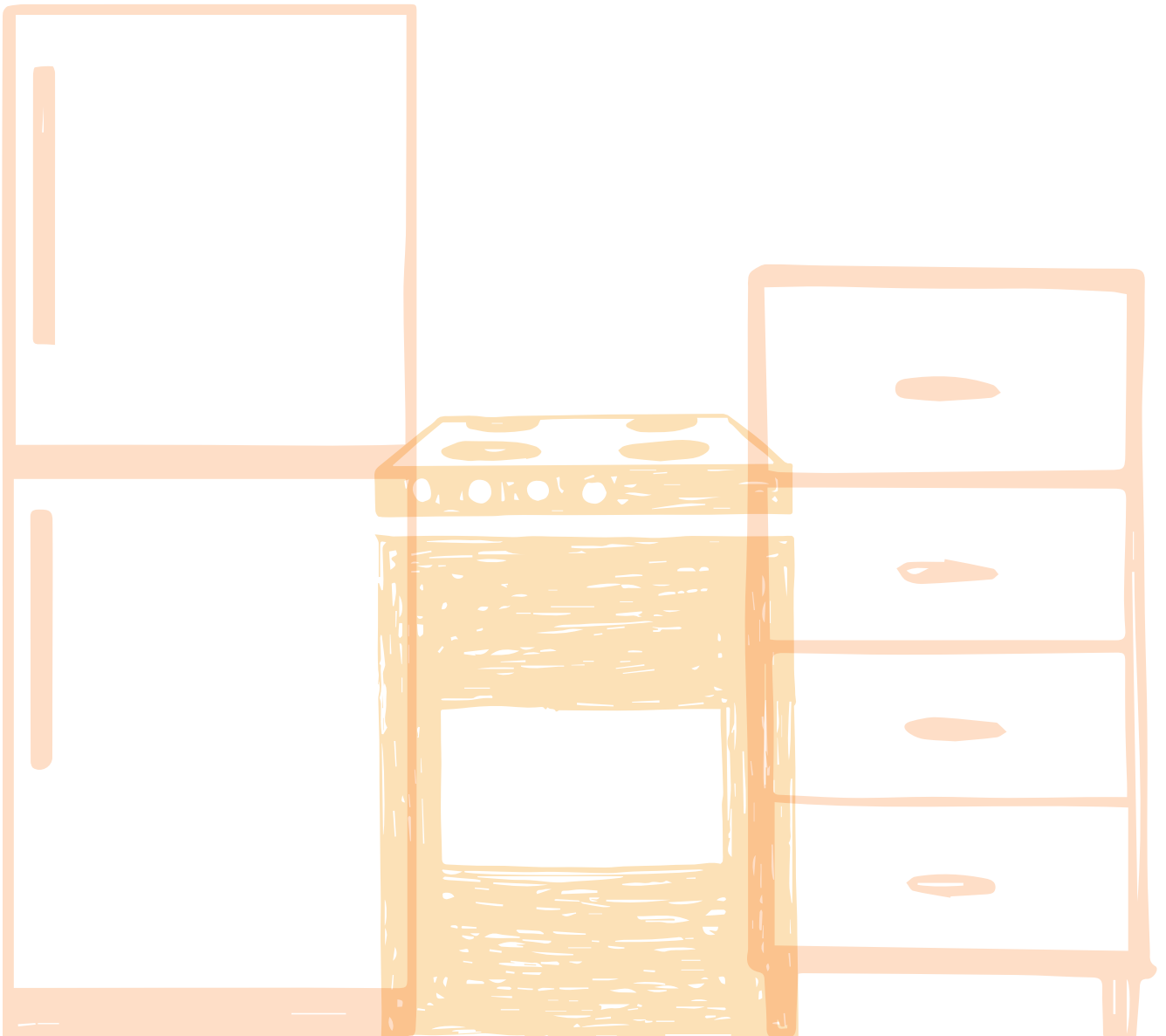
This complex picture required us to submit a second FOI request, requesting a breakdown of spend by core spending power, the Emergency Assistance Grant, and the Covid Winter Grant. This was done to ensure data veracity and to ensure that all spend figures shown in this report are as accurate as possible.

Local authorities that did not respond to our request were chased several times, including by phone, in an effort to receive as many responses as possible. At the time of publishing, we received a total of 284 of 302 possible responses, (each of the 151 local authorities received two FOIs). Given that we received responses from 94% of our FOI requests, and outstanding responses were from LAs with a small spend in 2019/20, it is highly unlikely our data has been significantly affected. If and when we receive of these responses, we will recalculate our figures and, if there is a change of 2% or more, we will publish an updated version of this report.

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The DSF (Wales) and Discretionary Support (NI) are centrally funded and administered, thus each devolved nation received a single FOI request. The Scottish Welfare Fund is centrally funded, but locally administered. Data pertaining to the SWF was gathered via a combination of FOI requests to local authorities and publicly available data published by the Scottish Government. Unfortunately, the response from Northern Ireland directed us to a yet-to-be published report so we have been unable to include any of their updated figures.

This research project also included an analysis of Local Welfare Assistance scheme webpages, across a range of variables, including: application methods, eligibility criteria, and website accessibility. This analysis was conducted between July and September 2021.



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# Part I: Introduction

## A brief background to LWA in England

Prior to its abolition from April 2013, the Discretionary Social Fund (DSF) provided grants or loans to individuals and families facing hardship across the UK. The initiative was overseen by the DWP and delivered through 'a Jobcentre Plus network of Benefit Delivery Centres, Contact Centre and local Jobcentre Plus frontline offices'.<sup>2</sup> The Fund consisted of four different types of support: Crisis Loans (alignment) to help people through gaps in income from their wages or benefits; Crisis Loans for people experiencing a disaster or an emergency; Interest-free Budgeting Loans 'intended to help people [...] manage intermittent expenses such as replacement of white goods and household items'; and 'non-repayable' Community Care Grants 'to help people live independently and settle in the community' (e.g. for people leaving a domestic abuse shelter, care leavers, or those escaping homelessness).<sup>3,4</sup>

When the DSF was abolished, crisis support was devolved across the UK, with England, Scotland, Wales and Northern Ireland significantly diverging from each other with regards to the level of support provided.

In Scotland, The Welfare Funds Act established the Scottish Welfare Fund (SWF), which was centrally funded by the Scottish Government and locally administered by local councils.<sup>5,6</sup> Individuals facing crisis can apply for a Crisis Grant or a Community Support Grant through their local council. The former supports people facing an emergency, while the latter is intended to help people live independently.<sup>7</sup>

In response to the abolition of the DSF, the devolved Government in Wales introduced the Discretionary Assistance Fund (DAF), which is centrally funded and delivered by the Welsh Government.<sup>8</sup> An individual can apply to the DAF for an Emergency Assistance Payment (which helps with essential costs such as food or energy), or for an Individual Assistance Payment (which helps people live independently and securely by providing essential items such as furniture and white goods).<sup>9</sup>

In Northern Ireland, the devolved administration launched Discretionary Support. This support is also centrally funded and delivered by the Department for Communities.<sup>10</sup> The scheme provides either Discretionary Support Loans or Discretionary Support Grants to help people facing severe hardship afford basic essentials such as (food, clothing, and furniture and appliances).<sup>11,12</sup>

In England, the four aforementioned elements of the now-abolished Discretionary Social Fund splintered off into two novel different forms of support. Crisis Loans (alignment) and Budgeting Loans were diverted to the wider centralised social security apparatus, including UC Advance Payments.<sup>13,14</sup> Crisis Loans (for acute shocks and disasters) and community care grants were replaced by Local Welfare Assistance (LWA).<sup>15</sup>

English local authorities were provided with two years of funding for 2013/14 and 2014/15, the first two years of LWA.<sup>16</sup> While this funding would continue from 2014/15, it was rolled into the broader Revenue Support Grant.<sup>17</sup> Crucially, this funding was not ringfenced, a key flaw which was highly criticised by a collective of anti-poverty charities who argued the funding was vulnerable to being used to buoy statutory services; services which came under immense pressure as a result of austerity policy. To exacerbate this issue further, the Government decreased said funding over time; The Childrens Society found funding from the Government throughout 2018/19 was 55% less than 2010/11.<sup>18</sup>

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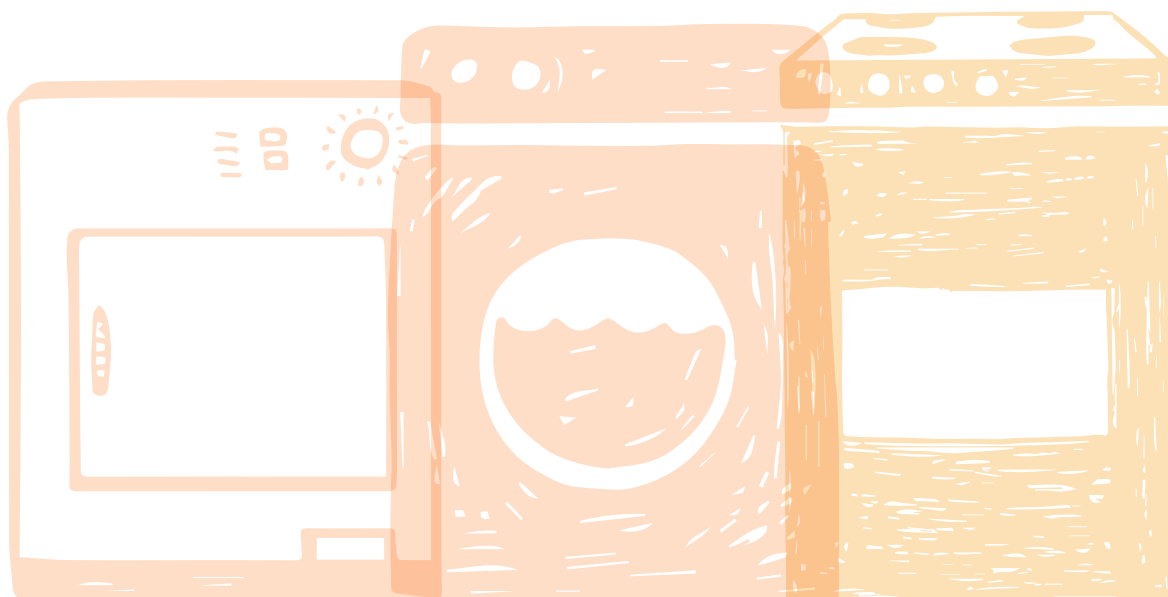
At the outset of these changes, charities voiced firm criticism of this unringfenced approach to crisis support, arguing that it put LWA at risk of decline. Sadly, these concerns were realised over the coming decade, with numerous studies routinely highlighting the gradual erosion of the local welfare safety net across large swathes of England.<sup>19</sup> In End Furniture Poverty's 2019/20 report, The Postcode Lottery of Crisis Support, we found that LWA expenditure in the last year before the pandemic had declined by 87% since 2010/11, while the number of awards made had fallen by 86%.<sup>20</sup>

This unringfenced and reduced funding approach, helps to explain our finding last year that around 95% of local authorities underspent on their LWA funding allocations from the Government.<sup>21</sup>

In light of the hardship brought about by the Covid-19 pandemic, and the emergence of new variants, in addition to the ongoing impact of austerity policies, this report clearly demonstrates the urgent need for a long-term and ringfenced funding commitment. A long-term commitment from the Government is essential if local authorities are to have the certainty they need to expand on their schemes, or open LWA schemes in those areas where they have closed.

As discussed later (see page 28), this point is further evidenced by our finding that only a small proportion of the EAG and the CWG was used to fund existing LWA schemes, with the majority of the funding allocated to other sources of support and/or redistributed to a wide range of voluntary and Community Sector (VCS) organisations (i.e. foodbanks). This reflects the current crisis facing LWA, not only are there 32 LAs without a scheme, of those that do have one, many are underfunded and simply did not have the infrastructure to fully utilise such large sums of money provided by the Covid grants. Accompanying Government guidance for the EAG and CWG was flexible which, we believe, was to allow those areas with no scheme, or a threadbare scheme, to divert the funding elsewhere.

Unlike in Scotland, Wales and Northern Ireland, where crisis support is well funded (see page 26) LWA in England is in a state of crisis. For that reason, this research project primarily focuses on crisis support provision across England, although some comparative analysis of crisis support across the devolved nations is also included. Going forward, it is important to note that the term 'Local Welfare Assistance', or LWA, specifically refers to crisis support in England.



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## Defining Local Welfare Assistance Schemes

Owing to a lack of Government guidance, the terminology around the very concept of Local Welfare Assistance can be confusing. This confusion is compounded by the fact that each local authority has named their scheme something slightly different; for example, 'local emergency support scheme', 'local welfare provision scheme', or 'help in a crisis scheme'(see page 43). This incoherence is also found in media and political discourse, and creates confusion within the anti-poverty charity sector. Various Government publications have also referred to LWA as either 'Local Welfare Assistance' or 'Local Welfare Provision'.

The regulatory void in which LWA exists has also led to other differences between schemes, particularly with regards to eligibility criteria, the type of support provided (e.g. food, utilities, appliances, furniture), and the means of provision (cash, voucher, or the direct provision of items).

Throughout the course of this research project, we identified a broad consensus and several key characteristics which were shared across the vast majority of LWA schemes. Identifying these shared characteristics provided us with a benchmark which could be used to determine which local authorities operated a Local Welfare Assistance scheme.

### Characteristics Shared by the Majority of Operational Schemes

- The scheme is a named service; for example: 'Crisis Support Scheme', 'Local Welfare Provision', 'Help in a Crisis', 'Household Support' etc.
- The scheme has an identifiable budget and/or line of expenditure.
- The scheme provides direct grants (cash or in-kind) to an individual/household.
- The scheme has a claims process, via which a member of the public can apply.
- The scheme has a specific webpage on the local authority's website which provides information about the scheme.

While the majority of LWA schemes meet the consensus outlined above, and the vast majority of those without a scheme simply told us they did not operate one, there were several outliers which indicated they had a scheme, however, the limited support provided failed to meet the consensus outlined above and, therefore, were not classified as having a scheme. <sup>22</sup>



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## Poverty in the UK – why the Local Welfare Assistance safety net is needed

Local Welfare Assistance is a vital part of the social security safety net, it exists to provide ad hoc emergency support to those facing destitution and crises. For people in furniture poverty, it is often the only realistic avenue of support. In this chapter, we briefly set out the state of pre-pandemic poverty in the UK, and the impact of Covid-19, thereby demonstrating how LWA is often the last line of defence against severe hardship.

In the UK, fundamental socioeconomic inequalities ensure millions of people are unable to meet the rising cost-of-living. Latest figures show the official measure of income inequality (the Gini Coefficient) has increased between 2010 and 2020.<sup>23 24</sup> Even prior to the pandemic, 'the UK had a very high level of income inequality compared to other developed countries'.<sup>25</sup> Official figures show the top 1% of the population take approximately 8.3% of the total income - which increased by 1% between 2011 and 2020.<sup>26</sup> In comparison, data from 2018 indicates the poorest 20% of the population receive only 8% of the total income - slightly less than the wealthiest 1%.<sup>27</sup> This uneven distribution of income is the primary reason so many people are living in poverty in the UK, unable to afford the basic essentials they need to live a safe and secure life.

Even prior to the economic impact of the pandemic, inadequate wages and benefits meant 29.9% (19.6m) of people in the UK were unable to afford all the essentials needed to achieve a socially acceptable standard of living; a statistic which has been gradually increasing since 2008/09, when 26.8% (16.2m) of the population were living below the MIS.<sup>28</sup> This rising level of need is clearly mirrored by the dramatic increase in foodbank use; in 2015/16, 1.1m food parcels were provided through foodbanks, compared with 1.9m in 2019/20.<sup>29</sup> These figures show that even before the pandemic hit, millions of people in the UK were struggling to afford to buy even the most basic essentials.

The arrival of Covid-19 has sent a series of severe health and economic shockwaves throughout our society, brutally exposing and exacerbating pre-existing poverty and inequalities. It shone the spotlight on the weak foundations of our social security safety net; a fact partly acknowledged by the Government when they increased Universal Credit by £20 per week early in the first lockdown. While almost all of us have been affected by the Covid-19 Pandemic in some way or another, our individual experiences of the crisis have been, and will continue to be, primarily shaped by our socioeconomic status.

In addition to the major health impact in which 'adults in poorest areas are almost four times more likely to die' of Covid-19 than those in wealthy areas<sup>30</sup>, a large and growing body of evidence details how the economic impact has been felt hardest by the poorest in our society.<sup>31</sup> A recent report by the *Resolution Foundation* found the pandemic had further widened the wealth gap, with 'almost a quarter of household wealth in the UK held by the richest 1% of the population'.<sup>32</sup> Indeed, they conclude this widening wealth gap is likely to continue and become the 'legacy of the pandemic'.<sup>33</sup>

Even before the arrival of the Omicron variant in late 2021, *The New Economics Foundation* projected the number of people living below the MIS would increase even further to 21.4 million by November 2021.<sup>34</sup> This astonishing figure means almost 1 in 3 people are likely to be living below the MIS today, unable to afford all the essential goods and services needed to achieve an adequate standard of living. Behind this statistic is real hardship for millions of individuals and families; they are effectively forced to choose between a bed, food, fuel, clothes, or an essential appliance, such as a fridge/freezer or cooker.



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Personal debt and savings have been hit hard by Covid-19 - JRF research suggests '4.4 million have had to take on new or increased borrowing through the pandemic'.<sup>35</sup> And latest figures from the Household Resilience Study indicate 13% of social renters and 7% of private renters were in rent arrears as of April/May 2021.<sup>36</sup> Almost half (45%) of all UK households and 83% of social renters do not have any savings or investments.<sup>37</sup> This potentially means up to 45% of households are unable to afford the significant one-off costs of replacing a broken fridge/freezer or bed.

Covid-19 has underscored the need for major reform across the social security system. For those in work, current flagship policies such as Universal Credit fail to offset precarity and low pay in the labour market. Research shows '95% of those who are unemployed and 75% of those who are economically inactive were in a household below MIS in 2018/19', meaning for those who are looking for work, or unable to work, benefits fell far short of providing enough income to enable people to live in dignity.<sup>38</sup>

In October 2021, the Government went ahead with a £20 per week cut to Universal Credit at a time when the cost-of-living crisis was gaining momentum. Modelling estimates an additional 600,000 people are likely to have fallen below the official poverty line as a result of the decision to implement the cut.<sup>39 40</sup>

A survey carried out around the time of the cut suggests those in receipt of UC had 'been hit hard by the pandemic with more than 2 in 3 behind on their rent'.<sup>41</sup> In addition, they found 2 in 5 were not 'confident they will be able to pay their bills on time'; and around 1 in 3 '[were not] confident they will be able to avoid taking on more debt'.<sup>42</sup> Crucially, 1 in 2 said they 'are planning to cut back on essentials like food'.<sup>43</sup> This is just the latest in a long line of evidence which has documented the harm caused by our inadequate social security system over the past decade.

While a full breakdown of the social security system is beyond the scope of this report, the evidence drawn on above briefly underlines how the Government's flagship benefit is falling far short of providing enough income cover people's basic needs. We continue to urge the Government to reintroduce the £20 uplift, make it permanent, and extend it to legacy benefits. This has never been more urgent given the the threat posed by future variants of Covid-19, which shattered the brief illusion that the pandemic was behind us. As has been the case throughout the pandemic, any future economic harm caused by Covid-19 will undoubtedly hit those in the lowest income brackets the hardest.

The notion that employment is a steadfast route out of poverty frequently appears in political discourse. This notion, however, is called into question by analysis of the current jobs market and wage levels. The UK is also becoming increasingly reliant on ultra-low-paid and precarious employment; around 15% of all UK workers are now employed in the gig-economy, almost doubling on 2016 levels (8%).<sup>44</sup> Mirroring the inadequacy of the benefits system, the wages of millions of people are unable to meet the rising cost-of living. Latest figures show 'of all working-age households below MIS in 2018/19, 21.1% are households where all adults are in full-time work, compared to 17.9% in 2008/09'.<sup>45</sup>

For work to truly be a route out of poverty, it must provide people with both job security and an adequate income. Ensuring people are entitled to a minimum number of hours and increasing the statutory minimum wage floor to the Minimum Income Standard levels are likely to significantly reduce poverty and help people meet the cost-of-living. The often-used argument that increases in benefits and wage rates result in higher prices and thus fail to remediate poverty is not supported by academic evidence; multiple studies in the UK, North America, the US, and Hungary show that for every 10% increase in minimum wage rates, prices increased by 0.20% to 1.5%.<sup>46</sup>

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All of the hardship set out above is likely to be extended even further as we progress into a severe cost-of-living crisis, which is expected to increase bills and taxes by £1200 from April 2022.<sup>47</sup> This dire situation will mean even more people across the UK will struggle to afford the necessities.

In light of the above, buying or replacing more expensive 'big ticket' items such as essential furniture and white goods will become even more difficult for people on low incomes.

Research by anti-poverty charity *Turn2Us* in 2019 highlighted the scale of appliance poverty in the UK. They found '1 in 7 households with an income on or below £35,000 lived without at least one essential household item' (2 million households); 3% did not have a fridge, 6% did not have a washing machine and cooker, and 9% were living without a freezer.<sup>48</sup>

Furniture and appliance poverty is most acute for those who are entering a new property with nothing, i.e., those escaping homelessness; fleeing domestic violence; care leavers; young adults moving into a property for the first time; or those granted asylum.

