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**The Future of Local Welfare – Discretionary Support for Individuals and Families Facing Crisis**

**Summary**

This briefing outlines research and findings on local discretionary support, including Local Welfare Assistance, the Household Support Fund and other schemes. Over recent years, we have called for committed and sustained funding for this type of support, a means by which people experiencing financial crises can access a dignified and rapid form of financial support. Since the pandemic, the funding landscape for local discretionary support has been rapidly changing and this briefing outlines what learnings we can take from this and how we should be investing in local welfare so that it is fit for purpose; supporting individuals and families for the long-term.

Strengthened local discretionary support cannot exist in a vacuum. Over the last few years, especially due to the pandemic, the role of the local discretionary support and the wider social security have become conflated. Crisis support should provide a rapid form of support whilst the social security system must address the underlying drivers of people’s hardship.

Our findings show the case for the future of local welfare, to achieve a local discretionary support mechanism which is built to last through and beyond external shocks and provide efficient and timely support to people. To achieve this, we recommend:

* A three-year commitment of funding from the UK Government to local authorities in England, and devolved administrations of at least £1 billion per year for a permanent Household Support Fund.
* All English local authorities are required to provide a Household Support Fund branded scheme open locally to anyone in a financial crisis and provide basic monitoring information as a minimum.
* An additional 5% funding is provided to each local authority to administer their schemes and ensure there is effective local co-ordination to bring together partners and preventive services, and provide capacity to monitor outcomes and impact.
* Individuals and families are protected from financial insecurity an adequately funded social security system and good wages that always allow them to afford the essentials.

We also outline some key components of a permanent Household Support Fund:

* Develop a common branding through the HSF to create visibility of crisis support services within a local area.
* Standardised approaches to access and eligibility criteria with guidance on best practice and monitoring requirements from central government.
* There should be dedicated funding for cash-first approaches and the provisions of white goods and furniture. Ringfencing should not apply to specific cohorts of the community.

**Introduction**

Many individuals and families face events that could push them into financial crises, which put the immediate health and well-being of family members at risk. This could be loss of a job, bereavement, diagnosis of an illness, or something like a boiler or cooker breaking down. For some families they simply do not have enough income to afford food or other essential items, or don’t have the financial resilience to deal with unexpected costs.

The coronavirus pandemic created an unprecedented shock to incomes and the economy. Without full recovery from this, the UK is now being affected by global issues, which have dramatically increased the cost of living, overseeing inflation at a 40 year high[[1]](#footnote-1). Local authorities have been reporting an increasing need for financial support. This has caused the ways in which individuals and families have been experiencing financial crises over the last few years to be exacerbated. Whilst the issues which people are facing are not new, it has meant the most vulnerable people are facing the sharpest end of the financial uncertainty that has been created in recent times.

This briefing outlines how The Household Support Fund (HSF), which has been the most recent funding allocated to local authorities, has now become a nationally recognised brand. There is now an opportunity to benefit from a more strategic and efficient approach to local discretionary crisis support through long term investment, capitalising on the large public awareness of the HSF by maintaining a standardised brand and guidelines for local authorities. The short-term nature of the HSF has exacerbated some issues long seen in local discretionary support delivery. However, the positive learnings and public awareness of the HSF provides an opportunity to simplify the funding landscape through a permanent and sustained HSF.

We are calling for sustained funding of £1 billion per year for local discretionary support, delivered through a permanent Household Support Fund.

1. **The need for long term funding for discretionary local welfare**

Funding for emergency support provision is a vital mechanism for councils to support low-income households in times of financial crisis. They should provide a rapid and dignified means of supporting the most vulnerable, reducing the likelihood that people will be unable to heat their home, or need to turn to a food bank to get their next meal. At their best, local discretionary support schemes utilise the existing knowledge that councils have of need in their local communities, as well as strong working relationships with voluntary and community sector partners, to provide the immediate support required in the event of a crisis, but also to address longer term causes of financial crisis.

Local welfare is not only important to the individual, but there is also evidence that it can lead to significant cost savings. In a study cited by the National Audit Office, an investment of £0.5million into local welfare assistance generated £9.7million in savings to other public services[[2]](#footnote-2).