End Furniture Poverty's research suggests that for people on low incomes, acquiring 'big ticket' items such as a bed, cooker or washing machine is particularly difficult.<sup>49</sup> Excluding support from LWA schemes, we found people are forced to rely on an inadequate patchwork of options, primarily consisting of the grant-giving sector, borrowing from high-interest lenders, friends/family, the reuse sector, or exploitative rent-to-own stores.<sup>50</sup>

The vital necessity of items such as a bed or fridge/freezer pushes people towards some of the worst options which can compound and prolong poverty, with the use of high interest borrowing particularly concerning. Studies have consistently shown the harmful mental health and wellbeing impact of debt, including the link between debt and suicide.<sup>51</sup>

If people decide not to take on extra debt, or they are unable to secure a loan/a rent-to-own item (both of which can compound existing debt issues), they have no alternative but to 'live without', often for extended periods of time. There is also a 'poverty premium' attached to living without the essential items, such as the cost of having to use a laundrette.<sup>52</sup>

Participants in our previous study laid bare just how incredibly distressing 'living without' can be. Indeed, a plethora of studies indicate that living without essential items such as a bed, fridge, cooker and washing machine is **harmful** to our **mental, social, physical, and financial wellbeing**.<sup>53</sup>

Local Welfare Assistance is an essential element of the social security apparatus; it can quickly respond to individual cases of destitution by providing a single grant in the form of cash, a voucher, or the direct provision of essential items such as a fridge/freezer or bed. While LWA grants are a way in which local authorities can quickly remediate some of the most harmful effects of destitution, persistent underfunding of schemes across the majority of England has potentially left millions of people without the help they need.<sup>54</sup>

Annual research and policy analysis by several anti-poverty charities (i.e., the *Centre for Responsible Credit*, *The Children's Society*, *Greater Manchester Poverty Action*, *Church Action on Poverty*, and more) has repeatedly documented the gradual decline in LWA across most of England.<sup>60</sup> And, while LWA is well funded by a small number of local authorities, most schemes are underfunded, with many providing only threadbare support and some areas have no support at all. This inadequacy places a large burden on third sector grant-giving charities which are simply unable to meet the demand for Local Welfare Assistance in England.

With growing numbers of people unable to meet the rising cost-of-living, LWA required major reform, even before the arrival of Covid-19 to our shores. The impact of the pandemic, and the possibility of future hardship brought by new variants, plus the significant cost-of-living increases in 2022<sup>61</sup>, means a long-term funding settlement for LWA has never been needed more.

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We know from previous economic crises that their effects are felt for many years after the initial shock; real-terms wage growth has been largely stagnant over the years since the 2008 global financial crisis, regularly entering minus figures.<sup>55</sup> In fact, average real terms wages in November 2021 were £19 per week lower than in November 2008.<sup>56</sup>

Unlike the singular and prolonged shock of the financial crisis, Covid-19 has brought about repeated hits to our economy, to people's lives, and their ability to afford the basic essentials. Average earnings since the start of the pandemic have fluctuated wildly as lockdowns and Government support were introduced and removed.<sup>64</sup> Despite understandable assumptions made about life after the vaccine rollout, the emergence of new variants has reaffirmed that the pandemic, and its impact, is likely to continue into the foreseeable future. This prolonged impact of the pandemic, in addition to the growing cost-of-living crisis, is a central reason why a long-term settlement for LWA is urgently needed. The Government's oft-stated commitment to 'Levelling-Up' is also at serious risk without additional investment in LWA. No matter what the state of the national economic outlook may be at any one point in time, almost anyone can experience a crisis and need ad hoc and one-off support from LWA; even before the crisis, only two local authorities (Islington and Liverpool) provided similar levels of crisis support to that seen across the devolved nations.

The vital need for LWA has been acknowledged and recognised by the Government, which provided significant and welcomed funding for LWA over the course of the pandemic. However, as this report reveals, only a fraction of this funding was spent on Local Welfare Assistance. We urge the Government to provide local authorities with a long-term funding settlement to give them the certainty to expand on their schemes and reopen schemes where they have closed and, crucially, to ensure this funding is ringfenced to ensure any such funding is primarily spent on LWA schemes rather than, for example, free school meal vouchers, which while vital, should be funded from alternative sources.

In the following chapters of this report, we present our findings from an in-depth look at Local Welfare Assistance during the first year of the pandemic. The findings show that despite additional Government funding, Local Welfare Assistance remains at breaking point across the majority of England and needs urgent reform.

## The financial impact of the pandemic on local authority finances and the response from the UK Government

### 2020/21

For local authorities, the pandemic has brought about significant pressure on services, many of which had been scaled back or closed altogether as a result of pre-pandemic austerity policy. As put by the IFS, 'the coronavirus crisis is the perfect storm for councils, simultaneously increasing spending and reducing revenue-raising capacity'.<sup>57</sup> The Government recognised local authorities would need emergency funding, responding with several grants amounting to £9.38bn across 2020/21.<sup>58</sup> £4.78bn of this additional funding was for specific purposes such as Covid testing and management, support for the clinically vulnerable, and funding for homelessness remediation.<sup>59</sup> A further £4.61bn of unringfenced funding was provided to reinforce local authorities' overall finances.<sup>60</sup>

However, this additional funding was still well below the losses shouldered by local authorities as a result of Covid-19.<sup>61</sup> A recent report by the NAO found 75% of local 'authorities have reported a 'funding gap' in terms of their forecast pressures and estimated Government support'.<sup>62</sup> Crucially, they found '94% of chief finance officers in [their] survey from single tier and county councils expect to make cuts in services budgets in 2020-22'.<sup>63</sup>

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Recognising the inadequacy of the current social security system to protect people from poverty and severe hardship, the government provided £233m in 2020/21, split across two separate grants, for Local Welfare Assistance: the Emergency Assistance Grant for Food and Essential Supplies (EAG) and the Covid Winter Grant (CWG).

The £63m EAG funding was announced early July 2020 with the 'expectation', (outlined in the accompanying guidance), that the money would be spent by the end of October 2020. This funding was not ringfenced (albeit some LAs were required to provide some figures indicating how the funding was spent).<sup>64</sup> The guidance gave local authorities considerable flexibility around 'how to identify and support those most in need'.<sup>65</sup>

Presumably in recognition of the fact that 25 local authorities had no LWA scheme in 2019/20, and many schemes provide threadbare support, this grant was not limited to being spent on 'existing schemes', but also 'other support which [delivers] the same outcomes and where the need is greatest'.<sup>66</sup> All upper tier LAs received a proportion of this funding, regardless of whether they operate an LWA scheme.<sup>67</sup>

The second and final fund of 2020/21 was the £170m CWG, which was intended to cover December through March 2021.<sup>68</sup> Unlike the EAG, which was provided by Defra, the Covid Winter Grant was the first to be delivered by the DWP. Subsequent funds were also provided by the DWP, which we hope reflects a Government decision to place responsibility for LWA within a single department. Moving responsibility between departments creates continuity issues and confusion.

Guidance accompanying the CWG was significantly more detailed with regards to how the grant could be spent and the UK Government placed stricter data and monitoring requirements on local authorities. Unlike the EAG, this funding was ringfenced on two levels. On the first level, 80% could be used to provide support to 'vulnerable households with children' and 20% to 'vulnerable households without children'.<sup>69</sup> On the second level, 80% was 'ringfenced to provide support with food, energy and water bills for household purposes (including drinking, washing, cooking, central heating, and sanitary purposes) and sewage'; the remaining 20% was permitted to cover 'other essentials clearly linked to the scheme[s] conditions (including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens), in recognition that a range of costs may arise which directly affect a household's ability to afford or access food, energy and water'.<sup>70</sup>

## 2021/22

For the first half of April 2021, the Government extended the CWG by £59.1m.<sup>79</sup> This was followed by the £40m COVID Local Support Grant (CLSG), which was intended to cover the latter two weeks of April through to 20 June 2021. This was further extended by £160m to cover the period 21 June to 30 September 2021. The guidance issued alongside these funds was almost identical to the CWG, with the same ringfencing and monitoring requirements as before.

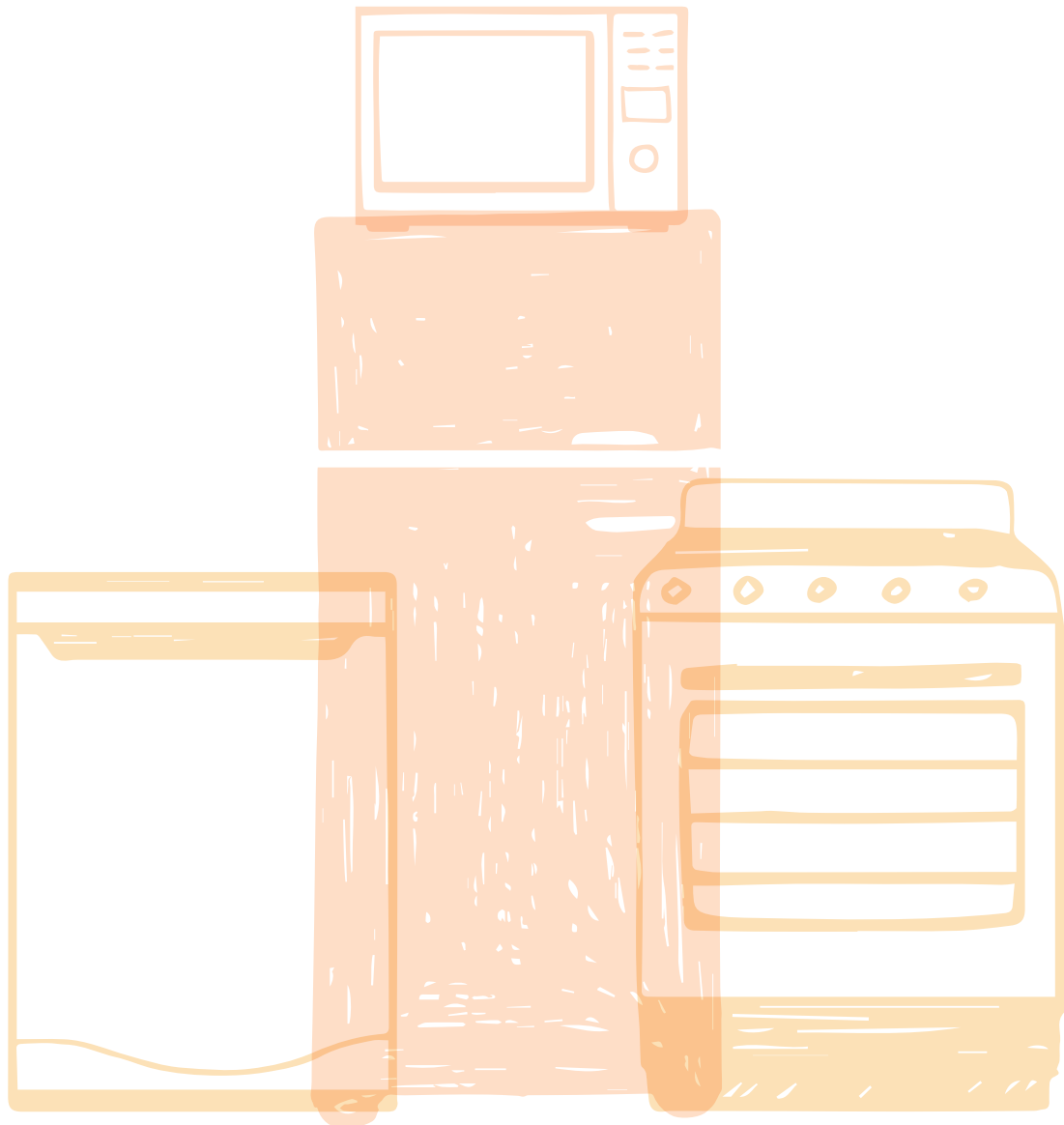
The most recent fund announced is the £500m Household Support Fund (HSF) covers the period 6 October 2021 to 31 March 2022.<sup>71</sup> Devolved administrations also received a proportion of this funding, with England receiving £421m.<sup>72</sup> While this is a significantly greater sum of money than previous grants, consideration of the broader political context is essential. This funding was announced the day before the Government's much criticised decision to cut Universal Credit by £20 per week was implemented; a political decision which is expected to push 600,000 more people into poverty (see page 17).

The UC cut is highly likely to increase demand on LWA, and many other local support options, such as foodbanks, while the **£500m HSF is just 8.3% of the £6b cut to Universal Credit**, so offers totally inadequate compensation. Local Welfare Assistance exists to provide single

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one-off grants to people facing acute and severe destitution, it is not a suitable mechanism for the longer-term remediation of the millions of people in persistent poverty, nor is it able to provide adequate support to the 600,000 who will be pulled into poverty because of this policy decision. It is crucial to recognise that, even while the £20 uplift was in place, additional funding for LWA was needed to address the rising number of people were falling below the Minimum Income Standard.

For LWA to provide ad hoc support to those who need it in a time of crisis, it must first be adequately funded, and not be overwhelmed by the consequences of policy decisions which lead to rapid rises in demand. We and a collaboration of several other anti-poverty charities urge the Government to both increase Universal Credit, and ensure there is an adequate Local Welfare Assistance safety net to support those facing acute crisis. Finally, a report by the NAO in 2016 found a '£500,000 [spend on LWA awards led] to a total estimated combined saving for central and local Government of £9.7 million', so there is a strong fiscal, as well as 'levelling-up', argument for LWA investment.<sup>73</sup>



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## Part II: Findings

In this section we present the findings from our analysis of data gathered from FOI responses, in addition to several publicly available datasets. Given that the level of crisis support in England has fallen far behind the devolved nations over the past decade, our analytical scope was primarily limited to Local Welfare Assistance (England). For comparison purposes, however, some analysis of crisis support in Wales, Northern Ireland and Scotland is included.

### The number of operational LWA schemes across England in 2020/21

In 2020/21, the first year of the pandemic, 30 English local authorities did not operate a Local Welfare Assistance scheme. In 2021/22, Slough Borough Council ceased providing LWA - due to a Section 114 notice limiting their spending to statutory services only – and local government reform in Northamptonshire, bring the total number of local authorities without a scheme to 32 (as of July 2021). As of 26 November 2021 at least 1 in 5 local authorities no longer operated a Local Welfare Assistance scheme, an increase on previous research by The Children’s Society, which found 1 in 7 did not have a scheme in 2018/19.<sup>74</sup>

The combined ONS mid-2020 population estimates for these local authorities without a scheme as of 26 November 2021 totals 13.06m, meaning almost 1 in 4 people in England now live in an area without a Local Welfare Assistance scheme, an increase on 2019/20, when 11.4m (1 in 5) people had no recourse to crisis support.

This stands in stark comparison to Wales, Scotland and Northern Ireland, where crisis support can be accessed by all citizens who meet their eligibility criteria.

**Table 1: Upper-tier local authorities in England without a scheme (as of 11/10/21 with new additions in red)**

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Bexley	Kingston Upon Thames	Oxfordshire	<b>Southampton</b>
<b>BCP*</b>	<b>Leicestershire</b>	<b>Peterborough</b>	Staffordshire
Devon	Lincolnshire	Plymouth	Stoke-on-Trent
East Sussex	North East Lincolnshire	Portsmouth	West Berkshire
Hampshire	North Lincolnshire	Reading	West Northamptonshire
Hillingdon	North Northamptonshire	Redbridge	West Sussex
Isle of Wight	Nottingham	<b>Rotherham</b>	<b>Wolverhampton</b>
Isles of Scilly	Nottinghamshire	<b>Slough</b>	Worcestershire

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\*BCP – Bournemouth, Christchurch and Poole

In comparison to 2019/20, 7 additional local authorities were classified as not having an operational scheme. This rise is the result of scheme closure, two new local authorities (local Government reform in Northamptonshire), in addition to the reclassification of several schemes which deviated significantly from the consensus set out on page 15.

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## Reclassifications

Bournemouth, Christchurch and Poole Council provided data suggesting they had a scheme. Their answers to our survey, however, indicated almost all their expenditure was on the provision of advice, rather than grants. In addition, this service was available to Poole residents only. This scheme therefore deviated significantly from the consensus outlined on page 15 and, for the first time, was not classified as an LWA scheme.

The information gathered via our FOI requests, and our website analysis, suggested Rotherham, Peterborough and Wolverhampton do not have a Local Welfare Assistance scheme to which someone can apply. On the contrary, they provide funding to various third-party organisations for them to amplify the support they already provide (e.g. increasing local foodbank capacity). For the first time – given they deviated significantly from the consensus set out on page 15 – we determined these local authorities did not have a scheme. **See Appendix A, which explains our reasonings behind all 32 ‘no scheme’ determinations in more detail.**

It should be noted that Northamptonshire County Council ceased to exist since the start of 2021/22, splitting into two new upper-tier local authorities: North Northamptonshire and West Northamptonshire. Northamptonshire did not have an LWA scheme in 2020/21 and FOI responses from the two new authorities indicated they also do not operate schemes.

A minority of local authorities without a scheme told us that they did use additional Government funding (the EAG and CWG) to provide direct grants to those affected by the pandemic. However, this provision was not via a new Local Welfare Assistance scheme to which members of the public could apply for a grant. Rather, additional Covid-related funding was allocated to various departments, namely Children’s Services or Adult Social Care, allowing staff to distribute targeted grants amongst existing clients.

## Consensus outliers

Several local authorities, despite meeting the broad consensus of LWA outlined on page 15, fell short on one of the 5 elements of that consensus, but were still determined to have a scheme. The most common deviation was with regards to whether an individual could apply themselves, that is, without the need for a support worker to either make, or support, an application. In total, we found eleven local authorities with a scheme did not allow a member of the public to apply by themselves, instead requiring a referrer to make support the application on their client’s behalf.

**Table 2: Local authorities with schemes to which an individual cannot apply, referral only schemes (as of 11/10/21)**

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Blackpool	Lancashire
Bromley	Newcastle
Cambridgeshire	North Yorkshire
Darlington	Rochdale
Enfield	Suffolk

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In addition, five local authorities also deviated to reporting zero core spend on LWA in 2020/21, instead using additional monies provided by the Government to fund their schemes. While this is unproblematic in and of itself, if core funding has been diverted away from their schemes to another council service, there is the risk of that funding not returning to LWA in the future.

**Table 3: LAs which did not use any of their core spending power to fund LWA in 2020/21**

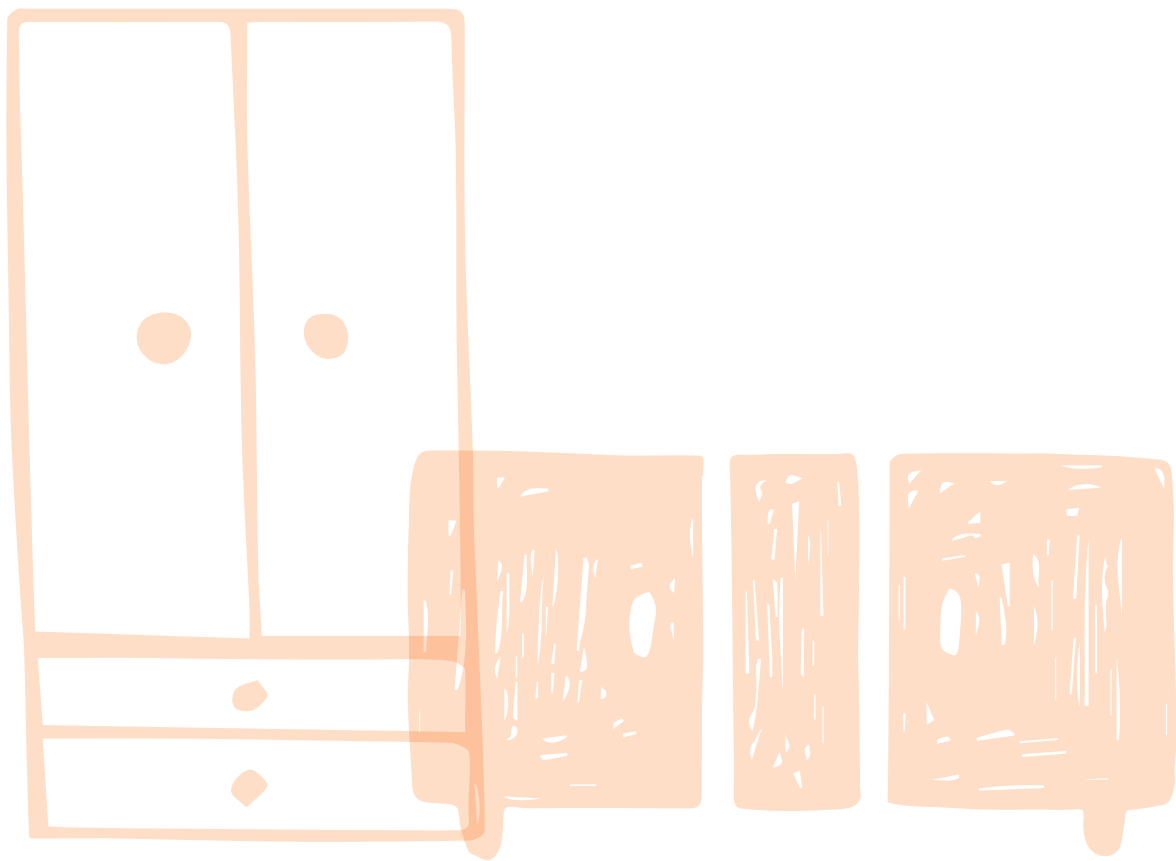
Cumbria	Herefordshire	Sefton
Dudley	Hertfordshire	

**Table 4: Reversing the trend? New schemes in 2020/21 (as of 11/10/20)**

Barking & Dagenham	Haringey	Suffolk
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Table 4 shows the three local authorities which created new LWA schemes in 2020/21. These schemes were either wholly or partly funded by each authority’s core spending power, as opposed to Government grants, under Section 31 of the Local Government Act 2003. All three local authorities told us they plan to continue their schemes in 2021/22 and provided us with budget figures. However, as we can see in Table 2, individuals and families are unable to apply Suffolk’s new scheme making it an outlier of the broader consensus.

It is encouraging to see these local authorities are now acknowledging the importance of LWA, and demonstrates that with enough political will, the decade-long decline in Local Welfare Assistance spend can be reversed.





## Crisis support spend in 2020/21

The findings presented below show the amount English local authorities spent on LWA in 2020/21, in addition to comparative analysis of the devolved nations. The figures presented are to be taken with caution, given the complexities introduced by additional Covid funding provided by the Government in response to the pandemic. To ensure the figures presented below were as accurate as possible, we submitted a second FOI request to verify additional Covid-19 funding had not simply added to the LAs reported LWA spend figure, unless it was indeed spent on LWA. This occurred in 8 cases; their figures were corrected using data from the second FOI request.

**Figure 1: Expenditure on comparative crisis support in 2010/11 and 2012/13 and on LWA from 2015/16, England**

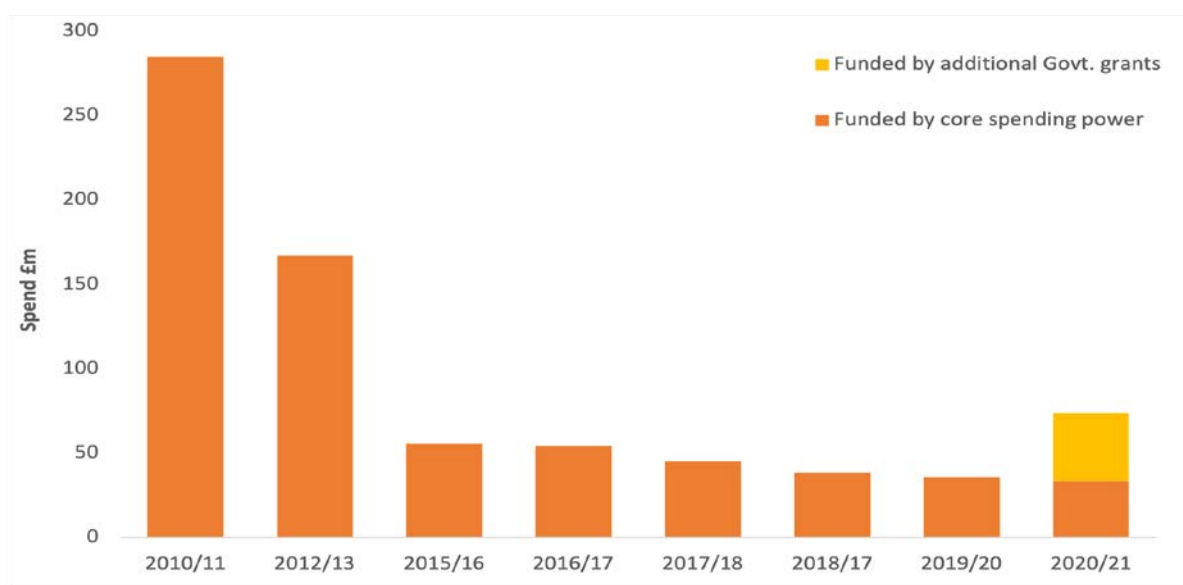


Figure 1 shows that in 2020/21, expenditure on Local Welfare Assistance across England increased for the first time in 10 years. Our findings suggest Local Welfare Assistance expenditure has more than doubled (106%) on the previous year. While this increase is welcomed, there are three key points to consider alongside this finding.

Firstly, only approximately 45% of the total amount spent on LWA in 2020/21 was funded by local authorities' core spending power. In total, local authorities spent similar levels of their core spending power on LWA than they did in the previous year. Without additional Government funding in the future, we fully expect local authorities to revert to this lower level of spend.

Secondly, our findings show that approximately £40.2m of the 4.62bn the additional funding provided by the Government for LWA was spent via LWA schemes (as set out on page 29) in the first year of the pandemic. As we discuss on page 28, a large proportion of this funding was distributed to foodbanks and used to provide vouchers relating to FSM.

Thirdly, this finding should be considered alongside both historical spending levels and associated economic contexts. In 2010, around £285.1m was spent on elements of the DSF which were comparable to LWA. While it is difficult to compare the economic impact of the 2008 crash and the Covid-19 pandemic, both crises ushered in periods of heightened need and hardship for millions of people. Despite the hardship brought about by both crises, expenditure in the first year of the pandemic was approximately 74% lower than what was spent on comparable elements of the Discretionary Social Fund in 2010/11. With that in mind, it is likely the £73.6m spend in 2020/21 significantly failed to meet demand, potentially leaving millions of people without LWA support.

**Table 5: Spend Per Capita Across England, Scotland, Wales and Northern Ireland; 2019/20 to 2020/21**

	Total Spend 2019/20	Total Spend 2020/21	Per Capita 2019/20	Per Capita 2020/21	Per Capita Increase
England	<b>£35.8m</b>	£73.6	£0.64	£1.30	<b>£0.66</b>
Scotland	<b>£37.6m</b>	£49.5	£6.89	£9.05	<b>£2.17</b>
Wales	<b>£13.2m</b>	£25.6	£4.19	£8.07	<b>£3.88</b>
Northern Ireland	<b>£12.9m</b>	–	£6.81	–	<b>*</b>

Table 5 shows the amount spent per capita in England, Wales, Scotland and Northern Ireland. The figures show Wales saw the largest increase in expenditure per capita, followed by Scotland. Despite substantial and meaningful funding from the Government for LWA, this analysis suggests a major failure to channel this money into LWA schemes in England. As previously stated, the Department for Communities in Northern Ireland did not provide expenditure figures for 2020/21, so we are unable to include their figures at this time.



## Additional Funding for LWA in England and the Need for a Long-Term Funding Settlement

Much welcomed funding was provided by the Government in response to the hardship brought about by the pandemic, including the additional funding specifically for LWA. As of 1 July 2021, the Government has provided 6 grants, varying significantly in both the total amounts provided and the number of days over which the money was required to be spent. Government guidance suggests unspent funding would be recouped.

**Figure 2: Daily Value of Additional Government Funding for LWA, England**

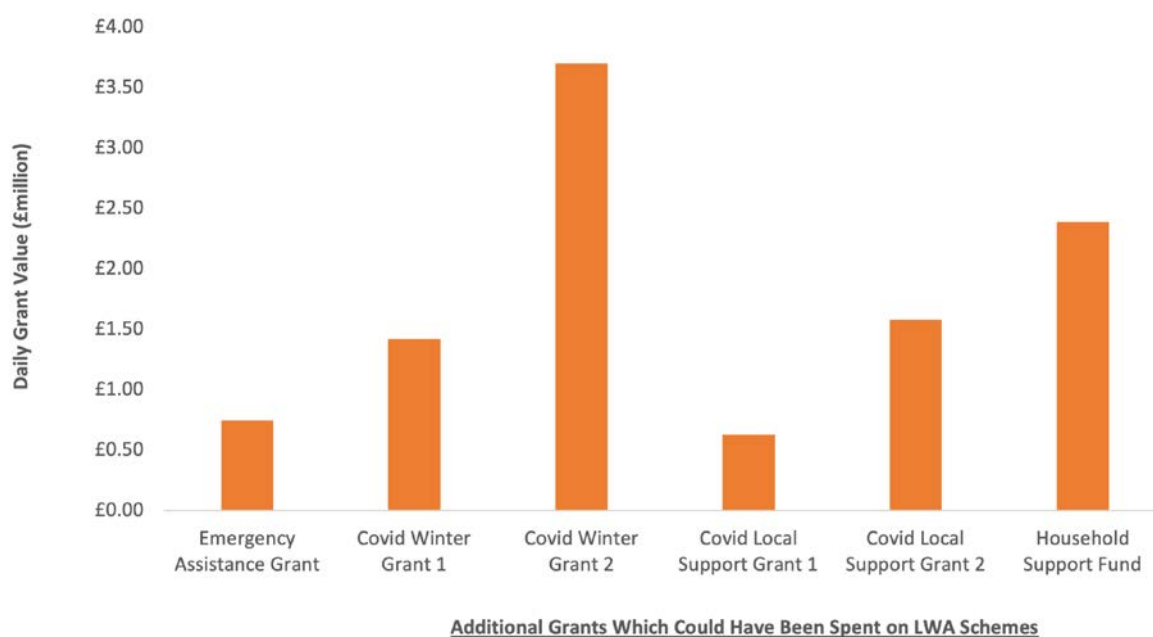


Figure 2 shows the value of each grant divided by the number of days over which it had to be spent. We can see daily value of each grant fluctuated greatly. The lowest value grant was the Covid Local Support Grant which had a value of £40m and had to be spent over 64 days; on the other hand, the second Covid Winter Grant was £59.1m, which was specified to cover a period of 16 days.

**Table 6: Days Between the Announcement of Additional LWA Funding Grants and the Spending Deadline, England**

Grant	Total Value	Days Between Announcement and Scheme Start Date	Days Between Start Date and Scheme Deadline
Emergency Assistance Grant <sup>86</sup>	<b>£63m</b>	29	84
Covid Winter Grant 1	<b>£170m</b>	23	120
Covid Winter Grant 2	<b>£59.1m</b>	20	16
Covid Local Support Grant 1	<b>£40m</b>	3	64
Covid Local Support Grant 2	<b>£160m</b>	-1	101
Household Support Fund <sup>87</sup>	<b>£421m</b>	6	176

Table 6 shows the amount of time between the announcement of each grant and the date in which the scheme began (the date from which LAs were expected to begin spending the additional funding). We can see the length of time between the announcement and the start date of the fund (how long local authorities had to plan to spend the funding) was very short in most cases and fluctuated wildly. The second Covid Local Support Grant, for example, was announced a day after the scheduled start of the scheme.

Over the past decade, LWA has been decimated across England, many local authorities have closed their schemes, while others have dramatically scaled them back. In 2020/21, the EAG and CWG totalled £233m, which is almost 6 times what was spent on LWA in 2019/20. In their pre-pandemic state, most Local Welfare Assistance schemes were simply not in a position to receive and spend large amounts of funding in such short notice and over a short period of time.

In order to avoid money being recouped by the Government, local authorities distributed the funding to various third party organisations. While this is not necessarily an issue in itself, it meant that the funding was not targeted at those most in need which the typically robust LWA application processes would ensure.

**Figure 3: Approximate LA Expenditure of the Emergency Assistance Grant and Covid Winter Grant (categories in which more than 5% of the total funding was spent), England**

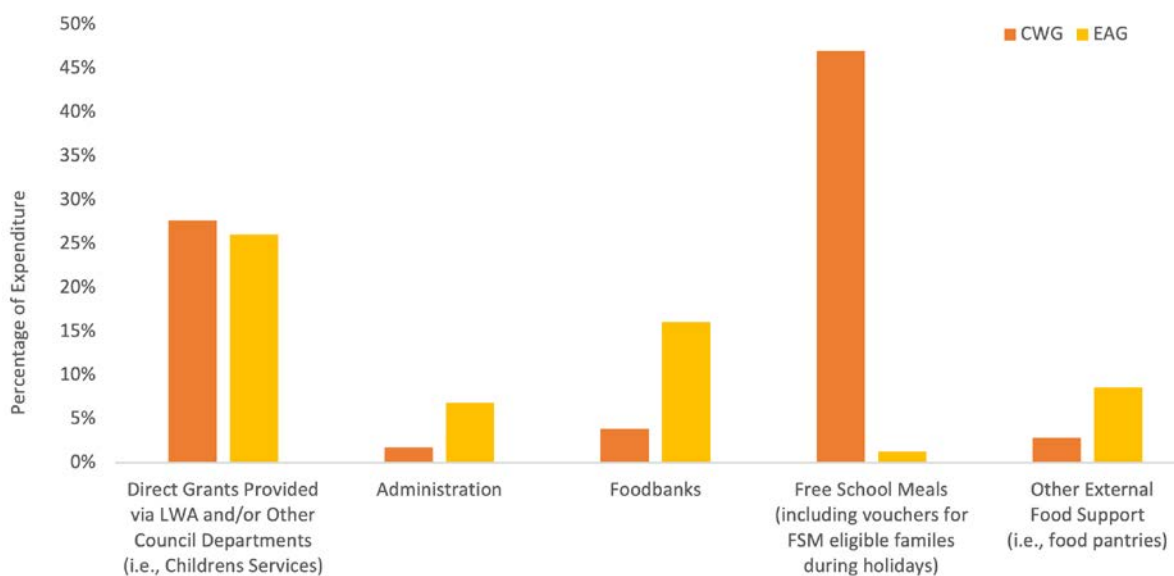


Figure 3 shows estimated areas on which the Emergency Assistance Grant and the Covid Winter Grant were spent. Due to difficulties around data collection, the findings presented in Figure 3 should be taken with caution, however, they do provide a useful approximation of how the additional Covid funding was spent.<sup>75</sup>

Our findings reveal that local authorities used the two grants in a wide variety of ways. While the vast majority of the funding was spent on the 5 areas seen in Figure 3, there were a further 19 categories of expenditure on which less than 5% of the additional funding was spent. Some examples of these categories were the provision of internal and third party (e.g., the CAB) benefits, money and debt advice; funding to credit unions; funding to district councils; homelessness prevention; help for people with NRPF; and furniture reuse organisations.

Figure 2 shows around a quarter of the total funding was used by local authorities to directly provide awards to individuals and families. This figure included all direct awards - those provided via LWA schemes and other grants provided through other council services; the most cited of these services were Childrens Services and Adult Social Care. These non-LWA scheme grants were often targeted to individuals receiving various benefits i.e., a supermarket voucher for all recipients of Discretionary Housing Payments.

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The majority of the money available to local councils was spent on some form of food support. Almost half of the CWG was spent on Free School Meals (FSM), either through the provision of a direct food voucher for FSM eligible families, or by providing the funding to schools for the provision of food support. The remaining food support was primarily delivered by local authorities redistributing the funding to foodbanks, and other local voluntary community sector (VCS) organisations providing food support (e.g. food pantries). In comparison, the EAG was more evenly spread across all 24 categories of support, with only a small proportion spent on FSM.

The EAG and CWG carried the implication that LWA was to be adequately funded in 2020/21, however, its widespread redistribution into the provision of non-LWA support, such as FSM vouchers, meant that this was not the case. And while FSM provision is vital, other funding was provided for FSM over the course of 2020/21 (e.g. via the FSM Supplementary Grant and the Covid Summer Food Fund); we believe any additional funding which was needed should have been provided through such channels.

Despite this funding being classified as Local Welfare Assistance in the guidance,<sup>76</sup> and a widely held expectation this funding would be spent through LWA schemes, our findings suggest most of this funding was not used in this way. The £40.2 million increase in funding for LWA in 2020/21 is only 17% of the CWG and EAG combined, and approximately 0.008% of the £4.84bn<sup>77</sup> additional funding (which could have been spent on LWA) provided by the Government for 2020/21.

### Household Support Fund Example - Enfield Council

The following is an excerpt from Enfield council's Financial Hardship webpage, showing the grant was not spent on their LWA scheme to which people could apply for support. On the contrary, the text suggests the Household Support Fund has been used to provide Free School Meals during holiday times and targeted one-off payments. While the council indicated they do have an LWA scheme in their responses, and there is a link to an application form, there is no information on what kind of support one is applying for, nor any specific reference to Local Welfare Assistance. The only information available on their LWA scheme is highlighted in bold below.

*"The Department for Work and Pensions (DWP) has provided £2,847,994 funding to Enfield Council to support residents this winter (6 October 2021 to 31 March 2022) with food, energy, water bills and other essential costs.*

*At Enfield this funding will be targeted (not claimed) by:*

- sending food vouchers to all children from Enfield schools that get Free School Meals, and need support with food and uniforms, to cover the holiday periods during October 2021, Christmas 2021, February 2022, and Easter 2022. See Schools Household Support Fund FAQ (PDF).*
- sending a one-off payment of £100 through PayPoint to those most in need, using information we hold about people receiving Housing Benefit, Council Tax Support and Universal Credit. Payments will be sent before Christmas and paid in March 2022. See PayPoint Cash Vouchers FAQ (PDF) and Household Support Fund FAQ (PDF).*

*If you don't receive this targeted support but are in financial hardship, please read the rest of the information on this page to see what advice and support is available for income and debt issues.*

*If after reading this, you need further help, you can complete a referral form. The Welfare Advice and Debt Support team will make contact to see what help they can give you."*

The evidence presented above clearly indicates that LWA schemes need a firm continuity pledge of funding to expand on their current schemes, or reopen them in those areas where they have closed. The funding should be clearly ringfenced, to prevent the funding from redistribution to various third parties for them to amplify the support they already provide. Local Welfare Assistance enables any member of the public, including those not engaged in third party support, to apply for a grant to help in times of crisis. This ensures any member of the public has recourse to LWA, regardless of where they happen to live.

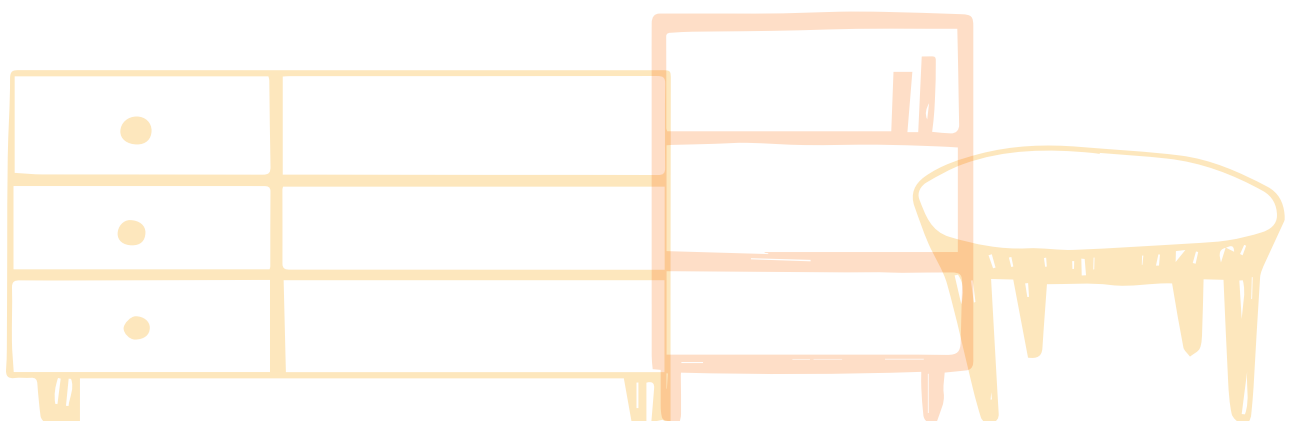
## Per Capita Spend on LWA, England

As a result of additional Covid funding from the Government, per capita expenditure on LWA was £1.30, compared to £0.64 per capita in the previous financial year. The amount English local authorities spend per capita varied considerably; in 2020/21, spend ranged from £9.89 to less than £0.01. The median amount spent by local authorities was £0.79.

**Figure 4: Local Authority Spend Per Capita on LWA schemes, 2019/20 and 2020/21, England**



Figure 4 shows local authority spend per capita across a range of brackets. We can see a number of local authorities increased their spending by enough to move them into a higher spending bracket; the proportion of LAs spending between £0.01 to £1.99 decreased in 2020/21 while the percentage of LAs spending more than £2 per capita increased. In total, however, only 32% of local authorities with a scheme increased their spending by enough to move them into a higher spending bracket in 2020/21.



Given the significant levels of funding provided to local authorities in 2020/21, it is concerning to see around half of all local authorities in England - including those with and without a scheme - spent less than £1 per capita on LWA during the pandemic and 68% of schemes did not increase funding to a level significant enough to move them into a higher per capita spend bracket. This serves as further evidence that while some local authorities greatly increased their spending, the majority did not channel significant levels of their EAG and CWG allocations into their LWA schemes.