This emergency support can often make the difference between someone staying on their feet or falling into debt and destitution. Delivered at the right time it can be an effective way of preventing a financial emergency from escalating into a more sustained crisis, through immediate financial relief.

Over the last three years, funding for emergency support has come in many forms and has been crucial in supporting people through the pandemic and now the rising cost of living. Funding for emergency support had been facing many cuts and the investment in this provision since the pandemic has been a welcome boost to support individuals and families, especially where cash-first approaches have been taken.

1. **Learnings from the Household Support Fund and previous schemes**

**2.1 History of local welfare before the pandemic**

Discretionary support for individuals and families facing crisis was localised in 2013 when aspects of the Social Fund were replaced by Local Welfare Assistance (LWA) schemes. These schemes have formed a relatively small but vital part of the social security system, providing a simple and effective mechanism for councils to support low-income households to keep them afloat in times of financial crisis. The type of support can vary but often includes cash grants, low-cost loans, vouchers, or essential items such as white goods and furniture.

Whilst a local approach undoubtedly has its benefits because Local Authorities are well positioned to identify local need, the non-statutory devolution of LWA to councils without ringfenced funding during a period of austerity has resulted in a significant reduction in provision across the country as councils looked to make cuts to their services due to funding pressures. The number of local authorities not running a LWA scheme is now up to 35, in 2022[[3]](#footnote-3), a steady rise from previous years. Whilst there has been a higher spend on LWA schemes in the last two years, driven by government grants, the core spend of local authorities – approximately £30.5m – is in fact the lowest amount of core council funding spent on LWA yet recorded. This illustrates a continuation of the long-term reduction in money allocated to LWA by local authorities[[4]](#footnote-4).

This funding landscape meant that people facing financial crisis were confronted by a postcode lottery of support with awareness of schemes being low due to differing provision and little promotion due to very limited budgets.

Whilst the boost of funding from the HSF has been welcome, the short-term allocation of the HSF has complicated the postcode lottery of support available to people further. There are now some local authorities with both or only LWA schemes and HSF support schemes open to self-referrals, or neither. A permanent HSF would, along with long-term funding, create clarity and simplify the local welfare funding landscape. The HSF has created some positive learnings which would enable simple, clear and effective local discretionary support delivery.

**2.2 The Household Support Fund and its predecessors**

Since the start of the COVID-19 pandemic, the government has recognised the importance of local discretionary support in supporting families and individuals in financial crisis. These schemes have played an important role in the response to the crisis acting as a quick and responsive way of addressing peoples needs before they deepen and result in longer lasting consequences. In the last two years the Department for Work and Pensions and Local Authorities have delivered local crisis support through four successive schemes: Emergency Assistance Grants, Covid Winter Grants, Covid Local Support Grants, and the Household Support Fund. Although these schemes were separately named and funded they can largely be seen as one evolving nationally funded and locally delivered discretionary support fund.

**2.2.1 Positive learnings – recognisable brand, easier to find and apply for help**

Many local authorities have used the October 2021- March 2022 HSF to improve existing LWA schemes. Approximately 6% of the HSF was used to bolster existing schemes whilst around 69% of the scheme was delivered through targeted grants[[5]](#footnote-5).The previously awarded HSF has led to welcome changes to scheme policies, such as increasing award sizes from an average of £163 in 2021 to £229 in 2022, expanding the type of support provided to include items such as bedding, clothing or white goods, and allowing repeat applications from households facing repeated crises. There were also examples where this additional funding was used to deliver fuel or utility awards to households also eligible for school holiday food support.

The Household Support Fund has further enabled local authorities to increase eligibility for holiday support grants to more households. This has included children under 18 who are living independently, children eligible for Free School Meals, care leavers and families with No Recourse to Public Funds (NRPF).

Developing common branding would help to improve the visibility of crisis support services within a local area, helping ensure that potential clients and referral organisations are aware of the provision available. Better alignment of eligibility criteria would help speed up the process, so that households and professionals can quickly determine what help is available for their circumstance.