**Figure 5: Change in Spend Per Capita by % of Operational Schemes, 2019/20 - 2020/21, England**

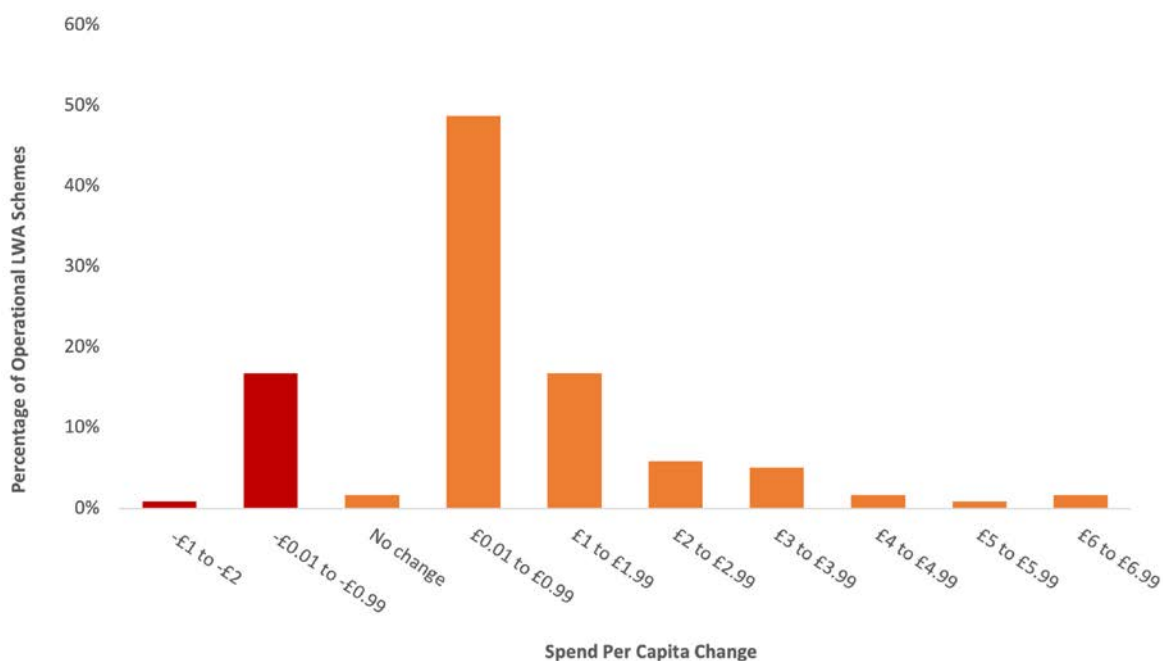
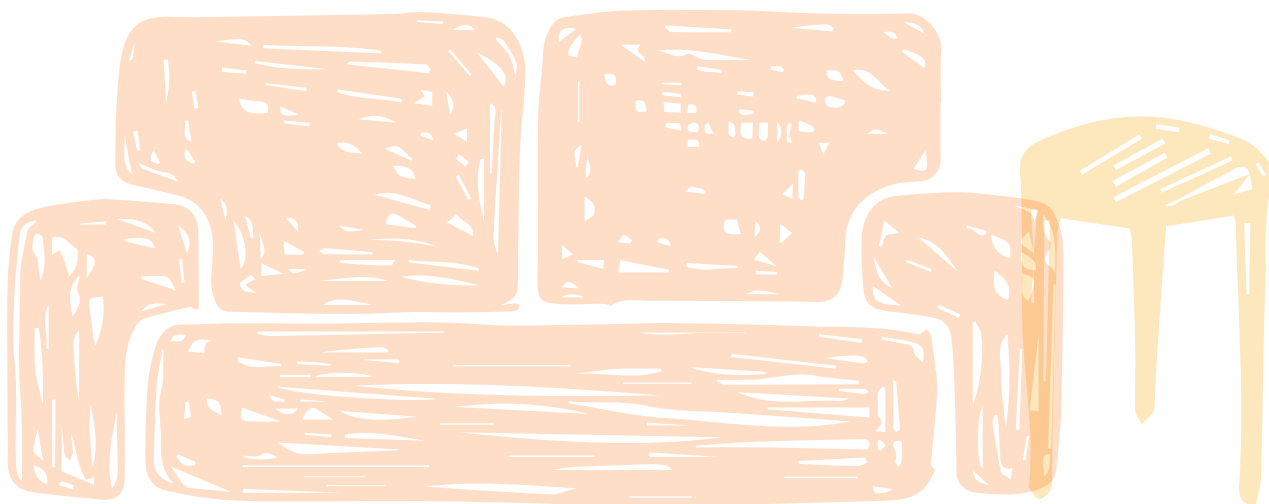


Figure 5 shows the percentage of local authorities which increased or decreased their spend per capita, again across different brackets. Worryingly, almost 1 in 5 (18%) of operational schemes decreased their expenditure between 2019/20 and 2020/21, despite the impact of the pandemic and the additional funding provided by the Government.

While 32% of operational schemes increased their per capita spend by more than £0.99, 49% increased their spending by just £0.01 to £0.99. Only 15% of schemes saw an increase of more than £2 per capita. This reflects our earlier finding that most of the additional Government funding was not spent through LWA schemes.



## Deprivation Analysis of Crisis Support (England, Scotland and Wales)

Deprivation analysis was conducted to explore whether LWA expenditure correlated with deprivation in 2020/21. In other words, the extent to which more is spent in areas with higher levels of deprivation, and less is spent in areas with lower levels of deprivation.

In our previous report, we found LWA spend was correlated with deprivation, with more being spent in the more deprived areas. However, this correlation was imperfect, with major differences between some of the most and least deprived local authorities. For instance, LWA expenditure in the 6th most deprived areas was considerably higher than what was spent in the 2nd most deprived areas.

**Figure 6: Per Capita Spend by Deprivation Decile on Local Welfare Assistance Schemes, 2019/20 - 2020/21; and the % Increase on Previous Year, England**

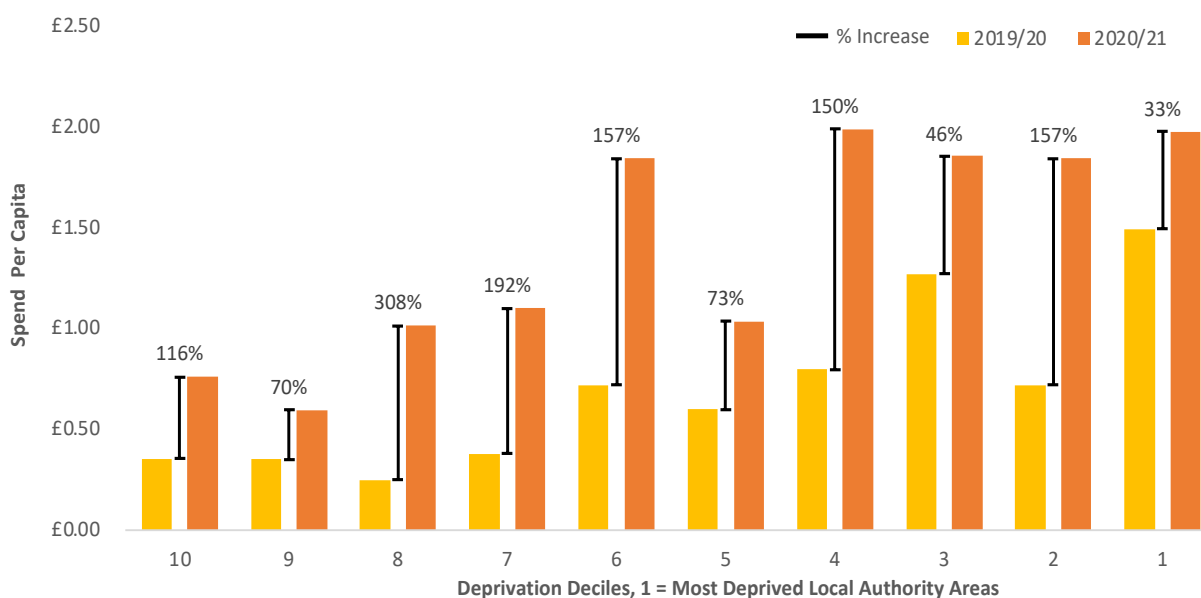
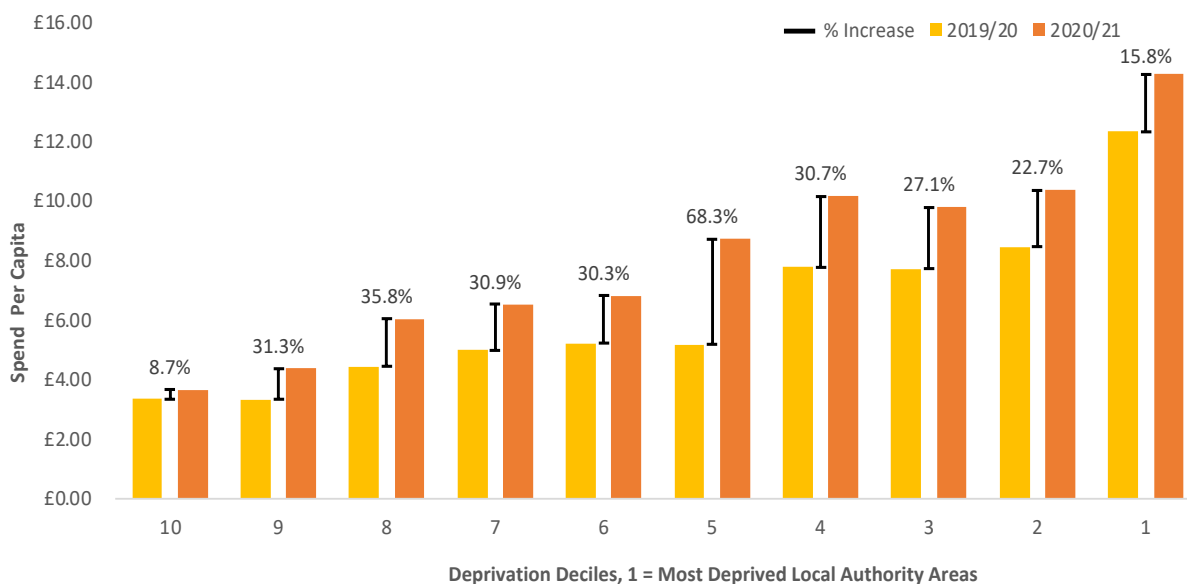


Figure 6 shows that expenditure on Local Welfare Assistance in 2020/21 increased across every decile. However, the amount of increase was not distributed evenly; for example, expenditure in the most deprived decile only increased by 33% (£0.49 per capita) compared with the 4th most deprived areas, which saw a 150% (£1.19 per capita) increase.

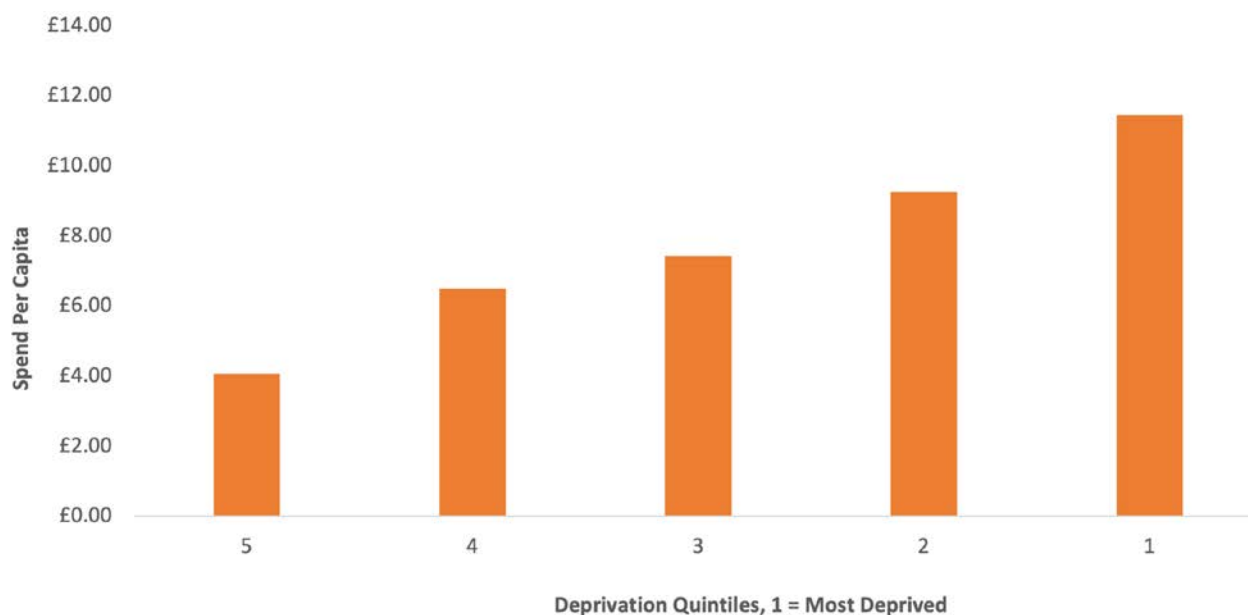
Analysis of our second FOI responses suggests these disparities are attributable to differences in the way additional Government funding was spent by local authorities.



**Figure 7: Per Capita Spend by Deprivation Decile on the Scottish Welfare Fund, 2019/20 - 2020/21 and the % Increase on Previous Year, Scotland**



**Figure 8: Per Capita Spend by Deprivation Decile on the Discretionary Assistance Fund, 2020/21, Wales**



For comparative purposes, deprivation analysis of the Scottish Welfare Fund and the Welsh Discretionary Assistance fund was conducted for the first time.

While it is encouraging to see there is some correlation between both LWA spend and deprivation in England, by comparing figures 6, 7 and 8 we can see that the strength of this correlation in England is much weaker than that observed across the devolved nations.<sup>91</sup> In other words, expenditure on comparative support in Scotland and Wales is higher in the areas with the greatest need.

The extent to which English local authorities increased LWA spend during the first year of the pandemic was also not evenly distributed across deprivation deciles. As a result, analysis of the data confirmed the correlation between expenditure and deprivation was statistically weaker in 2020/21 than 2019/20, meaning the extent to which spend was higher in more deprived areas than less deprived areas was slightly weaker than the previous year.

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The increase in Government funding has, however, helped level the playing field and partially reduce geographical differences in the three most deprived areas of England. In 2019/20, the second most deprived decile was left behind, outspent significantly by its less deprived counterparts. In 2020/21, however, several local authorities in these areas were able to significantly raise their expenditure on LWA, bringing this decile more in line with the 3rd and 1st most deprived areas. That being said, the 2nd most deprived decile is still slightly lower than the 3rd, and the 1st most deprived decile saw only a relatively modest increase in comparison to other less deprived areas.

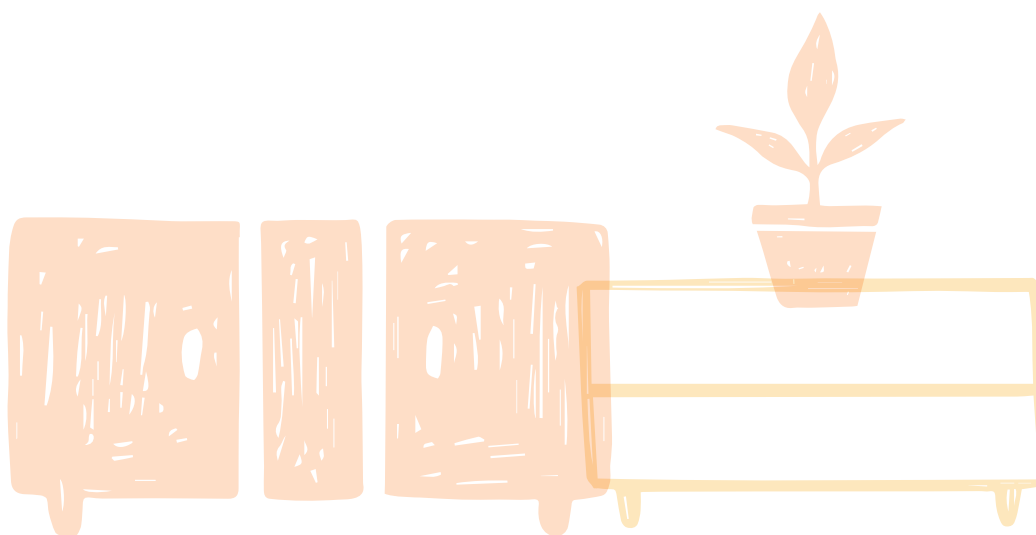
While deprivation analysis is useful in determining the extent to which expenditure is correlated with deprivation, it should be remembered that it presents a broad overview of the data. The use of deprivation deciles hides some significant differences between how much individual local authorities spend within those deciles. Indeed, as we highlighted above, while expenditure on LWA in England increased across all deciles, almost 1 in 5 (18%) of operational schemes decreased their expenditure.

On pages 16 to 19 we briefly considered how the pandemic exacerbated existing inequalities and accelerated the pre-pandemic trend of increasing numbers of people unable to meet the cost-of-living. While increases in applications, awards, and spend have been observed in 2020/21, the extent of the true level of need and thus demand for LWA is somewhat obscure; what level of spend per capita would be needed to meet demand for crisis support across England?

While it is difficult to devise an accurate estimation of the level of per capita spend required to meet demand across the deprivation deciles, the amount spent in the most and least deprived areas in the devolved nations can shed some light on this question.

Across Scotland's most deprived local authority area decile, per capita spend was £14.26 in 2020/21, this is around 7.6 times what is spent per capita across England's most deprived areas (£1.88). In fact, spend per capita amongst Scotland's least deprived decile (£3.65) was more than twice as much as England's most deprived decile. While we should be cautious making direct comparisons between crisis support expenditure and deprivation levels across the devolved nations of the UK, it is reasonable to assume similar levels of need for LWA in England and Scotland, given their similar levels of poverty. If we apply that assumption to the data, expenditure in England fell far short from meeting the true level of need amongst the population at large, this is especially acute across those areas with the highest levels of deprivation.

If we also assume the Scottish Welfare Fund is limited by funding, rather than demand, then expenditure in England's most deprived areas would need to be at least 7.6 times the amount spent in 2020/21. This equates to £559.4m in 2020/21, as opposed to the £73.6m actually spent.



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## Applications and Awards

Following the abolition of the Discretionary Social Fund, the number of awards across England fell by 86% between 2010/11 and 2019/20 in England.

In 2020/21, applications and awards increased alongside expenditure. The total number of applications received by English local authorities for LWA support increased by 91% in 2020/21.

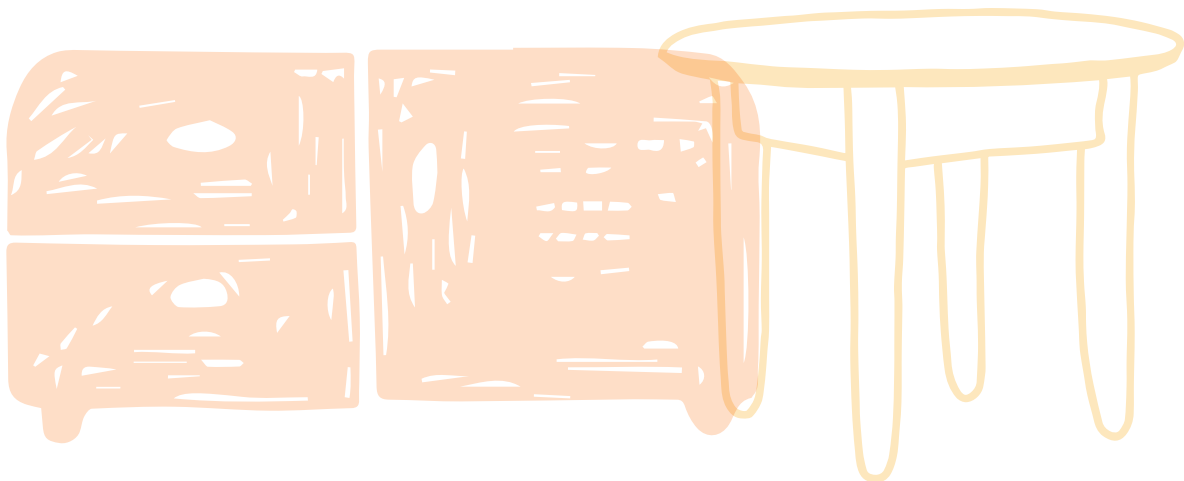
The number of awards made through LWA schemes also surged across England in 2020/21, increasing by more than 157% on pre-pandemic levels. This rise in awards, combined with insufficient spend on LWA, has resulted in a lower average award value in 2020/21. In total, 449,500 awards were made in 2020/21, compared with 182,200 awards made in 2019/20. However, the number of awards is still low by historical standards, falling far below the 2010/11 1.33 million awards made in 2010/11, and even 2012/13, when over 738,000 were made. The application approval rate was 79% in 2020/21, compared with 60% in 2019/20.

Given the scale of the impact of the Covid-19 pandemic, it is concerning to see the number of awards provided during the current crisis was lower than 2010/11 and even 2012/13. Given there were 1.33m awards made in 2010/11, it is reasonable to assume the 0.47m awards made in 2020/21 fell far short of what was needed, given the hardship brought about by Covid-19.

In Scotland, 355,615 applications were made to the SWF in 2020/21, of which 236,215 were approved. Applications increased by 18% on the previous year, meanwhile awards increased by 29%. The overall approval rate was 66% in 2020/21, up from 61% in 2019/20.

In Wales, 382,125 applications were made to the DAF, 238,081 of which were successful. The success rate was 62% in 2020/21. Due to insufficient data, we are unable to compare total applications and awards with the previous year.

However, it is worth highlighting the furniture poverty is a chronic problem, rooted in poverty. People who apply for help to obtain a cooker for example, are likely to have further complex needs. Typically, people can only make one or two applications to an LWA scheme per year, and in each case for a limited amount of support, restricting the amount of help that they can receive. LWA provides a sticking plaster, albeit a vital sticking plaster, and we must retain sight of the larger problems caused by abject poverty, and therefore furniture poverty, in the UK as a whole.



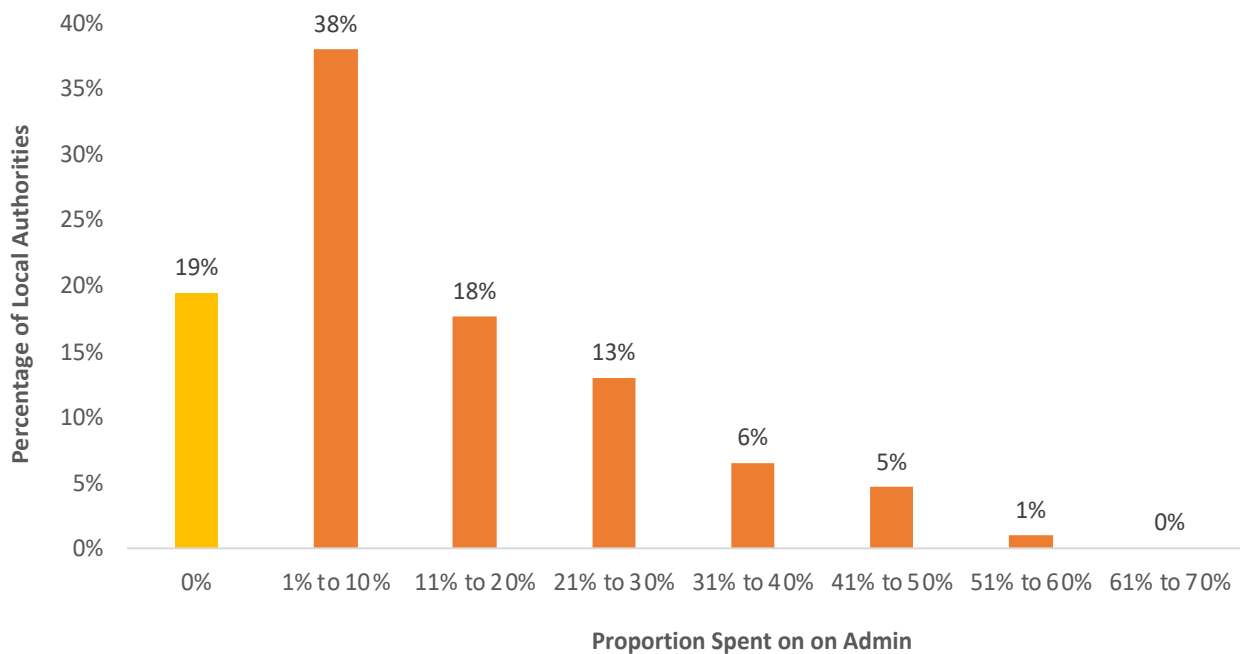
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## Administration Costs

For the first time, we asked local authorities across England what proportion of their total spend went on administering their schemes. The responses revealed approximately 10% of the total amount spent on LWA in 2020/21 was allocated to associated administration costs.

Spending on administration by individual LAs ranged from 0% to 60%. Several LAs reported spending 0% on admin; while, of course, each scheme has associated admin costs, these local authorities told us the costs fell under a different budget heading and could not be separated. In this sense, the true cost of administering their schemes is effectively hidden. However, this was encouraging given these costs were not being directly taken from LWA budgets. A key reason for classifying Bournemouth, Christchurch and Poole council as not having a scheme was due to their spending 95% of their LWA budget on the administration costs in the form of an advice line, thus making them a significant outlier due to a lack of meaningful provision of direct grants, and therefore as 'no scheme' they were not included in this analysis.

**Figure 9: Administration Costs as a Proportion of Total LWA Spend, England**



The Welsh Government told us that 13.2% of the overall DAF expenditure was spent on administrative costs.

In Scotland, data on administration is not publicly available, however, FOI request responses from 23 of 32 local authorities in Scotland FOI responses allow us to estimate an admin spend of approximately 12%. There is also significantly less variation between how much Scottish local authorities spend on administrative costs than local authorities in England.

This variance between schemes in England reinforces the need for Government guidance on the management of an LWA scheme. Guidance should draw on best practice in an effort to minimise the admin costs, allowing more to be spent on the provision direct grants to those in need.

## Average Award Value, England

Previous calculations on the average LWA award included the admin costs incurred by local authorities so did not give an accurate figure.

The average amount spent by English local authorities per award (including administration costs) was £167, a sharp fall on last year when £196 was spent per award. This is an even sharper decrease on 2017/18 levels, when the average award stood at £280. The decline in the amount spent per award is a result of increased demand on schemes, and an inadequate channelling of additional Covid funding into LWA schemes by local authorities.

Among local authorities which had a scheme, and provided us with spend, awards, and admin data (112 of 120 operational schemes), the average award value (after administration costs) in 2020/21 was £146.

An average award of £146 indicates that the provision of furniture and white goods is likely to be one item only. While this finding suggests there is some support for people in furniture insecurity (those who cannot afford to replace existing items), it indicates help acquiring furniture is limited across many local authorities.

## The Provision of Furniture and White Goods in 2020/21

As discussed above, millions of people are living below the Minimum Income Standard in the UK (see page 16), meaning they are unable to afford all the essentials they need to live a socially acceptable life. If people are unable to afford fundamental basics such as food, they will also be unable to afford more expensive essential items such as furniture and white goods. These difficulties are likely to be exacerbated by the impending cost-of-living crisis which has been gaining momentum for some time.

**Figure 10 – The UK’s Cost-Of-Living Crisis, CPI Index, Basic Essential Living Costs, April 2016 – November 2021**

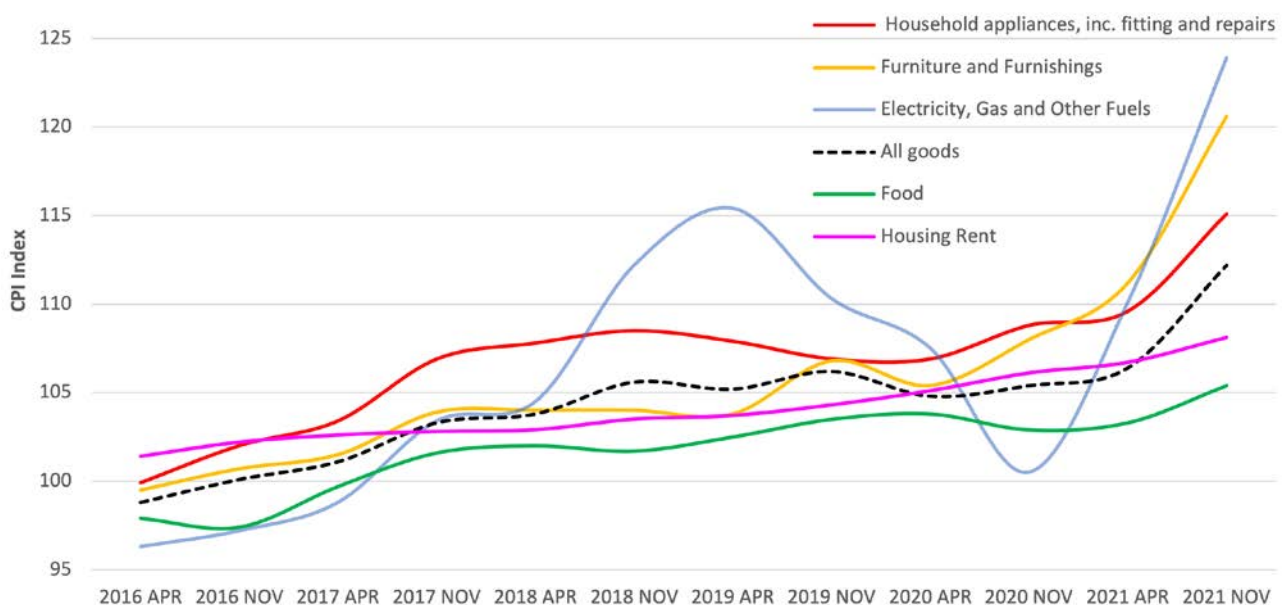


Figure 10 shows a number of core basic living costs have climbed steadily since 2016, followed by a sharp spike in 2021. Particularly striking are the increases in the costs of energy, furniture and appliances. The recent increases seen across all basic living costs, combined with stagnant income levels, have driven the UK into a severe cost-of-living crisis which is highly likely to worsen over throughout 2022.

In comparison to these rising costs, our analysis of latest ONS income data shows that while the disposable household income of the wealthiest fifth has increased by 7% between 2010/11 and 2019/20, the poorest fifth have seen their disposable income contract by 5% over the same period. Combined with rapidly rising prices, and in tax rises April 2022, low-income households face catastrophic levels of hardship ahead.<sup>92</sup>

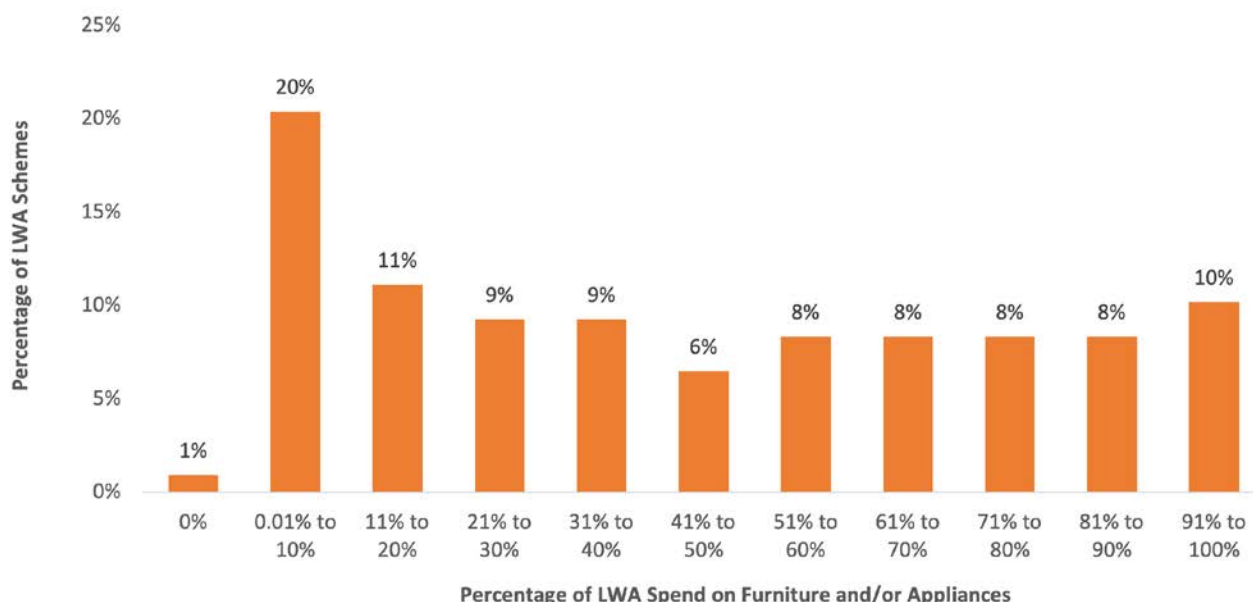
Furniture and appliances - some of the most expensive essential items we all need to achieve a minimum standard of living – have experienced price increases of **17% and 32%**<sup>92</sup> respectively between April 2010 and November 2021. Ikea, a popular choice for low cost furniture, also increased the price of its flat pack furniture by 50% at the end of 2021, blaming the ‘significant increase in costs across the supply chain’. Indeed, in his recent letter to the Chancellor, the Governor of The Bank of England specifically highlighted the recent and ‘significant rises in the prices of furniture, furnishings and household appliances’.<sup>60</sup>

The ongoing cost-of-living crisis, in addition to the potential economic threat posed by future Covid-19 variants, means help with essential living costs, especially more expensive items such as furniture and appliances, has never been needed more. The cost of one item (e.g., a cooker) is likely to exceed £150; if someone requires multiple items, the cost can quickly exceed £1000. The evidence drawn on above highlights the urgency for a rapid expansion furniture provision through LWA schemes to help people on low incomes acquire such ‘big ticket items’.

In 2020/21, almost all local authorities with an LWA scheme indicated they do provide some level of support for furniture and white goods. There are, however, three crucial caveats to consider.

Firstly, 13.28m people across England (23.5%) are unable to get support for furniture from LWA as of June, 2021. This figure includes both those without an LWA scheme, and those with a non-furniture providing scheme.

**Figure 11: Furniture and/or White Goods Provision as a Proportion of Total Expenditure, England**



Secondly, while almost all English LAs with an operational LWA scheme indicated they provide furniture and white goods, Figure 11 shows the proportion of local authority LWA expenditure which went on the provision of furniture and appliances varied, ranging from 0.01% to 100% of their total spend.

Across 57% of local authorities in England, the provision of furniture and/or appliances accounted for less than half of their total expenditure. One in five local authorities spend less than 10% of their total expenditure on such provision.

Spend per capita on the provision of furniture and/or white goods ranged from £5.26 per capita (£2.6m in total) to negligible levels of less than £0.01 per capita (£158 in total).

Thirdly, of the total amount spent on LWA by all English local authorities, the overall proportion which went on the provision of furniture and white goods fell from 42.7% in 2019/20 to 35.7% in 2020/21.

In Scotland, our analysis shows that expenditure on the provision of furniture and white goods accounted for 36.1% of their total SWF spend.<sup>78</sup> The Welsh Government told us that furniture and appliances also accounted for 36% percent of total DAF expenditure. Across England, Scotland and Wales the proportional amount spent on furniture and white goods fell on the previous year. our analysis of SWF data suggests that is a likely impact of the growing need for fundamental essentials such as food and help with energy costs.

Finally, this year, we asked furniture-providing local authorities to provide percentages showing their chosen method of providing those items (e.g., the direct provision of a new or preloved item, or by providing cash, a voucher, or loan for the individual to purchase the items themselves).

**Figure 12: Method of Furniture and Appliance Provision, England**

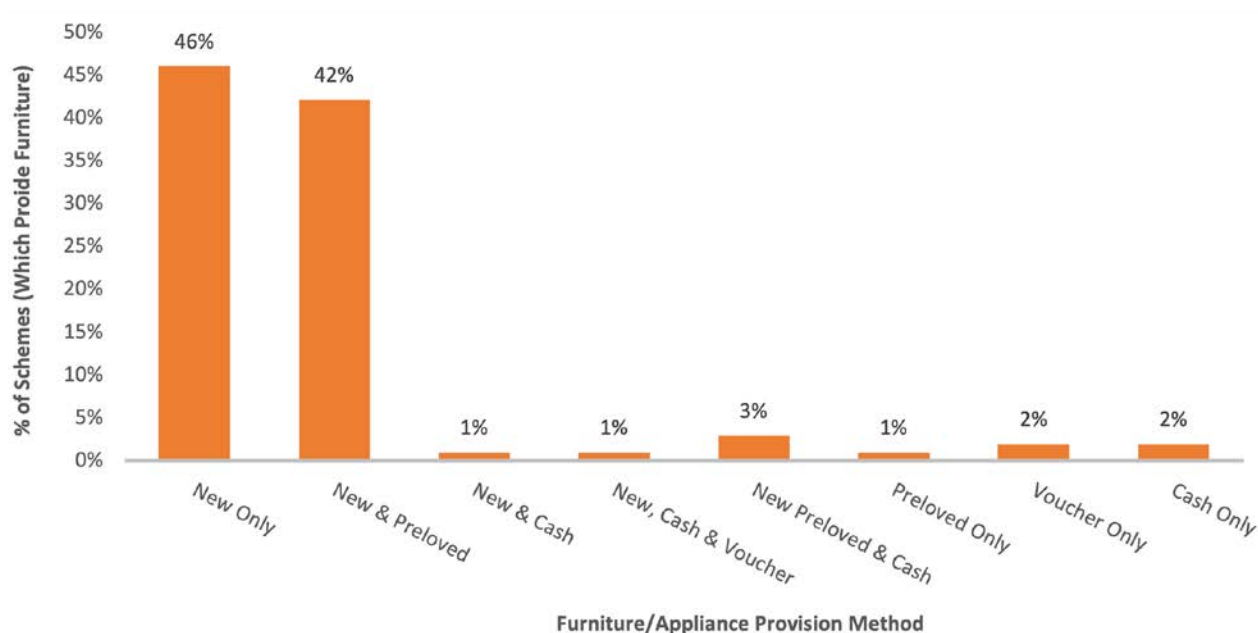


Figure 12 shows the overwhelming majority of schemes told us they provide the item itself, with 46% providing exclusively new items, and 42% providing a mix of new and preloved items. To a lesser extent, local authorities provide a mix of the item itself, in addition to cash and/or a voucher for the item. Only 4% of local authorities provide either a voucher only or cash only, requiring the individual to purchase the items themselves.

We welcome this approach as local authority contracts with suppliers can mean reduced costs for items, helping budgets to stretch further, and for someone in a time of crisis, having a cooker delivered and installed through one application, for example, can be much easier than having to source the item and arrange for installation themselves.

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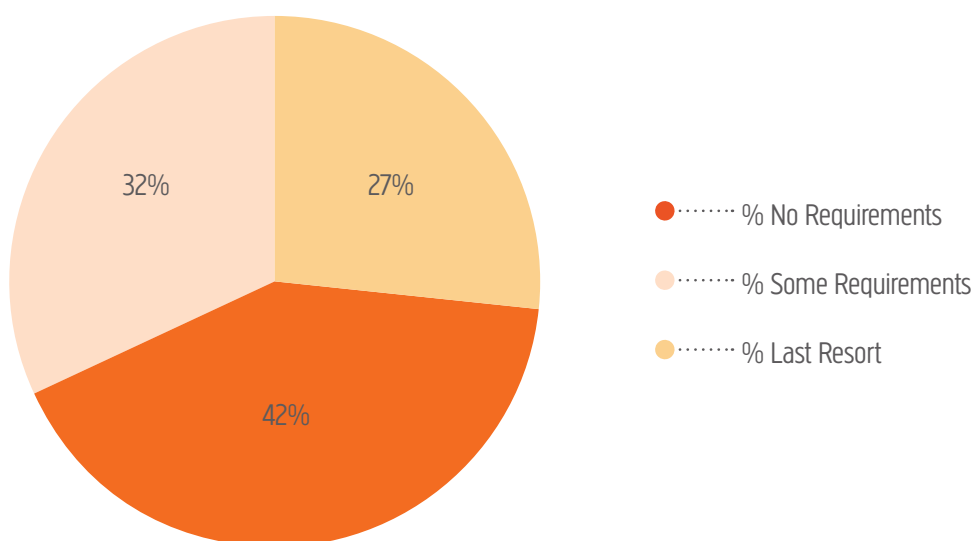
## Prerequisites to Support – A Last Port of Call?

Previous studies have highlighted several eligibility hurdles for people seeking crisis support, including ‘that help from the local welfare scheme was a last resort’, requiring applicants to have first attempted other types of support such as taking an advance on their social security payments.<sup>79</sup> To uncover the extent of this hurdle, local authorities were asked if they require applicants to have exhausted all other avenues of support before applying for Local Welfare Assistance. This was presented as an open question, allowing local authorities to specify which modes of support must first be exhausted.

Three broad categories emerged from their answers:

- Firstly, there are schemes with no barriers; a member of the public can apply for support regardless of whether they had attempted other types of support.
- Secondly, there are those with ‘some barriers’; in most cases, this was where the individual is required to have at least taken out a budgeting loan or Universal Credit advance.
- Thirdly, there are schemes which are intended to be a ‘last resort’; the claimant must have exhausted all other options of support including benefits advances, credit unions, grant-giving charities, etc.

**Figure 13: Percentage of Local Welfare Assistance Schemes Requiring Applicants to Have Attempted Other Sources of Support**



The majority (59%) of local authorities with a scheme require people to have attempted some form of support prior to making an application. Within this figure, most told us the individual must have taken out an advance on their benefit payments as a minimum requirement.

We know that the current welfare system leaves people struggling to afford food and fuel, let alone giving them the ability to put aside anything to save up for essential furniture items, hence one of the reasons why LWA is so vital. Requiring people to take out an advance payment on their benefits before they can apply to LWA means that for several months they will be receiving even less for their day-to-day living expenses while they repay the advance, potentially plunging them further into hardship. They are more likely to have to rely on foodbanks and turn to high cost credit to get by. Therefore, we believe it is a short-sighted and ultimately inefficient approach which should be immediately abandoned.



More than 1 in 4 local welfare schemes were a 'last resort' option, requiring applicants to have attempted all possible options including: Budgeting Loans and UC advances, credit unions, and local VCS organisations and charities; several local authorities told us the applicant must have even approached friends and family for support before making an application.

This finding adds another layer to the 'postcode lottery of crisis support' we observed in 2021/20 and sits alongside the vast differences in eligibility criteria from one scheme to another. Even if an individual or family in need of support is fortunate enough to live in an area with a local welfare scheme in their area, getting help from their scheme, even if they are in crisis, is far from guaranteed.

## Signposting

Local authorities were asked if they signpost unsuccessful applicants to other sources of support, and, if they do, to list all services and organisations to which people are referred. Fourteen separate categories emerged from their responses, from Credit Unions to other relevant benefits such as Discretionary Housing Payments (DHP).

The extent to which LWA schemes signpost varied: 21% of LWA schemes signposted to one category; 24% to two different categories; a minority (12%) of operational schemes have a more comprehensive signposting service integrated into their schemes, citing five or more categories of support.

**Figure 14: The Eight Most Frequently Referenced Categories of Support to Which Unsuccessful Applicants Are Signposted, by Number of References, Excluding Unspecified/Other Organisations Category**

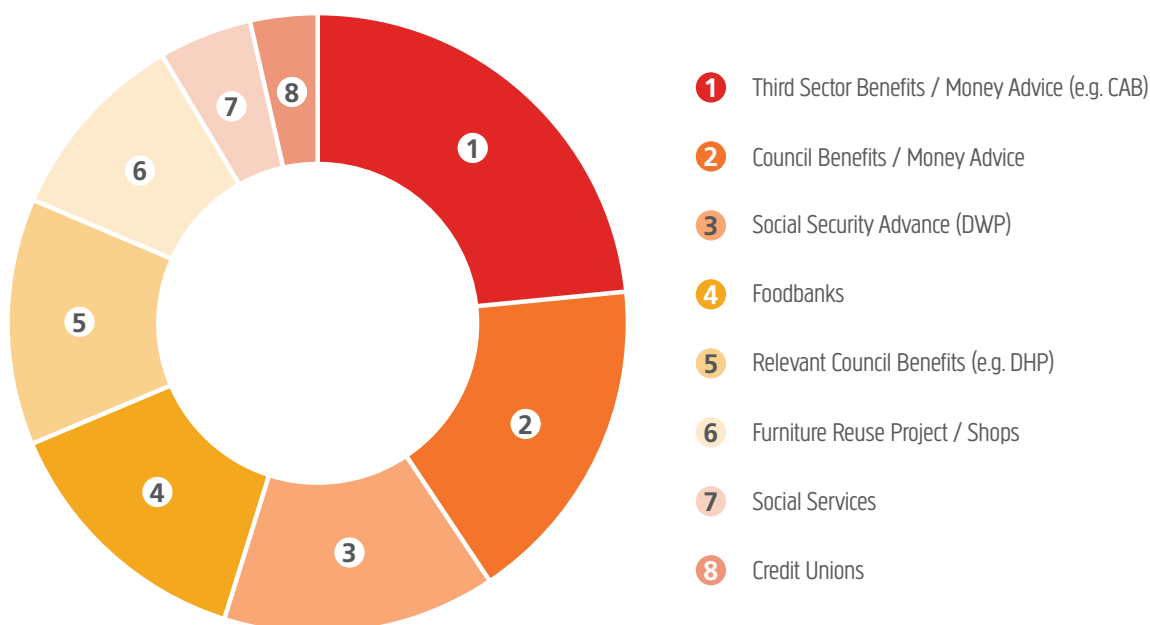


Figure 14, shows the most often cited categories to which unsuccessful LWA applicants are signposted. 50% told us they signpost to third party advice providers (e.g. CAB or Step Change); 37% of schemes told us they signpost people to council-provided financial and benefits maximisation advice; 30% suggest people take out a social security advance; and 29% refer people to foodbanks.