**Case study: North Yorkshire**

North Yorkshire County Council have used the Household Support Fund to contact eligible people directly without requiring them to apply, plus offering additional support to them and to others via other routes including building up existing schemes like North Yorkshire Local Assistance Fund, Warm and Well, and food banks. They were able to deliver this support by:

* Identifying eligible people through partnership working between the county council and the seven district councils.
* Developing a system to distribute support through a new online system as well as the development of a fully accessible and friendly non-digital route for those who could not use the online system.
* Working with the voluntary sector to enable households who were self-isolating to be helped with the costs and delivery of food and other essentials.

**2.2.2 The impact of short-term rounds of funding**

The various grants and streams of funding for discretionary support over the last two years have been welcomed and embraced by Local Authorities over the last few years who have made great efforts to reach individuals and families in need of support. However, the relatively short rounds of funding – often in six-month tranches – has resulted in significant drawbacks for delivery. Announcements of extended funding have often come at the last minute before existing funding was coming to an end, after many local authorities have already taken steps to wind down their schemes. This has led to significant administrative complications and inefficiencies with many staff on temporary secondments being returned to their permanent posts – creating resourcing problems for the extended schemes.

More significantly, a short term and uncertain funding environment has reduced Local Authorities ability to effectively target and distribute support. This has led some Local Authorities to hand over large portions of funds from the schemes to voluntary and community organisations, such as food banks, to deliver through their existing services. The first tranche of the Household Support Fund oversaw 14%, approximately £58m of funding, being allocated to voluntary and community sector.

This response is risking entrenching emergency food aid in communities. When locally delivered emergency cash-based support does not exist, households must find other ways to manage their crises – often this means turning to a food bank, being pushed into unaffordable debt, or simply going without the absolute essentials we all need like food or heating[[6]](#footnote-6). It is more effective and dignified for people to receive cash transfers rather than food when they face a crisis.

Food banks should not be the first port of call when people face rising costs. Government and local authorities should work to address the underlying drivers of people’s hardship through advice services and crisis cash payments, rather than support responses which focus on providing food and a temporary fix. Future funding should come with guidance for local authorities to avoid relying on emergency food aid and instead deliver emergency support through cash-first interventions and the provision of white goods where possible[[7]](#footnote-7).

The certainty of long-term funding for local discretionary support would not only enable Local Authorities to use and deliver their funds more efficiently, it would enable them to plan strategically. In the knowledge of sustainable funding Local Authorities could:

* Recruit, train and invest in a skilled team.
* Further develop ways of identifying need through intelligent and innovative use of data.
* Coordinate delivery of local welfare with other council departments who may interact with or support households in crisis or at risk of financial instability.
* Develop closer relationships and partnerships with local voluntary and community organisations to identify need, coordinate referrals and wrap around other forms of support – taking a holistic approach to household’s circumstances.

The short term and last minute nature of announcements for extended HSF funding have also led to delays in the publication of new guidance for local authorities, and meant that many have started to receive enquiries from residents in need of support before they have managed to reopen their scheme.

**2.2.3 Guidance is helpful but too stringent ringfencing undermines the benefits of a local approach**

Since the Emergency Assistance Grant, the first iteration of what is now the Household Support Fund, at the start of the pandemic, each round of funding has involved a degree of ringfencing targeted at different cohorts of people (such as families with children). This has proven a challenge for local authorities with different residential demographics. Local authorities should be given the flexibility to target support based on their understanding on local need.

Stringent ringfencing for specific allocation on families, individuals and pensioners, can overlook the specific needs of demographics which vary from area to area. Ringfencing should not earmark how much money should be spent on parts of the population, instead, it should be ringfenced for cash-based support as a priority. Ringfencing with a clear, published allocation on how local authorities can prioritise cash-based support, provision of white goods and furniture is essential for this funding to be used for its intended purpose, to provide emergency funding and support. It should not be used to plug gaps in budgets elsewhere. Ringfencing funding for specific cohorts does not enable local authorities to efficiently utilise this funding for people who are most in need of support.

The change in ringfencing for the Household Support Fund extension, from 50% on families with children to a third on families with children, a third on pensioners and a third to others in need, has affected how Local Authorities deliver their LWA schemes[[8]](#footnote-8). The table shows how ringfencing has changed with each discretionary support fund allocation.

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| **Emergency Assistance Grant** | **Covid Winter Grant** | **Household Support Fund****Oct 21 – March 22** | **Household Support Fund****April 22 – Sept 22** |
| This funding was not ringfenced | 80% was ring-fenced for households with children, with 20% available for any household type.80% was allocated for food, energy and water costs.  | At least 50% of the total funding was ring-fenced to support households with children, with the remaining 50% available to use flexibly. | At least one third of the total funding is ring-fenced to support households with children, at least one third of the total funding is ring-fenced to support pensioners, with the remaining third available to be used flexibly. |

One area of support consistently cited as being reduced due to ringfencing of the HSF from April 2022 - September 2022, has been Free School Meals provision over the holiday period. The extent to which local authorities have been able to deliver holiday provision has been impacted by the new requirement to spend a third of HSF provision on pensioners. In many areas local authorities were spending the vast majority of funds on families with children meaning that this new requirement has led to them needing to reduce support for families with children. This is evidenced by some local authorities distributing significantly less generous food vouchers for the summer holidays in 2022 despite rising costs for parents.

Ringfenced funding for cohorts does not take into account the demographic needs of each local authority. For some, this has had little to no effect in how they allocate their funding, with others having to severely cut back on essential welfare provision to groups most in need of support.

**Case study: Sunderland City Council**

Sunderland City Council have found the change in ringfencing to at least a third for vulnerable pensioners as problematic to implement as it necessarily means less available for other groups that may generally have lower income levels to manage cost of living pressures. Sunderland does have a sufficient pool of pensioners that it can target this support towards, however, while pensioners generally may face higher costs in some areas, – low income pensioners also have a minimum income of approximately 2.5 times more than that of a low income unemployed person. This means that there has tended to be less need from pensioners in the area than working age families.

As the case study above illustrates, many local authorities struggled to spend their one third allocation on pensioner households, as they received low numbers of requests from pension-age applicants, which is unsurprising given that many local authorities have small pensioner populations.[[9]](#footnote-9) Some local authorities therefore chose to spend their pensioner allocation as an automatic payment to those in receipt of pension credit. Although these households no doubt welcomed the additional support, this funding could have been better targeted going to households with higher costs, such as families with children.

We welcome the recently updated final guidance for the HSF (1st October 2022 – 31st March 2023), which has now outlined that Authorities use discretion on how to identify and support those most in need and consider household circumstances when making a decision on how to spend this grant[[10]](#footnote-10). The final guidance has now removed the ringfencing of funding on specific cohorts, and we encourage the government to continue this approach in the next round of funding and associated guidance.

**2.2.4 Working with the Voluntary and Community Sector**

Many local authorities have realised the benefits of close collaboration and partnerships with the Voluntary and Community Sector, including by providing funding to local organisations. This has allowed the local authority to work with partners to deliver additional support. Strong partnerships with the VCS sector enables stronger signposting and referrals to complimentary services, such as debt advice.

In some cases Local Authorities without existing provision used VCS organisations to deliver their schemes during the pandemic, because they had the ability to do so at short notice. Whilst working with organisations who already have established links to the community is beneficial in the longer-term Local Authorities should look at how they can ensure they have schemes that are easily accessible to anyone presenting a need to any local services. There should be no “wrong door” to receiving support, and Local Authorities should strive towards quick and simple referrals to the HSF from any of their public facing departments. Externally contracting the HSF could prove a barrier.

The VCS support and council’s Local Welfare Provision awards are all detailed on a shared record to prevent duplication and ensure the available funding is maximised. This has required the development and implementation of information sharing protocols and confirmation of GDPR compliance before VCS organisations can make awards.

**Case study: Sunderland City Council**

Sunderland City Council worked with local partners to assist service users with presenting issues as well as any underlying issues that may have led to them seeking support. Recognising that signposting can lead to cases not being followed up, the council has funded additional capacity to provide advice to service users as well as implementing a simple referral system for anyone using either council’s Local Welfare Provision or food banks.