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Local Welfare Assistance is often used by those experiencing a severe financial hardship and are unable to afford even the most basic of essentials. As discussed above, the limited funding specifically for LWA schemes has resulted in a sharp decline in the number of awards made to people in crisis over the past decade, it is therefore essential local authorities have a comprehensive directory of support to which unsuccessful applicants are signposted. This is another key argument for the introduction of Government guidance.

The need to rely on LWA is a product of simply not having enough money to afford all of the essential items one needs to live a secure life. A crucial step to alleviating poverty is to firstly ensure individuals are receiving all the benefits they are entitled to; anti-poverty charity Turn2Us estimate millions are missing out.

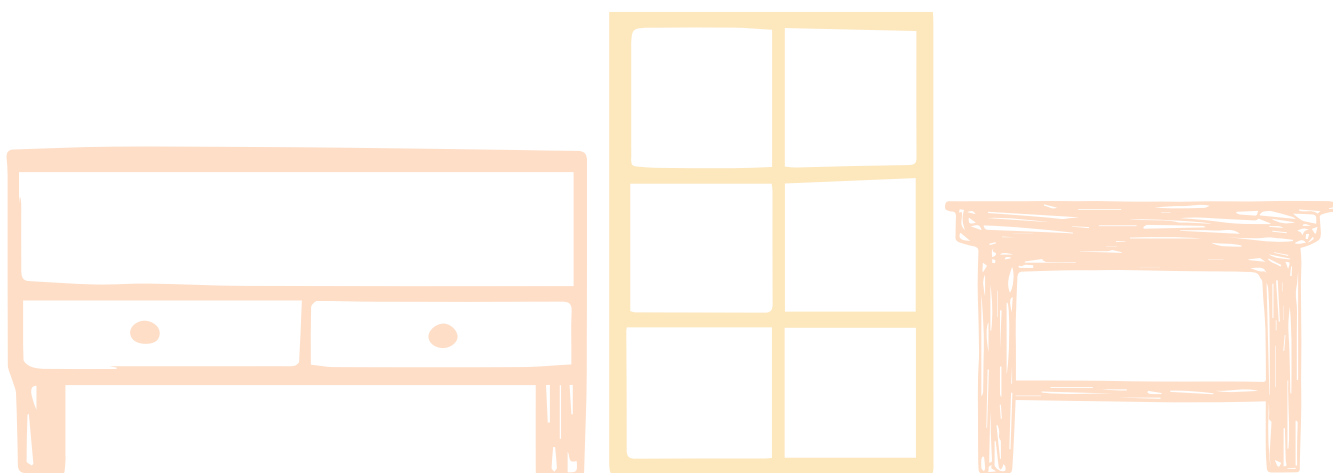
Our analysis indicates that over two thirds of operational schemes signpost people to at least one type of money and benefits maximisation advice service (third party or internal); 29% told us they only signpost to third party organisations such as furniture reuse charities and foodbanks, rather than benefits or money advice services.

While poverty in the UK is a product and consequence of widespread systemic inequalities within our society and the economy, ensuring people are receiving the right advice with regards to money, debt and entitlements should be seen as a *minimum standard*. Signposting to internal and external advice is crucial, especially when an individual or family has been unsuccessful in receiving help from LWA.

An unsuccessful LWA application is more likely to be a result of extensive eligibility criteria put in place to restrict demand on an underfunded service, as opposed to the individual not needing support.

Our findings indicate the extent to which local authorities signpost people to other sources of support depends largely on geography, rather than need. Some local authorities provide a more holistic signposting service, directing people to benefits maximisation teams and third sector organisations to help with immediate needs, while others direct people to one or two local VCS organisations.

When an individual is successful the local authority must direct the individual to both somewhere to meet their immediate needs (e.g. a foodbank) *in addition* to benefits maximisation and financial advice teams. As highlighted above, our findings indicate only 12% of schemes have adequate signposting advice. With that in mind, local authorities should work to construct a comprehensive list of support options for unsuccessful applicants.



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## Terminology and Multiple Identities

To apply for support from a Local Welfare Assistance scheme, people first must know it exists. Our research suggests there is a significant lack of continuity between what LWA schemes are called. This issue is problematic on two levels. On the first level, the names of specific schemes vary, e.g. they may be called 'Crisis Payment Scheme' or 'Community Care Grant Scheme'. In England, each local authority has full discretion over the provision of LWA, including the name of their respective schemes which has enabled such divergences. In the devolved nations, it is much more straightforward. In Scotland there is the Scottish Welfare Fund, in Wales, the Discretionary Assistance Fund, and in Northern Ireland, there is Discretionary Support.

On the second level, there are divergences around the name of LWA as a concept, most commonly either: 'Local Welfare Assistance', 'Local Welfare Provision' (LWP), or 'Crisis Support'. These inconsistencies create confusion across anti-poverty charities, the media, and in various official Government documents. Despite being called LWP in secondary legislation, LWA is (currently) the most widely term.

**Figure 15, 40 Randomly Selected LWA Scheme Names**



To illustrate this muddy picture, Figure 15 shows 40 randomly selected names of Local Welfare Assistance schemes. While the most frequently used names included Local Welfare Provision scheme (13%), Local Welfare Assistance scheme (6%), local assistance scheme (4%), and Emergency Support Scheme (4%), the majority of had a name which was either unique to them or shared with one or two other schemes.

Far from being a benign matter, this messy picture is highly problematic for several reasons. As we have seen, there is little consensus amongst schemes – they are a named service which allows a member of the public in need to apply for a grant (either cash or in-kind). While many across the political and charity spheres may be aware of LWA, awareness amongst the general public is believed to be very low. The lack of consistency between LWA scheme names reproduces these low levels of awareness; something which is further exacerbated by other variables, such as each scheme's eligibility criteria, and the type of support provided.

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This obfuscation of LWA not only places a ceiling on the level of awareness across the population at large, but also amongst civil servants and support workers. Indeed, End Furniture Poverty have engaged with countless support workers (including local authority social workers) who were completely unaware their local authority had a scheme. By limiting awareness in this way, many people in desperate need of support are at risk of falling through the cracks.

There needs to be a national identity for LWA schemes in England with a common name used, following the examples set by the devolved nations, to remove this confusion and to raise awareness of the support available.

## Ways of Applying

Most local authorities allow people to apply for LWA in one of three primary ways: by phone, online, or in person. However, due to a lack of guidance on the matter, we observed the number of options to apply were limited across large swathes of England.

**Figure 16: Number of Application Methods, Excluding 'Referral Only' Schemes To Which a Member of the Public Cannot Apply Themselves**

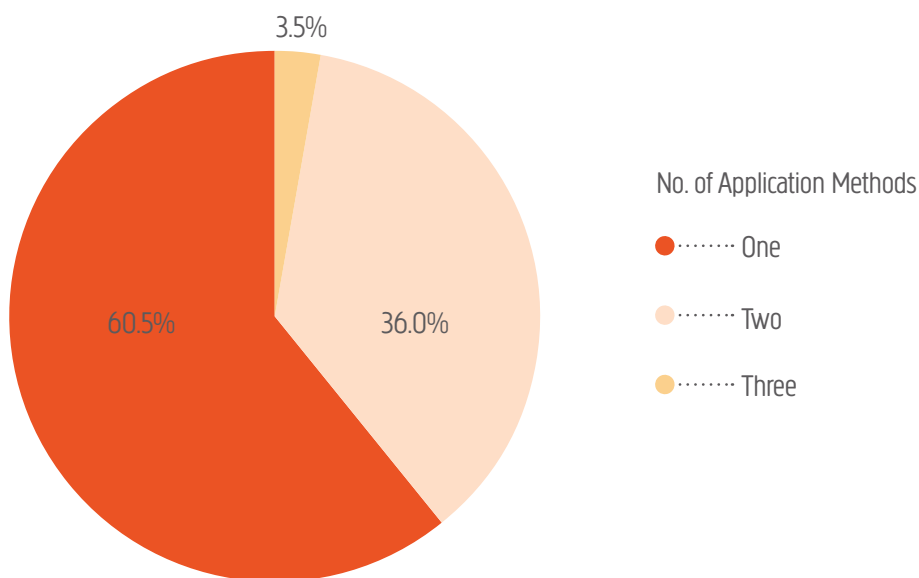


Figure 16 shows the number of ways in which an individual can apply for LWA. While most LWA schemes utilise two methods (primary phone and online), over 1/3 only have one method available.

**Figure 17: Percentage of Local Authorities, by Application Methods**

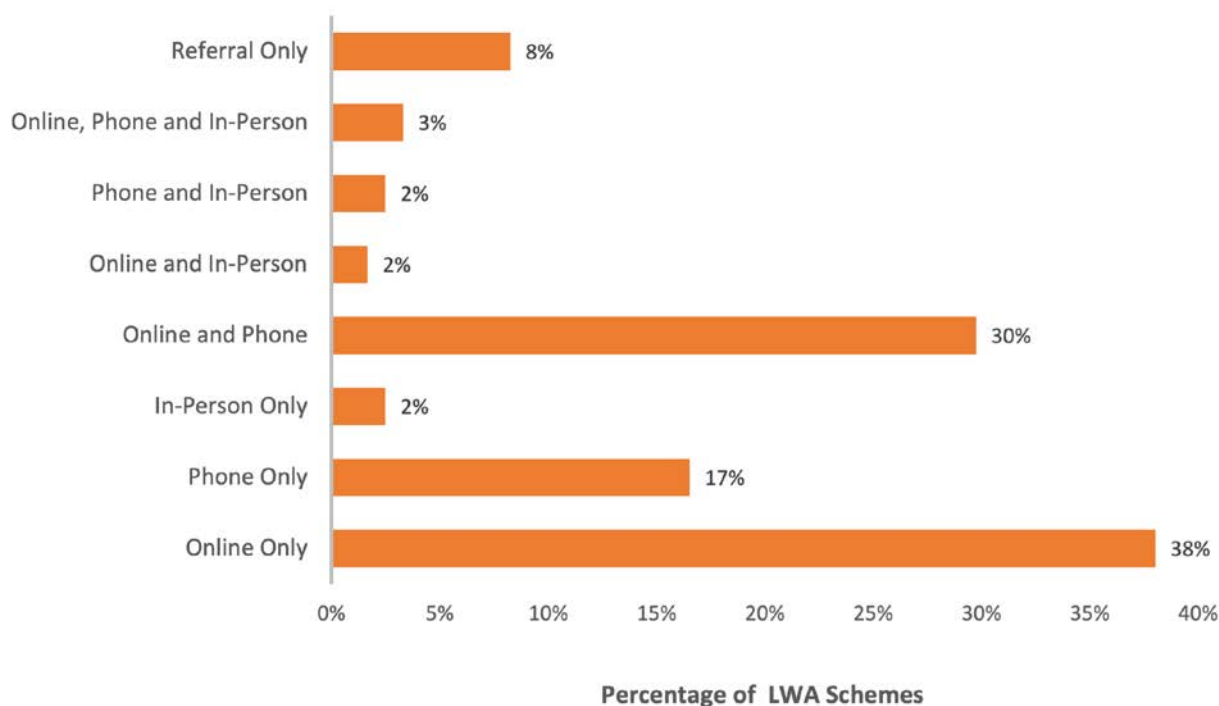


Figure 17 highlights the numerous ways in which people can apply for Local Welfare Assistance. More than one in three operational schemes (38%) allow people to apply online only, either by email or an online application. This is a concerning finding given one in ten people in the UK were 'non-users' of the internet in 2018.<sup>80</sup>

For those living in digital poverty, internet access is a huge challenge. Some libraries, for example, which provide access to the internet for those in digital poverty, may be closed due to the pandemic, and austerity has forced many others to close permanently.<sup>97</sup>

With such limited phone and in person options, many cannot apply online because they are unable to afford an internet connection or computer and are thus effectively cut off from support.

Some applications require the claimant to scan and upload multiple supporting documents, which for someone who is not proficient in the use of technology, can be an extremely arduous and frustrating process. A handful even require the applicant to download and print off a form, fill it in by hand and post it in. Standardisation of application processes, and ensuring those living in digital poverty can still access LWA, through Government guidance for LWA would resolve this issue.

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## Referral Only Schemes

10 LWA schemes indicated a support worker is required to either make or support an application for support. These local authorities are listed on page 23, and despite being outliers to the consensus (see page 15), they are classed as having an operational scheme.

Despite facing a crisis such as poverty and destitution, many will not have a support worker who can assist them with their application. We urge all local authorities to remove this requirement to ensure more people are able to access support. Alternatively, local authorities should direct people to their local Citizens Advice Bureau and allow them to act as a support worker on the applicant's behalf. Local authorities should provide relevant training and support to CABs to allow them to do this.

## Clarity and Accessibility

Applying for LWA can be daunting for someone who is facing a crisis – information on local authority websites must be informative, easy to comprehend, and should include the ability to translate that information into a different language.

We examined the websites of every upper tier local authority in England to explore how LWA was presented and how easy it is to find. When approaching the website analysis, we included a series of measures to assess the clarity and accessibility of LWA webpages. Some measures were binary, for others, each local authority webpage was assigned a score ranging from poor to excellent. While a more subjective analysis, it allowed us to gain some level of insight into how information is presented on local authority websites.

### Clarity of Support Provided

We measured how clearly local authorities explained what support is provided through their LWA schemes and the eligibility criteria for each scheme by awarding each local scheme a score based on the clarity of information provided. We categorised 82% of operational schemes as providing an 'adequate' breakdown of the support provided and the eligibility criteria, however, 11% provided 'limited' information, and 7% (8 LAs) had 'no information' on either the type of support provided or on their eligibility criteria.

### Language Translation

This measure was used to assess whether or not the information provided could be easily translated. This was a binary measure, with each LA either providing, or not providing, an option to translate the information. However, it should be noted that amongst those which did enable the information to be translated, accessibility and complexity varied. Some have a simple one-click option, while others are more difficult to find.

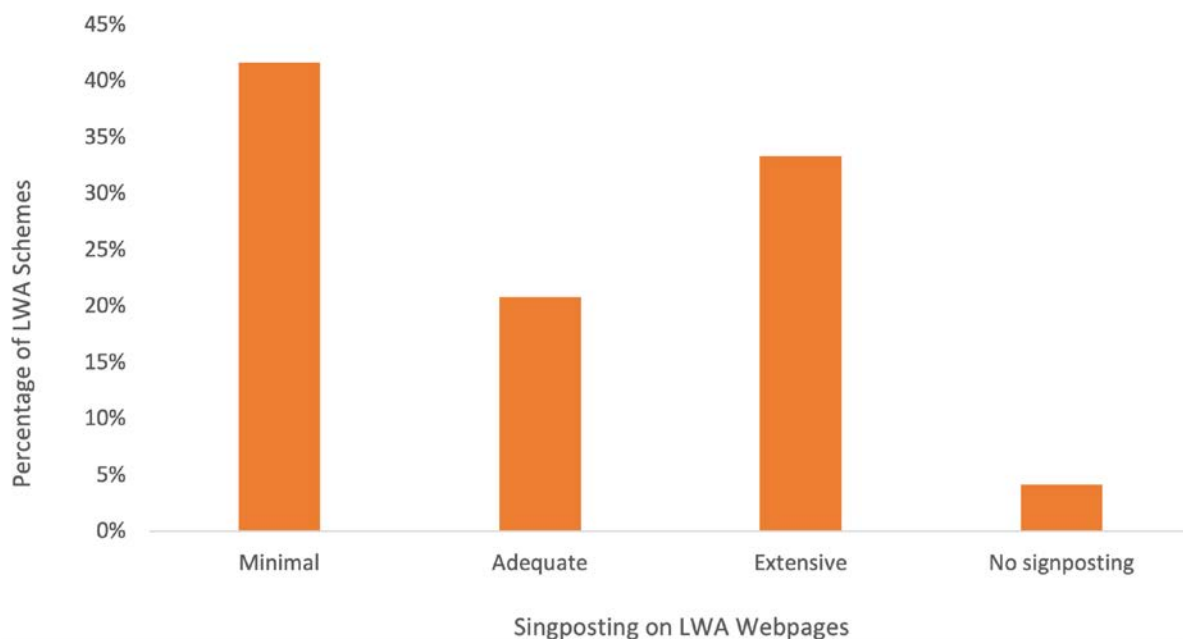
The majority (58%) of local schemes do not provide any translation option at all. And although 42% did provide an option to translate the information, this was difficult to find in 18% of cases.

With a lack of translation options, many non-English speaking people are cut-off from support. For non-English speaking people, especially those who have recently migrated to the UK, understanding even the core elements of the social security system and entitlements is likely to be extremely challenging. Given we believe the very concept of Local Welfare Assistance is largely unknown among the general population, this lack of awareness is likely to be highly prevalent amongst those who do not speak English. To help level the playing field, and ensure all people, regardless of their ability to speak English, can access support, we urge all local authorities to provide simple, prominent one-click translation options across their websites.

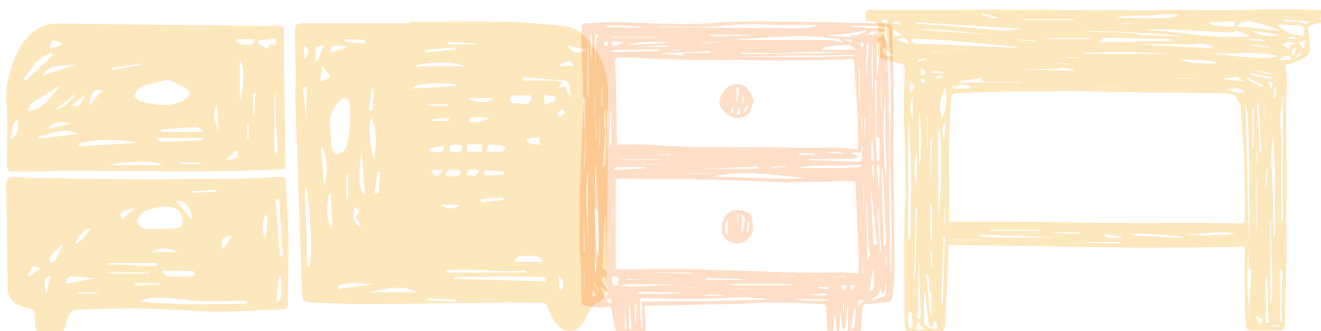
## Signposting on LWA Webpages

Signposting on LWA webpages is a low cost and effective way of pointing local residents in the direction of support in addition to, rather than instead of, the provision of a grant through an LWA scheme. As we have already stated, if someone is unable to afford a cooker, it is likely that their issues are more complex so further support is vital. We found 42% provided minimal signposting with just one or two other sources of support; 21% provided a good selection of support options, and 33% provided detailed information on a range of support options. This suggests there is significant room for improvement here across the 42% of webpages which had minimal support and the 4% of scheme webpages which listed no sources of alternative assistance.

**Figure 18: Level of Signposting Advice on LWA Webpages**



Providing adequate signposting on LA webpages is an undemanding and quick way for local authorities to help ensure people can explore other sources of support, particularly as we have demonstrated that the level of award available is unlikely to be sufficient to provide more than one essential furniture item, for example. We therefore recommend local authorities with minimal or no signposting consider local and national avenues of help for people facing hardship. These should be listed and clearly explain the type of support each option provides.



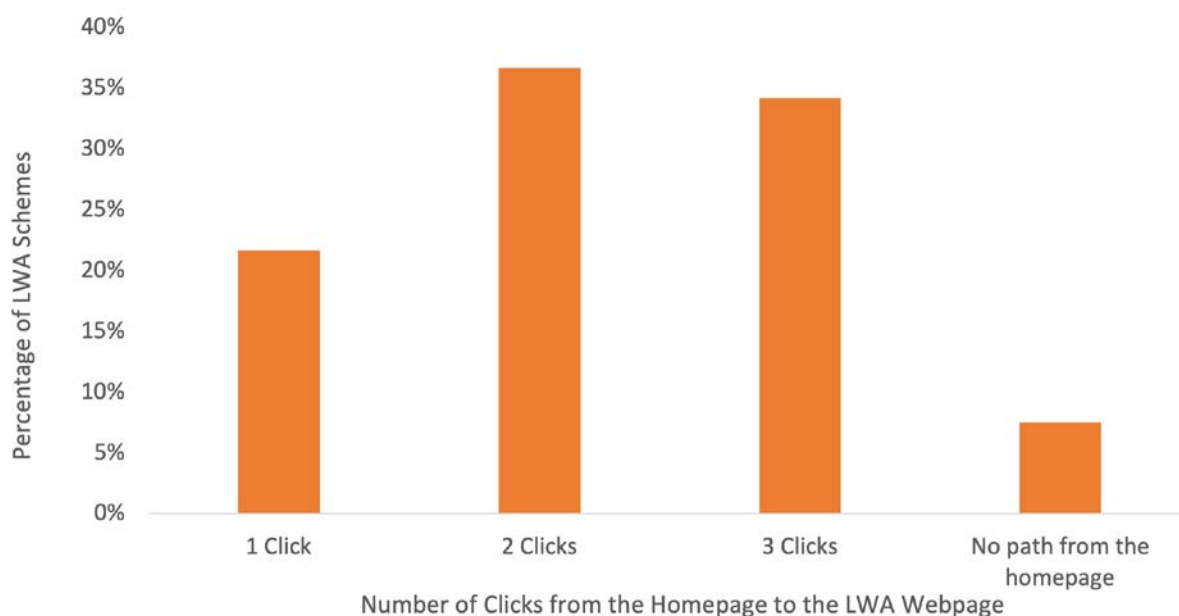
## Finding Local Welfare Assistance Schemes Online

We believe there is a low level of awareness of LWA across England. This is an issue likely reinforced if someone in crisis is unable to locate the correct webpage from which they can find information about the scheme, contact the responsible team, or apply. To understand how arduous it can be to find an LWA webpage, we focused on three key metrics: is it possible to navigate one's way to the LWA webpage from the LA's homepage? If so, how many clicks from the homepage does it take? If one searches for the name of their council and 'local welfare assistance/provision scheme', does the relevant scheme appear on the first page of search results? And, under which directorate does the scheme fall?