The referral system enabled service users’ details to be sent to a local advice provider and upon contact, the provider would look at the service users’ circumstances to provide relevant advice, for example: on benefits, debt issues or other ways of improving household finances. Over 5,000 Financial Resilience Checks were provided in the first year of the pandemic and this mechanism is still in operation.

Individual food banks have taken on funding from local authorities although the Trussell Trust and the Independent Food Aid Network (IFAN) do not accept local authority funding on the principle that it should go directly to people. This may be because the council did not have the capacity to get these grants out to households in hardship themselves, and instead had to rely on food banks to do so. This is concerning. Food banks should not be the first port of call when people face rising costs. This response risks entrenching emergency food aid in our communities[[11]](#footnote-11). Emergency food aid cannot help people with rising energy costs or unexpected bills, however, putting cash directly into people’s pockets can. Future funding should focus on cash-first interventions where possible.

**2.2.5 Conflation with provision for free school meals**

Recent findings show that 41% of the first tranche of the HSF were delivered via targeted grants to families eligible for free school meals[[12]](#footnote-12). Both deliver vital support to economically vulnerable households, but they meet fundamentally different needs: local welfare schemes deliver discretionary emergency support to help overcome a variety of short-term crises that may occur at any time, whilst FSM holiday provision offers assistance specifically towards the cost of food for children who during term time would receive a free meal each day at school. Most local authorities we heard from were planning to use the extension to the HSF to support for holiday provision of Free School Meals over the summer holidays.

Whilst we are calling for a strengthened emergency support provision, this type of support should be delivered as part of our national social security system rather than through the mechanism of local discretionary schemes.

Whilst it is important to support families with FSM holiday provision the use of the Household Support Fund and its predecessors has not been the best mechanism, creating marked differences in provision across the country and restricting funds to support families facing crisis. To ensure the welfare system enables families to feed their children, Free School Meals should be extended to every family on Universal Credit. The income threshold of £7,400 for Free School Meals is far too high, there are many families living in poverty, who aren’t eligible. Extending FSM to those on Universal Credit will ensure a further 1.5 million children will have access to a meal and quite literally help families put food on the table.

The National Food Strategy recommended that the government commit to an annual funding of £449 million for the Holiday and Food Activity (HAF) programme[[13]](#footnote-13). Earlier this year the government extended the HAF programme for a further three years, investing £200 million for 2022/23 – markedly lower than recommended. The National Food Strategy calculated this figure based on the number of children who were eligible for FSM in 2021, but we would also urge funding to take account of families excluded from the data, such as migrants families with NRPF, and all families on Universal Credit. The HAF is a crucial mechanism provided by the welfare system to ensure families facing financial insecurity have access to at least one freshly cooked meal a day. The HAF should be expanded to effectively meet the demand for FSM in the holidays for every child living in poverty.

**2.2.6 Local discretionary support within the wider social security system**

Local discretionary support plays a small but vital role within the social security system. It is there to support people through one off shocks that might cause a sudden drop in income or an increase in costs. It is not there to plug the gaps of an inadequate social security system. It is also discretionary support; people do not have the same legal entitlement to support as they do within the wider social security system. Therefore, it is even more problematic to expect this part of the system to make up for broader inadequacy problems.

As these case studies from CPAG’s Early Warning System[[14]](#footnote-14) outline, too often people are driven to crisis support because the support available via the wider social security system is not adequate or is not working effectively.

**Case study: CPAG’s Early Warning System**

A single parent of five children affected by the benefit cap is two months behind on his rent, and just keeping up with paying his energy bills. He seeks advice because he is struggling to afford food and clothes for the family. His advice worker helps him to apply to his council’s household support fund and crisis fund.

A working family with two children struggle to pay the rent on their two-bedroom home because of frozen Local Housing Allowance rates. They are turned down for a discretionary housing payment. Applying to the household support fund gets them £50 in energy vouchers. This helps them get through the month.