Beginning on the homepage, we totalled the number of clicks required to reach the Local Welfare Assistance webpage across each local authority website which, on average, took two clicks.

The difficulty in navigating from LA homepages to LWA webpages varied from one scheme to another. Figure 19 shows that for 22% of local authority websites, only 1 click was needed to get to the LWA webpage, 37% required two clicks, and 34% required 3 clicks. In 8% of cases, there was no way of navigating from the homepage to the LWA webpage, meaning if a member of the public were looking for their local scheme, they would only be able to access the webpage via a search engine or via a referral. If an individual approaches their local authority's website looking for support, and are unaware that LWA exists, they would be unable to access any information on it, or apply to the scheme for support.

**Figure 19: Number of Clicks to Navigate From the Homepage to LWA Webpages**



We found almost all operational schemes appeared in the first three results of an internet search; however, in the majority of cases, the name of each page in the search results appear as, for example, 'Local support fund' or 'Help in a Crisis'. In other words, someone looking for Local Welfare Assistance may not be sure which webpage corresponds to LWA support among the search results. This brings us again to the 'issue of many names' in which the lack of unification of what each scheme is called, obscures the very concept of LWA.

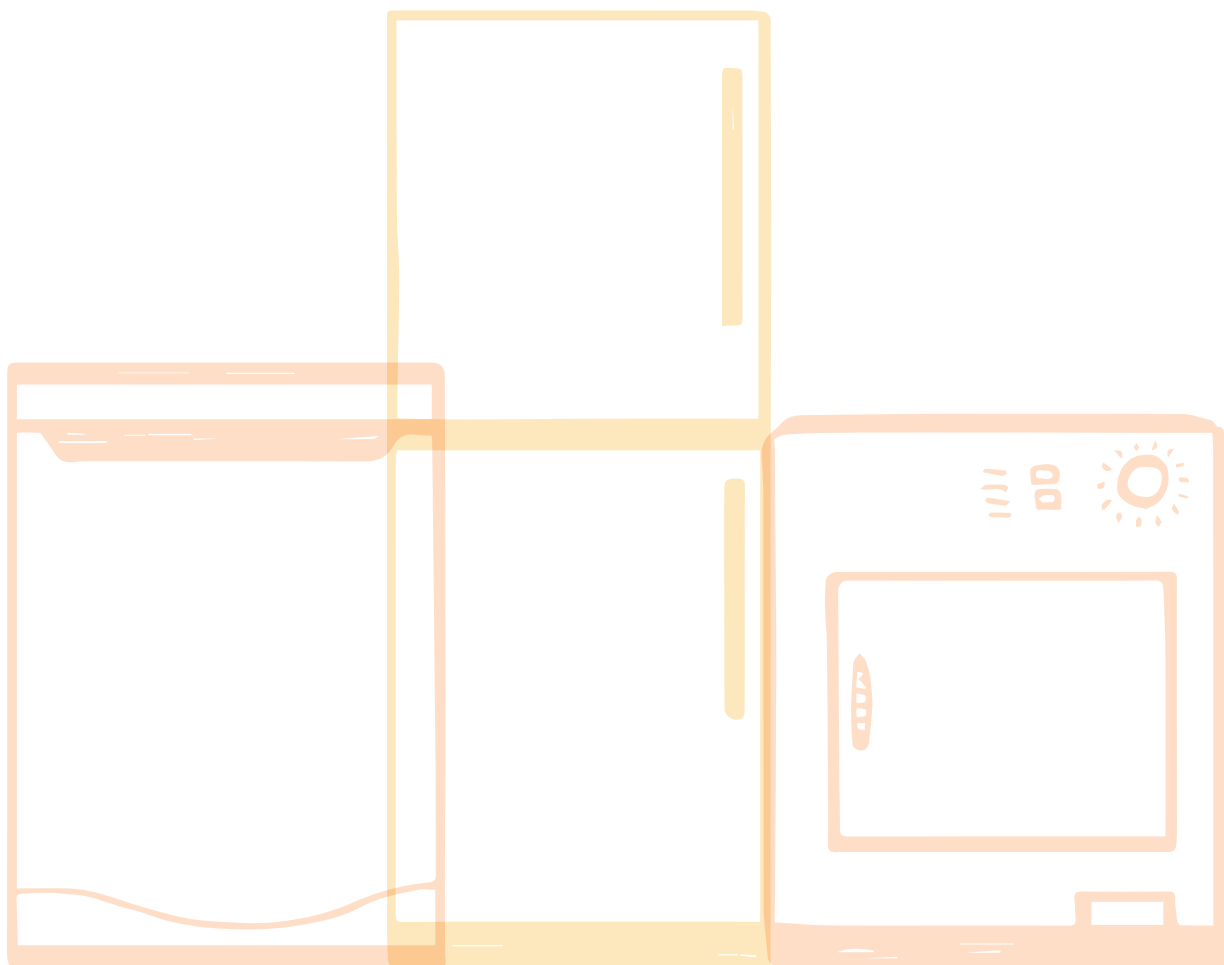


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To further exacerbate the issue of finding a local authority's LWA scheme online, the directorate under which each scheme sits can be complex and, in many cases, rather illogical. Some of the most common directorates were Benefits (26 cases), Council Tax and Benefits (18 cases), Benefits and Support (13 cases), Benefits and Financial Help (3 cases), Advice and Benefits (4 cases), Benefits and Grants (3 cases).

While those above are the more logical locations, many others were less so, meaning someone looking for an LWA grant would be unlikely to associate the directorate with an LWA scheme; for example, Health and Social Care (11 cases), Children and Families (3 cases), Housing Services, some had relocated their schemes under Covid 19 support/response (4 cases).

The issues with the accessibility of LWA schemes on local authority websites could again be resolved with clear Government guidance, although, we hope our findings will encourage more local authorities to look again at the websites and make some simple changes now to help their residents to find support.



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# Part III: Rebuilding Crisis Support Across England - Discussion, Conclusion and Recommendations

As a result of the pandemic and subsequent increases in Government funding, unpicking Local Welfare Assistance in 2020/21 was significantly more complex than in previous years. Two FOI requests to each authority were required to ensure our findings were sufficiently robust and an accurate reflection of LWA in 2020/21. While, due to these complexities, all figures in this report should be taken with some degree of caution, our analysis has enabled us to draw some broad conclusions from which a series of recommendations can be made to local authorities and the UK Government.

A significant and growing body of evidence published since the start of the pandemic has underlined a sharp rise in hardship and need across the UK. While the vaccine rollout provided a welcome - albeit brief - relief from the crisis, the emergence of new variants has reaffirmed the continued threat posed by novel strains of Covid-19, and with them the possibility of future economic shocks and increases in hardship. Going forward, this precarious 'new normal', in addition to the looming cost-of-living crisis, highlights the need for adequate protections from the state, specifically the need for regular benefits to be sufficient and the need for ad hoc non-repayable grants for households facing destitution. Without such protections, we believe any attempt to 'level up' is unable to succeed.

The Government has responded to the pandemic with much welcomed support for local authorities, totalling £9.38bn in 2020/21. Of this total, £4.61bn could have been spent on LWA by local authorities in England, and £233m of this funding was specifically for LWA (delivered via the Emergency Assistance Grant and the Covid Winter Grant). These two grants were significant sums of money which, if spent entirely on LWA, would have brought LWA expenditure more in line with what was spent across the devolved nations in 2019/20.

Contrary to our expectations, this report reveals that most of this funding was not, in fact, used to provide Local Welfare Assistance, with the vast majority redirected towards other types of support - notably FSM vouchers and/or various local VCS organisations. Of the total £4.61bn of funding provided to local authorities in 2020/21 which could have been used for LWA schemes, our data suggests only £40.2m was channelled into Local Welfare Assistance schemes. The amount spent on LWA in 2020/21 was also just 17% of the combined value of the CWG and EAG. And, despite the pandemic being the biggest crisis in a generation, the amount spent in 2020/21 is, by historical standards, relatively low compared to what was spent in 2010/11, and even 2012/13.

While expenditure on LWA in England increased in 2020/21, the extent to which local authorities channelled additional Government funding into their schemes varied considerably. Indeed, although most schemes (82%) maintained or increased their expenditure in 2020/21, almost 1 in 5 (18%) decreased the amount they spent on LWA. And, while three local authorities reopened their schemes, 32 local authorities do not have a scheme as of July 2021. Despite some of these providing targeted grants (e.g. to those already in receipt of specific benefits) this was not via a Local Welfare Assistance scheme to which a member of the public can apply for support in a time of crisis.

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While an increase in expenditure was observed across all deprivation deciles, these increases were not evenly distributed; the overall correlation between deprivation and spend saw little improvement on last year; on the contrary, it was, statistically speaking, slightly weaker. In other words, the extent to which funding was spent in areas with the most need remained largely unchanged in 2020/21. Because the additional funding from Government for LWA appears to have been weighted by both population and deprivation, expenditure per capita would likely have been strongly correlated with deprivation in 2021, if all local authorities had channelled their allocations into their LWA schemes. This finding further confirmed the randomness of the ways in which additional Government funding was spent by local authorities.

Taken together, our primary findings suggest additional steps need to be taken to ensure local authorities spend any and all future Government funding allocations on their respective LWA schemes. Additional ringfencing, which specifically requires LAs to spend the funding on an LWA scheme (as set out on page 15), as opposed to other types of support, would help ensure local authorities rebuild their schemes and, given the deprivation weighting of said funding, ensure that those in the most need of a crisis support grant are able to receive support.

Not only must any future funding be ringfenced, it must also be adequate to allow authorities to respond to the level of need in their areas. Our findings suggest that there was a significant mismatch between demand and spend in 2020/21. In Scotland and Wales, per capita expenditure increased by £1.88 and £3.88 respectively between 2019/20 and 2020/21, however, in England, expenditure on LWA increased by just £0.67 per capita. While we should be cautious when comparing the devolved nations, they can help provide insight into the level of potential need. If we were to assume a similar level of hardship across Scotland, Wales and England in 2020/21, then expenditure on LWA in England would need to be between around 6.2 and 7 times the amount actually spent.

The combined total amount of additional funding provided by the Government for LWA 2020/21, in addition to the £32.6m provided by local authorities through their core spending power, was £255.6m. If all this funding had been spent on LWA, then per capita spend would have reached £4.53 per capita, bringing the per capita spend more in line with what was spent across the devolved nations in 2019/20. To achieve a similar level of per capita spend across the devolved nations in 2020/21, local authorities would need to spend approximately £456.4m per annum on LWA to match the Discretionary Assistance Fund (Wales), or £512m to match the Scottish Welfare Fund.

Of course, the figures relating to 2020/21 shown above covered the turbulent period of first year of the pandemic, thus determining the level of demand going forward is extremely difficult, given the potential emergence of new variants. However, we argue that at least **£485m per annum** should be made available to local authorities for the provision of Local Welfare Assistance schemes, which is approximately halfway between comparative levels of spend in Scotland and Wales during the first year of the pandemic.

While this is a lower figure than the £680m provided by the Government in 2021/22, crucially, as discussed above, this funding would be ringfenced to ensure all allocated monies must be spent on Local Welfare Assistance schemes (to which a member of the public can apply for a grant when facing a crisis).

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Additional Government funding for LWA in response to the pandemic gave local authorities little time to expand on their schemes. The plethora of research on LWA in recent years has highlighted the consistent decline of crisis support over the last decade. Years of underfunding, combined with austerity policy, have left many authorities facing incredibly difficult fiscal decisions over the past decade. Almost all have reduced their LWA expenditure over the past decade to support statutory services. Prior to the pandemic, expenditure and the number of awards made in the first year of the pandemic were 87% and 86% below 2010 levels respectively, meaning the capacity of LWA schemes to expand in such a short period of time was limited. Indeed, even after the increases seen in 2020/21 spend was still 74% lower than in 2010/11. Local Welfare Assistance was simply not in a position to effectively mount an effective response to the sharp increase in need in 2020/21.

The window between the date the Government announced additional grants for LWA, and the start date of each scheme, was just 13 days on average, with one scheme officially starting the day before the actual announcement. To adequately rebuild crisis support, many authorities would need to plan and expand on their application processes, eligibility criteria, infrastructure, staffing; they would need time to negotiate contracts with potential suppliers; and time to raise awareness of their schemes throughout local support networks, VCS organisations, and the wider community. For such changes to be achieved, local authorities need sufficient time to implement them. We and a collective of several other anti-poverty charities, urge the Government to commit to a three-year funding settlement for LWA.



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## The Provision of Furniture and White Goods

While almost all local authorities with a scheme provided furniture and white goods, differences in the extent to which these items are provided varied, ranging from 0.1% to 100% of their total expenditure. Our analysis shows that the proportion of the total LWA spend in 2020/21 on furniture and/or appliances fell to 36% from 42% in 2019/20. While the provision of food and fuel must be prioritised, given the known harm caused by 'living without' essential furniture and appliances,<sup>81</sup> the notable decline in expenditure on furniture is concerning. However, the reduction in the proportional amount spent on furniture and white goods provision, is likely to be at least in part a consequence of the Government requiring 80% of the additional funding to be used for the provision of food, with 20% left for other essentials, including fuel or furniture and appliances.

For low-income households, replacing items such a broken cooker, fridge, or bed represents an acute financial shock, one which risks pushing them towards high interest borrowing, potentially acting as a catalyst for debt. For those who are likely to enter a new property with nothing (e.g. people escaping homelessness, fleeing domestic violence, or care leavers) acquiring even the most essential items is likely to be incredibly challenging. With only 2% of social housing furnished or partly furnished, many people on low incomes rely on a largely inadequate patchwork of support primarily consisting of exploitative rent-to-own stores and borrowing or donations from friends and family.<sup>60</sup> And while furniture reuse organisations sell low-cost preloved furniture and appliances, they are not a realistic option for people who are struggling to afford food and fuel; for some people even a low cost item is unaffordable, and preloved appliances typically come with warranties of 3 to 6 months, meaning if an item breaks, the individual could be faced with the costs of disposal in addition to replacement.

Grant-giving charities and many reuse organisations play a crucial role in alleviating furniture poverty by directly providing items for free; however, they are simply unable to meet the level of demand across the country (as indicated on page three). Local Welfare Assistance is, therefore, the last line of defence against destitution and furniture poverty.

Given furniture and appliances can be some of the most difficult items to acquire if you are on a low income, and the many associated harms of being in furniture poverty, we urge the Government to ringfence any future funding to 50% for furniture and white goods and that local authorities spend at least 50% of the total LWA expenditure on the provision of those items.

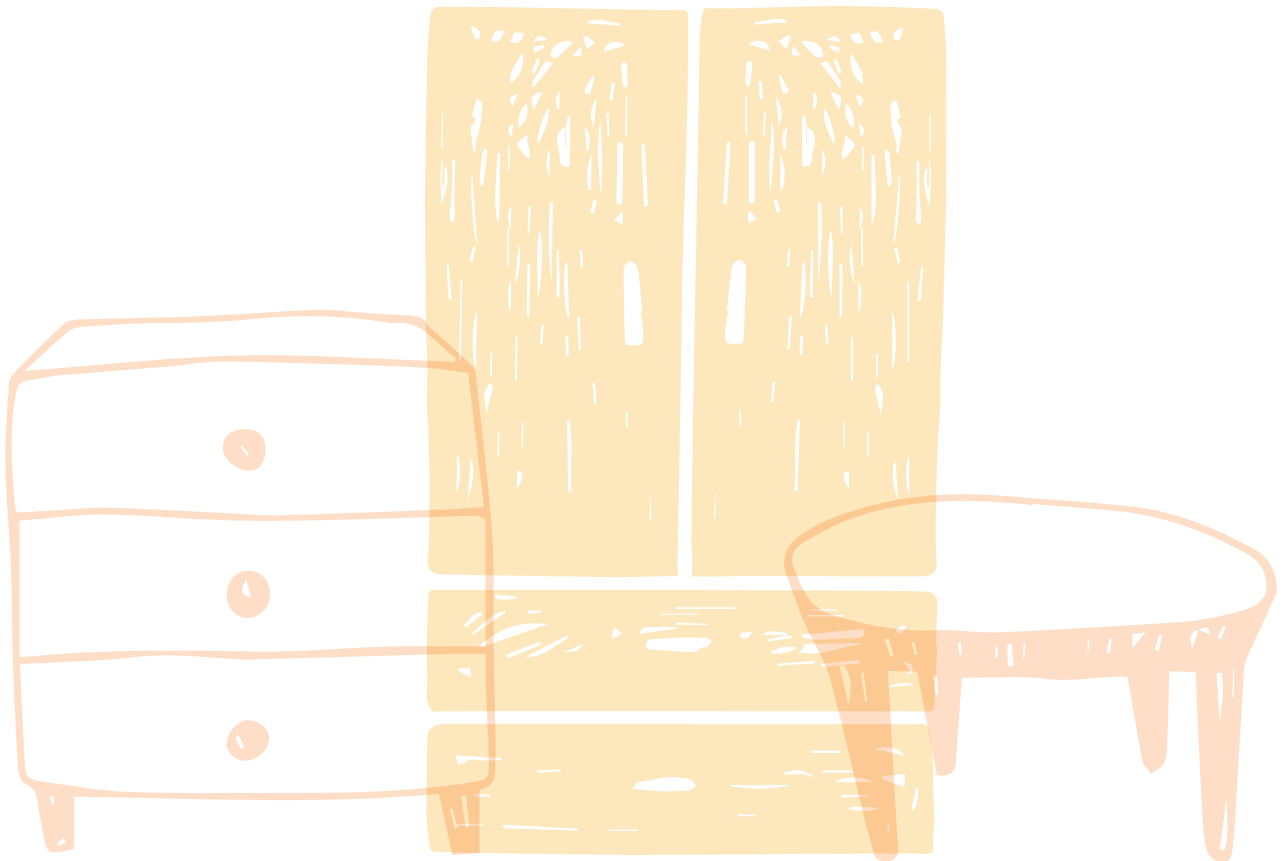
Lastly, while we identified of a broad consensus amongst schemes, there are also many inconsistencies with regards to the type of support offered, eligibility criteria, application processes and website accessibility. This lack of continuity is, no doubt, a product of a lack of Government guidance. While some discretion around LWA schemes can be beneficial in some respects, when that discretion sits within a context of consistent underfunding and austerity, it can result in a significant level of geographical unfairness.

A key difference relates to the name local authorities give their LWA schemes which can create significant confusion amongst the local population and local support services. In addition, our website analysis showed that there remains a lack of uniformity with regards to whether people can apply online, by phone, in person, or a combination of these; whether there is an easy way to translate the webpage into another language; the extent to which there are other sources of support are listed; and the difficulty of finding the webpage, including the ease of navigating to an LWA page from each LAs homepage, the number of clicks involved, and the directorate under which the scheme falls (e.g. Adult Social Care or Benefits and Grants).

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All of these differences create a highly uneven playing field with regards to how much support people receive and whether they can access that support at all. They also create confusion about LWA as a concept and, as discussed earlier, place a ceiling on the level of awareness which can be raised. Guidance from Government should draw on best practice and seek to address these inconsistencies by ensuring each scheme shares similar levels of clarity and accessibility.

The pandemic has brought severe turmoil to the lives of millions of people across the UK, increasing hardship and destitution for many. And although the Government has responded to this increase in need with substantial additional funding for LWA, this research projects highlights the need for all future funding to be part of a long-term funding settlement which, crucially, is accompanied by robust ringfencing and clear guidance. In light of the continued threat posed by future Covid-19 variants, in addition to the rapidly accelerating cost-of-living crisis, the need for a strong safety net is paramount. Drawing on our extensive analysis of the data, we have devised several recommendations for both Government and local authorities which, if implemented in full, would significantly help rebuild the Local Welfare Assistance safety net across England and dissolve fundamental geospatial unfairness which is so deeply embedded in the current approach.



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# Recommendations

## Key Recommendations for Government

- Commit to a 3-year funding settlement of £485m per annum. This will give local authorities both the time and certainty to expand on existing schemes, or to establish new schemes in areas where they have closed.
- Continue to weight all funding determinations by population and deprivation, thereby ensuring more support is available in areas with higher levels of need.
- Continue to publish Core Spending Power Visible Lines of Funding data showing how much each local authority receives for the provision of LWA.
- Ensure all future funding and guidance is managed by a single Government department.
- Any and all additional funding from Government should be ringfenced to ensure the total amount is spent through LWA schemes.
- Publish clear guidance which all local authorities must adhere to.

## Government Guidance

Government guidance should aim to:

- Ensure LWA has a national identity and continuity across schemes by using a single name for the service e.g., National Citizens Support Scheme. This will help reduce confusion, expand awareness, and improve accessibility.
- Require Local Welfare Assistance schemes to share the same characteristics:
  - Is budgeted and has an identifiable line of expenditure
  - Provides grants which take the form of both cash and in-kind awards, allowing schemes to respond to different individual needs.
  - Has a claims process, to which any member of the public can apply, without the need for a referrer. Two methods of applying should be a minimum requirement (e.g., online and by phone).
- Require each scheme to have a webpage which:
  - Is written in clear and concise language
  - Provides contact information to which applicants and potential applicants can ask questions
  - Has an option to translate into different languages
  - Lists all eligibility criteria
  - Describes what support is available (e.g., help with food, fuel and furniture and appliances) and how that support is delivered.
  - Describes the application process and the estimated timeframe of support
  - Provides a directory of other sources of support (including other relevant benefits and local VCS organisations)
  - Explains the circumstances under which people who are NRPF can get support.
- Ringfence 50% of the total funding for the provision of furniture and white goods, thus recognising these are some of the most difficult items to acquire for people on low incomes.
- Encourage local authorities to make use of high-quality preloved items.
- Require local authorities to collect and publish data including expenditure and the number of awards provided.