Too often, the government points to the Household Support Fund as the ‘fix all’ solution for existing problems in the social security system[[15]](#footnote-15). The Household Support Fund, even with a long term funding settlement, cannot and should not fulfil this function – the social security system must be fit for purpose and ensure that everyone can afford the essentials.

1. **How a permanent Household Support Fund should look**

The Household Support Fund and previous streams of funding have been welcomed by Local Authorities and used to meet the demands of families and individuals most in need of emergency financial support. However, the insecure funding landscape for local discretionary support, created by short-term and ringfenced funding has meant that local discretionary support has not always been able to effectively target and distribute support efficiently.

To ensure a decent level of support for every region, there should be a greater understanding of what best practice looks like and a minimum standard that should be required of all local authorities. There has already been substantial research exploring different local welfare schemes and setting out recommendations, including by the Local Government Association[[16]](#footnote-16), Child Poverty Action Group[[17]](#footnote-17) and Greater Manchester Poverty Action Group[[18]](#footnote-18). Some of the common, key areas of best practice are:

* **Increase awareness of schemes and referral pathways** - local authorities should widely advertise the support that is available and how to access it. This good practice is being achieved in some areas but not all[[19]](#footnote-19). Local authorities should also work with other local support organisations to increase their awareness of support and to establish clear referral pathways. A standardised approach through the Household Support Fund brand will help to raise awareness across areas.
* **Multiple channels of access** - there should be multiple ways to apply to schemes, including at least online, telephone, face-to-face (when possible) and via referral from another organisation.
* **Simple application processes** – local authorities should ensure schemes are easy to apply for. Too onerous application and evidence processes can deter people from applying and create accessibility barriers.
* **Relaxed eligibility requirements** - local authorities should consider relaxing qualifying criteria for schemes to ensure those most in need get support. Repeat applications or lack of a local connection should not result in individuals being automatically ineligible to apply.
* **Tailored support** - local authorities should provide help that is tailored to individual needs, including a cash first approach where possible, alongside vouchers and in-kind provision for people who need it.
* **Wrap-around support** – Household Support Fund payments should be accompanied by a rounded package of support, such as benefits advice and debt advice, that can help to address the cause of the financial crisis and allow someone to build their own resilience against future financial crises occurring

Crucially, any funding for local discretionary welfare through a permanent Household Support Fund should be ringfenced for crisis support but not be constrained by specific cohorts it should be spent on, this should be at the discretion of the local authority. Each funding stream awarded in the last few years has involved ringfencing towards certain cohorts, which has constrained local authorities in how they are able to target need. Each area has its own unique population with specific needs. Local authorities need to be provided with the autonomy to spend funding in ways which best meet the needs of their population.

There is now an opportunity to build upon the successes of the Household Support Fund and provide local authorities with the long-term funding and guidance to address crisis and poverty in their area. We are recommending a three year settlement of £1 billion per year.

**3.1 Coordination for discretionary local support**

For the HSF to reach the most vulnerable effectively and efficiently, Local Authorities must be provided with additional funding to enable coordination. The Coordinated Community Support Programme (CCS programme) works to improve coordination between locally-based agencies providing support (including grant support, advice, legal support, access to food and other services) to people in financial crisis[[20]](#footnote-20).

Coordination doesn’t always happen organically; it requires support and needs long term investment. The CCS programme, through its learnings, has created a ‘conditions model’ which shows the conditions in which effective coordination can take place. There are four elements to this model:

1. A network of people who:
* Share a desire to achieve better outcomes collaboratively
* Have a shared understanding of the local environment in which agencies are operating
* Are motivated to act together – “willing to leave your ego at the door”.
1. An underpinning ‘mechanism’ that facilitates robust referrals across agencies. Going beyond just an email.
2. Capacity & legitimacy to lead the network, administer the referral mechanism and support collaboration (including bridging between VCS and LA)
3. Sustained investment and leadership – it does not happen on its own

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| --- | --- | --- | --- |
|  | **Access** | **Awareness** | **Coordination** |
| Local authorities and otherorganisations | Having the resource and capacity to provide support. | Knowledge of what support is offered by other services in the area | Having means to communicate, make effective referrals and work together collaboratively. |
| Individual service users | Having access to the items, support or advice that service-users need to manage, resolve or prevent their crisis.​ | Knowledge of available support and how to access it | Having a coherent experience of multiple support services and not needing to repeat their stories to multiple agencies |

The conditions model is based on the AAC principles – Access, Awareness and Coordination.