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- Require applications to:
    - Be processed within 48 hours, while keeping applicants informed throughout.
    - Be kept to a minimum, taking no longer than 10 minutes to complete.
    - Account for those with limited internet access and those who are not proficient in the use of technology by allowing individuals to apply in-person or by phone.

### **Recommendations for Local Authorities**

- Adequately fund schemes to protect people against the harms caused by destitution and furniture poverty.
- Fully spend all future Government LWA funding on the provision of an LWA scheme (as set out on page 15).
- Raise awareness of schemes both internally and externally, especially amongst local support workers.
- Ensure schemes have a claims process through which a member of the public to apply for a grant (cash and/or in-kind).
- Claims processes should:
  - Process the application within 48 hours.
  - Keep applicants informed throughout this process.
  - Keep the length of time needed to complete an application below 15 minutes.
  - Account for those with limited internet access, and those who are not proficient in the use of technology, by allowing individuals to apply in-person or by phone.
- Ensure schemes have a webpage which:
  - Is written in clear and concise language.
  - Provides contact information to which applicants and potential applicants can ask questions.
  - Has an option to translate into different languages.
  - Lists all eligibility criteria.
  - Describes what support is available (e.g., help with food, fuel and furniture and appliances) and how that support is delivered.
  - Describes the application process and the estimated timeframe of support
  - Provides a directory of other sources of support (including other relevant benefits and local VCS organisations)
  - Explains the circumstances under which people who are NRPF can get support
- Ensure 50% of LWA expenditure is spent on the provision of furniture and white goods, thus recognising these are some of the most difficult items to acquire for people on low incomes.
- Make use of high-quality preloved items to help extend budgets.



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# Appendix A

In this report we have stated how many local authorities do not provide a local welfare assistance scheme and wanted to explain our classification process to ensure we are being entirely transparent, and to reiterate our definition of a LWA scheme.

Throughout the course of this research project, we identified a broad consensus and several key characteristics shared across the vast majority of LWA schemes:

- The scheme is a **named service**; for example: Crisis Support Scheme, Local Welfare Provision, Help in a Crisis, Household Support etc.
- The scheme has an identifiable **budget** and/or line of **expenditure**.
- The scheme provides direct **grants** (cash or 'in-kind') to an individual/household.
- The scheme has a claims **process** which a member of the public can apply.
- The scheme has a specific **webpage** on the local authority's website which provides some form of information about the scheme.

These criteria were used in our determinations of which local authorities did, and did not, operate a local welfare assistance scheme. While the majority of LWA schemes meet the consensus set out above, there were several outliers which deviated significantly and could not be classified as a meaningful LWA scheme.

A small number of local authorities claim to provide LWA by distributing funding to various third-party organisations (e.g. foodbanks or Citizens Advice). In these cases, there was no information on the local authorities' respective websites and, crucially, no way for the individual to apply for support. These local authorities do not provide funding to these organisations for them to operate a scheme on the LA's behalf, but rather provided to amplify existing TPO/VCS support. Previous research has categorised such initiatives as 'partnerships', however, given these local authorities fell far short of the consensus set out above, they were not classified as having a meaningfully operational LWA scheme.

A small number of LAs outsource various elements of their schemes (from admin elements to the whole scheme itself) to third party organisations. In these cases, the local authority does have an identifiable scheme which meets the consensus set out above and are thus classified as having an operational LWA scheme.

## Outlier Schemes

**Enfield:** There is a defined budget line for their scheme however when asked about the number of applications, their FOI response said: "We don't have a claims process. We allocate funding to various groups and Council Teams who use the funding based on their financial assessment of need for their client group. 290 residents directly supported plus helped to provide food via the foodbank."

There are some general pages about support for people in need on their website with information about DHP, CTS and other local support however there is no named LWA scheme and no information about the type of support such a scheme would provide.

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There is a referral form that people can fill in 'if you need further help' but the form is very much framed around Covid. The question asking what support is required, says "Please state the information, advice or help you need relating to your income, benefits, debts and charges, as a result of advice given to contain and stop the spread of coronavirus." There is no opportunity to state what support is needed unrelated to Covid.

We did contemplate classing Enfield as a 'no-scheme' because people cannot find out what support is available and their response suggests that people cannot apply themselves due to the lack of a 'claims process'. However the presence of a referral form on their website, albeit an entirely Covid focused form, meant that we have classed this as an 'outlier' scheme and one which we will be watching closely.

## No Schemes

**Bournemouth, Christchurch & Poole, (BCP):** BCP told us that they do operate a LWA scheme however our website analysis showed the service is only open to residents in the Poole area. According to their FOI response, £32,000 was spent on the Poole service in 2020/21, with 95% of this spent on the provision of advice. Therefore we do not believe that this constitutes a Local Welfare Assistance scheme.

**Bexley:** Bexley closed their LWAS scheme several years ago and told us that they did not create a new LWAS scheme in 2020/21.

**Devon:** Devon told us again this year that they delegate LWA down to their local authorities. Last year, when we investigated this, all the district councils who responded to our FOI told us that LWA is not their responsibility. We returned to the district councils this year to check whether they are now running LWA schemes. Exeter Council said: *"To clarify, when elements of the Social Fund were localised in 2013 the funding was passed from central government to Upper tier authorities. At that time Devon County Council agreed a framework with districts including Exeter to deliver this support in local areas. Funding was disbursed by DCC to the districts in financial years 2013 and 2014 with a final and lesser amount in 2015."* Exeter Council said that they now have a LWA scheme however this is part of a 'COVID19 Economic Vulnerability Fund Partnership Agreement' with all funding coming from the Government's additional Covid funding.

Mid Devon and Torridge provided a similar answer, while Teignbridge said: *"No, we do not operate a local welfare assistance scheme. There are only currently COVID funded schemes."* East Devon also said that they do not operate a scheme or receive any funding for a scheme.

We also received responses from West Devon, saying they do run a local welfare scheme which received £80,297 in funding from Devon County Council in 2020/21 and spent £10,871; and from South Hams, saying they had received £118,697 for a local welfare scheme, and spent £22,704. However, neither district council had any information on a local welfare scheme on their website so no obvious route for people to apply for support.

Given this patchy response and somewhat confused picture, we therefore conclude again that Devon does not operate a LWA scheme.

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**East Sussex:** East Sussex currently operate the Discretionary East Sussex Support Scheme which has a webpage and an application form. However, in their FOI response, East Sussex Council said that zero applications for support from DESSS were successful. They also said that they provide district councils with a share of £123,221 per annum, indicating that the responsibility has been delegated. So we sent an FOI request to each district council. Lewes Council said: *“Lewes District Council did not receive any monies from East Sussex County Council for Local Welfare Assistance in 20/21.”* Eastbourne Council and Rother Council sent a similar response. However, Wealdon District Council’s response said that they had received £13,200 for the ‘Letsure / Discretionary East Sussex Support Scheme’ which provided payments to landlords, to help to maintain tenancies. Considering all of these responses, although there is obviously some limited support for residents, we have concluded that there is no functioning LWA scheme in East Sussex.

**Hampshire:** Hampshire told us: *“Adults’ Health and Care did not create a new local welfare assistance scheme in response to the pandemic. We understand your definition of the ‘welfare assistance programme’ is related to directly awarded grants to people.”* Therefore, again we have classed them as not having a scheme.

**Hillingdon:** Hillingdon said: *“The London Borough of Hillingdon Welfare Support Scheme ceased from 1st April 2015.”* Therefore, again we have classed them as not having a scheme.

Isle of Wight: The Isle of Wight Council responded to our FOI request saying: *“The council’s Local Welfare scheme ceased in 2016 and a one-off funding grant was made at that time to assist Isle Help deliver a “Help Through Crisis” scheme for a minimum of 4 years, which was also part financed by Big Lottery funding secured by Citizens Advice. The period for this grant has now ending. As the information you are seeking is not available following the closure of the scheme with the Council in 2016, I would suggest contacting the Isle Help (Citizens Advice) to assist with your request for the years you are requesting information.”* Therefore, we have classed them as not providing a LWA scheme.

**Isles of Scilly:** The Isles of Scilly did not respond to our FOI request, despite follow up emails and phone calls. Their website does refer to a ‘Hardship Fund’ but says: *“The Hardship Fund has received financial backing from the Edward McDonald Trust, the Duke of Cornwall’s Benevolent Fund, the Richard Addison Charitable Trust, Cornwall Community Foundation and the Lord Phillimore Charitable Settlement. It has also received generous support from members of the public. If you would like to donate to the Hardship Fund, you can do so by giving to the Edward McDonald Trust.”*

This does not meet our definition of a scheme as there is no identifiable local authority budget so we have classed them again as not having a LWA scheme

**Kingston Upon Thames:** Kingston Upon Thames responded to our FOI request saying that the questions about their LWA scheme were ‘n/a’. There is no information about a scheme on their website and therefore we have classed them as not providing a LWA scheme.

**Leicestershire:** Leicestershire told us: *“Direct grants/loans are not provided - the County Council manages welfare assistance in partnership with District Councils and local charities whereby people access hardship support and services provided by these organisations.”*

There does seem to be some support offered by the districts, however this is patchy; we could only information on LWA support on webpages for Charnwood and NW Leicestershire councils, and there was nothing on websites for Hinkley and Boswell, Melton, Blaby, Harborough, Oadby and Wigston.

So, while there is limited support in Leicestershire, it does not meet our criteria of a LWA scheme.

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**Lincolnshire:** Lincolnshire told us that they used no core funding for a LWAS in 2020/21 and spent £0 on LWAS. We have classed them again as not providing a scheme.

**North East Lincolnshire:** North East Lincolnshire told us that they did create a new LWA scheme in 2020/2021, however using no core funding. Further investigation revealed that they were referring to the Covid schemes and had no plans to use any core funding for a longer-term scheme. There is also no information on their website about any type of LWA support other than the Covid support and therefore we have concluded that they do not provide a LWA scheme.

**North Lincolnshire:** North Lincolnshire said: *"North Lincolnshire Council does not have a specific 'Local Welfare Assistance Scheme'."* They have no information on a LWA scheme on their website and therefore we have classed them as not providing a scheme.

**North Northamptonshire:** North Northamptonshire said that they do operate a scheme and provided applications and awards data. However, we were unable to find a webpage for their scheme so no route for people to apply for direct grants, and as the support they referred to is entirely funded by additional Government Covid funding, we determined this local authority did not have a scheme.

**Nottingham:** Nottingham's responses confirmed they did not have a local welfare assistance scheme in 2020/21.

**Nottinghamshire:** Nottinghamshire's response said that they did not operate a local welfare assistance scheme in 2020/21.

**Oxfordshire:** When asked if they had created a new LWA scheme in 2020/21, Oxfordshire said: *"Yes. We used an element of the Winter Support Grant (and subsequent COVID Support Grant) to delegate funding to our City and District Councils to establish Emergency Welfare schemes for food and essential utilities in partnership with local advisory and other voluntary and community sector services."* However as this involved no direct local authority funding, and with no plans to allocate core funding in the future, we classed this as a Covid support scheme and not a LWA scheme.

**Peterborough:** Peterborough responded to our FOI saying: *"The council no longer operates a formal local welfare assistance scheme, however has provided grant funding to two organisations to continue delivering information, advice and guidance services. Funding also contributes towards the costs of managing a network of foodbanks and recycled furniture scheme. In total £205,000 was provided through the council budget."* Given their response, although we welcome the funding that they provide, we have classed them as not providing a LWA scheme.

**Plymouth:** Plymouth responded to our FOI request saying that they did not create a new LWA scheme in 2020/21.

**Portsmouth:** Portsmouth did not provide any grants to individuals from their core spending power in 2020/21. They did use Covid funding to provide support but people could not apply for this, they had to be referred for the help. We have classed Portsmouth as not providing a LWA scheme.

**Reading:** Reading's response to our FOI request said: *"I can advise that Reading Borough Council has not introduced a local welfare assistance scheme."*

**Redbridge:** Redbridge, a previously closed scheme, told us that they did not introduce a LWA scheme in 2020/21.

**Rotherham:** Rotherham told us: *"The core funded LWP budget for 2020/21 was £100,000. £60,000 was allocated to LASER Credit Union to provide crisis loans; £30,000 was allocated to FareShare Yorkshire for infrastructure for food provision to 16 local foodbanks; and £10,000 was allocated to Voluntary Action Rotherham to facilitate partnership working, mutual support and crisis food development support."*

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There is no webpage on the Rotherham Council website with any information on any of the above schemes so no route for people to apply for support from the scheme. There is also no specific information on LWA loans or reference to Rotherham Council on the LASER Credit Union website. Therefore, while we acknowledge that some form of support is being provided, it does not meet our criteria for a LWA scheme.

**Slough:** Slough responded to our FOI request saying that they have a scheme and reported core funding, application and award numbers. However, in July, the Ministry of Housing, Communities and Local Government (MHCLG) issued a Section 114 notice on Slough Council due to serious concerns about their finances, which meant they had to pause all non-essential spending. This included their LWAS scheme. The scheme is now paused and therefore we are now classing Slough as not providing a scheme.

**Southampton:** Southampton's FOI response said: *"I am writing to advise you that, following a search of our paper and electronic records, I have established that the information you requested is not held by Southampton City Council. This is because our scheme does not pay grants or loans to individual households. We will provide utilities pre-payment top-up and white goods. SCC allocation to LWP was £185,000 of which £110,000 was set aside for utilities and white goods for individuals/households."*

They also said: *"Most referrals for utilities, furniture and white goods are made by agencies who are working with the household to access a range of support /income maximisation they may be entitled too."*

A thorough search of their website revealed no information on a LWA scheme and it appears that people cannot apply for the scheme. There appear to be referral partners who can access the scheme but people have no way of knowing who those referral partners are so cannot approach the council, or the agencies, to apply for a referral. Therefore, while we acknowledge that some support is provided, it does not meet our criteria for a LWA scheme.

**Staffordshire:** Staffordshire responded to our FOI request saying: *"Staffordshire County Council no longer operates a LWAS."*

**Stoke on Trent:** Stoke on Trent's FOI response stated that they did not create a new LWA scheme in 2020/21. However, their second FOI response said that during the Covid crisis: *"Other Council Funds were used to provide Welfare Assistance to people in need of support."* There are pages on their website that are headed Hardship Fund, and Covid 19 Hardship Fund but these pages only have information about Council Tax Support, Statutory Sick Pay and a Benefits Calculator. In light of this, and because of their initial response, we have placed them in the no scheme category.

**West Berkshire:** West Berkshire's response to our first FOI request said that they had created a new LWA scheme in 2020/21, however when we asked how many grants were provided from core funding, they said 0, everything was funded through the Covid grants. Therefore, we class this as a Covid scheme and believe that West Berkshire does not provide a LWA scheme.

**West Northamptonshire:** West Northamptonshire said: *"Northamptonshire County Council did not run a Local Welfare Assistance Scheme, that service ceased to be provided by NCC in March 2015."* There is no information about a scheme on their website and therefore we have classed them as not providing a scheme.

**Worcestershire:** As was the case last year, Worcestershire claimed they delegated the provision of LWA down to lower tier district councils with no detail of any funding provided. However, a freedom of information request indicated that this was disputed by their district councils. There is no information on LWA on Worcestershire Council's website, or any redirection to a district council level, therefore we have concluded that they do not provide a LWA scheme.

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**Wolverhampton:** Wolverhampton Council have information on a 'Local Welfare Assistance' scheme on their website however the assistance is a loan from the local credit union with a link to the general 'contact us' page on the credit union's website. The credit union has no information on a specific 'LWA loan' on their website either. In their first FOI response, Wolverhampton said that they had not provided any funding for their LWA scheme. In their second FOI response they confirmed that Wolverhampton Council had provided no direct grants or loans through its LWA scheme. They added that the information that they had provided about their LWA scheme and the credit union loans, *"does not include other partnership arrangements (not falling under the LWA scheme) between the Council and other organisations for the delivery of support."* However, they provided no detail on this and as it does not fall under the LWA scheme, we have classed Wolverhampton as not providing a LWA scheme.

**West Sussex:** West Sussex told us that they do have a LWA scheme and there is allocated budget from their core funds. However, there is no information on the scheme on their website. West Sussex Council also said that 'Local Welfare Assistance funds are managed via a network of community based providers' but there is no information about these providers and how to apply to them for support on the council's website, and no information was found through an internet search for LWA support in the local area by other providers. Therefore, as people cannot access the scheme in any clear way, we have classed them as not providing a LWA scheme.

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A full list of these local authorities can be found on page xx, and Appendix A sets out our reasoning behind why each was deemed to not have a scheme.

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Local authorities were asked to indicate areas on which they spent the CWG and EAG e.g., funding for food banks. However, this should be taken with caution due to differing ways in which LAs classified their expenditure.

Direct grants are (cash, vouchers, and 'in kind') provided by the local authority itself, including grants targeted to individuals/families in receipt of specific benefits (e.g., FSM or DHP eligible families) and those targeted to individuals known to various council services (e.g., Childrens Services). This also includes non-targeted grants provided via LWA schemes.

While most separated FSM provision (as requested) from 'Direct Grants', a number appear to have included FSM in the 'Direct Grants' category. Especially where the EAG and/or CWG were used to provide vouchers to FSM eligible families, in addition to grants to other cohorts.

As a result, it is likely the true proportion of funding spent on Direct Grants is likely to be lower than that shown in Figure 2, on the other hand, the proportion spent on FSM provision is likely to be higher.

76

To further reinforce this implication, guidance accompanying the CWG stated 'The COVID Winter Grant Scheme is being classified as Local Welfare Provision' for the purposes of access to data.

Guidance available at: <https://www.gov.uk/government/publications/covid-winter-grant-scheme/covid-winter-grant-scheme-guidance-for-local-councils>

77

This includes the unringfenced tranche funding (4.61bn) and the combined value of the EAG and CWG (£233m) provided by the Government in 2020/21.

A full breakdown of this additional funding can be found here: <https://www.gov.uk/government/publications/Covid-19-emergency-funding-for-local-government>

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Furniture and white goods totalled were: Carpet/lino/floor coverings, washing machine, cooker, fridge/freezer, settee/armchair, bed, wardrobe/chest of drawers, curtains and curtain rail, microwave.

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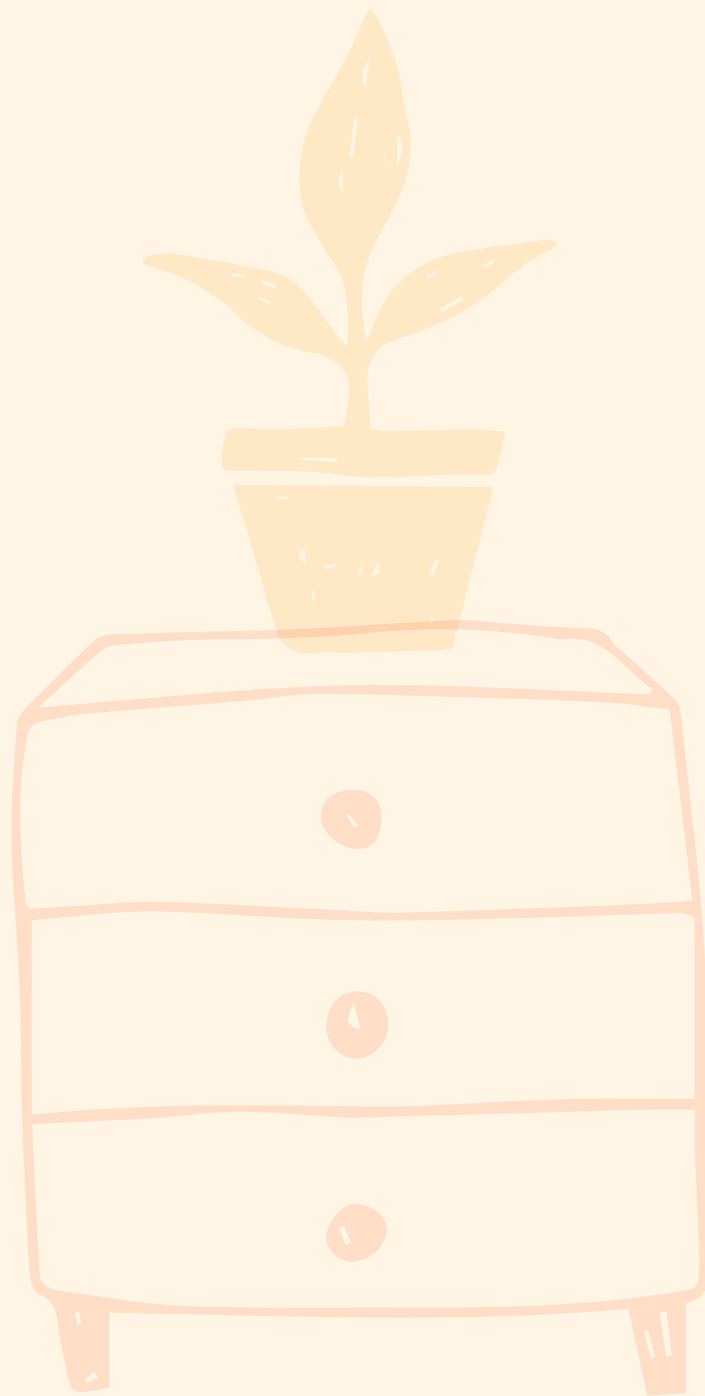
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FRC Group, Unit 12-14, Atlantic Way, Brunswick Dock, Liverpool, L3 4BE

[www.endfurniturepoverty.org](http://www.endfurniturepoverty.org) | [info@endfurniturepoverty.org](mailto:info@endfurniturepoverty.org) | 0151 702 0575

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