**Case study: Coordinated Community Support Norfolk**

One of the four areas the CCS programme operates in is Norfolk, where the programme has successfully worked with Norfolk City Council (NCC) and local emergency support providers to work together and provide wrap around support for the local community.

A long standing and well-established alliance of agencies across Norfolk is coordinated by the Norfolk Community Advice Network (NCAN). This network, active since 2005, supports referrals across a variety of local advice and support services as well as having robust routes in and out of NCC services. A close partnership between the council’s Norfolk Assistance Scheme (NAS) and NCAN plays a key role in delivering crucial strategic coordination of crisis support and Local Welfare Allowance funding and services.

Applicants to NAS are systematically referred into the wider range of holistic, wrap around support available via NCAN. In 2021/2022 NCC sent 914 referrals via the NCAN system; referrals were sent to over 50 services across the county, offering support with Welfare Benefits, Debt, Housing, Advocacy, Employment, Money Management and a host of other issues. The partnership has grown significantly over the last few years; just 41 referrals were sent by NCC over the NCAN system in 2020.

As part of this partnership development, NCC have awarded Hardship Grant funding from 1st November 2021 – 31st March 2023 to NCAN providers for the delivery of hardship information, advice and support, with an overall objective to reduce hardship for Norfolk residents. NCC have also invested in the NCAN referral system with the goal of increasing the number of NCC staff able to access NCAN; by doing so, council staff will be able to directly refer individuals to NCAN providers for support including debt advice, money management, welfare benefits entitlement checks, and budgeting advice.

This partnership and strategic approach have been recognised as a model of good practice for how Local Authorities can better coordinate crisis support and LWA funding through fostering stronger collaborative relationships with the VCS landscape and effective use of digital tools.

Alongside funding for the Household Support Fund, we recommend central government provides local authorities with an additional 5% to facilitate coordination and provide local authorities with the capacity to run exemplary schemes.

1. **Recommendations**

**We recommend that the UK Government ensures that:**

* **There is a three-year commitment of funding, starting in April 2024, from the UK Government to local authorities in England, and devolved administrations of at least £1 billion per year for a permanent Household Support Fund.**
* **All English local authorities are required to provide a Household Support Fund branded scheme open locally to anyone in financial crisis and provide basic monitoring information as a minimum.** Basic and consistent monitoring data ensures that there is transparency about how funding has been spent, but the information required should be developed with local authorities to ensure the information requested will not be overly onerous for local authorities to provide. This will also allow for more effective comparison of outcomes between different models of provision. Further expectations of local schemes are suggested below.

**An additional 5% funding is provided to each local authority to administer their schemes and ensure there is effective local co-ordination to bring together partners and preventive services, and provide capacity to monitor outcomes and impact.**  **People are protected from financial insecurity through an adequately funded social security system and good wages that always allows them to afford the essentials.** Local discretionary support has an important role in preventing crisis when individuals and families are hit by a financial shock but it is no substitute for an adequate income. The Household Support Fund should also not be used as a mechanism to plug in gaps in the social security system and other types of support, such as Free School meals.

**As part of its guidance to local authorities on the Households Support Fund, we recommend that the Department for Work and Pensions includes the following expectations:**

* **The Household Support Fund should be open to anyone in financial crisis and seek to minimise barriers to support.** For example the fund should not be targeted at certain groups only, as seen with ringfencing parts of the funding to date (such as requiring 30% to be spent on pensioners). The demographics and needs of residents in different Local Authority areas is highly varied and the HSF should take advantage of the local approach by allowing Local Authorities to target the most acute needs in their area. Some councils in England have also set restrictions requiring other avenues of support to be exhausted first, such as using a food bank first. This can create additional barriers to local welfare support which is better designed to meet crisis needs.
* **Support through the Household Support Fund is available for people with No Recourse to Public Funds.**
* **Local welfare assistance schemes should deliver cash-first emergency support as a priority of their offer.** Cash-first approaches are empowering, and respect people on low incomes suffering a short-term financial crisis as individuals who should have agency in the choices they make just like anyone else.
* **Funding requirements should strike a balance between cash-first grants and the provision of furniture and white goods.** Provision of furniture through local welfare is an important resource for people who cannot afford the high one-off costs of appliances and furniture. It is important that people have a choice between cash-first grants or direct provision of white goods in acquiring the items they need.
* **Alongside Household Support Fund provision, councils should provide residents with access to benefits and debt advice services (and expand these services where necessary) to enable people in financial crisis to tackle the root cause of that crisis.** Where possible this should include developing an early intervention model to track financial vulnerability by integrating Discretionary Housing Payments and council tax support into their local welfare model, potentially as part of a wider approach to financial inclusion.
* **Anyone seeking financial support through other local services, including council services, should be informed of the local authority’s Household Support Fund.** There should be a “no wrong door” policy, whereby anyone seeking help due to a financial crisis through another local authority service or financial service provider, such as a credit union, should be informed of the local welfare assistance scheme. This could involve developing clear referral pathways, to coordinate support services available locally.
* **There are at least two channels (such as face-to-face, online or telephone) for people to apply to the Household Support Fund.** Some existing schemes in England might currently only have one route to apply for support through.
* **Successful local welfare assistance crisis awards should be processed within at least 48 hours.** For local discretionary support to be effective, the person in crisis needs to access that support as fast as possible.
* **The Household Support Fund should involve simple application processes, making it easy for people to apply with clear information about who is eligible.** Schemes with complex forms that require information that can be difficult to acquire may deter people who need support from applying.
1. The Institute for Government (2022) [Cost of living crisis](https://www.instituteforgovernment.org.uk/explainers/cost-living-crisis) [↑](#footnote-ref-1)
2. A report from the National Audit Office (2016) highlighted the evidence from Milton Keynes Council, which used the New Economy’s Unit Cost Database to estimate the cost savings to other public services of their local welfare scheme. It estimated that over a full year awards made by the local authority worth £0.5 million led to a total estimated combined saving for central and local government of £9.7 million. The council examined the fiscal, economic and social value derived from a sample of 592 local welfare provision awards it made from January to July 2015, Local Welfare Provision (2016), National Audit Office, <https://www.nao.org.uk/wp-content/uploads/2016/01/Local-welfare-provision.pdf>, p32. [↑](#footnote-ref-2)
3. End Furniture Poverty (2022) [Resetting crisis support in 2022](https://endfurniturepoverty.org/wp-content/uploads/2022/12/EFP-Resetting-Crisis-Support-Final.pdf) [↑](#footnote-ref-3)
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11. Trussell Trust (2022), [End of Year Stats](https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/) [↑](#footnote-ref-11)
12. End Furniture Poverty (2022) [Resetting crisis support in 2022](https://endfurniturepoverty.org/wp-content/uploads/2022/12/EFP-Resetting-Crisis-Support-Final.pdf) [↑](#footnote-ref-12)
13. The National Food Strategy (2021), [Chapter 16 recommendations](file:///C%3A%5CUsers%5CPriya.Patel%5CDownloads%5CNational-Food-Strategy-Chapter-16%20%283%29.pdf) [↑](#footnote-ref-13)
14. The [Early Warning System](https://cpag.org.uk/policy-campaigns/early-warning-system) collects case studies from frontline welfare right advisers on the problems they are seeing in the social security system [↑](#footnote-ref-14)
15. Hansard (2022) In recent months, the government has pointed to the Household Support Fund to help address problems with Local Housing Allowance ([Volume 724: debated on Monday 5 December 2022](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fhansard.parliament.uk%2FCommons%2F2022-12-05%2Fdebates%2FD451BEE8-0419-4848-A8CD-9F6E036C85F6%2FLocalHousingAllowance%3Fhighlight%3Dhousehold%2520support%2520fund%23contribution-10141F2B-D75B-4F77-8F20-411E07575451&data=05%7C01%7CPriya.Patel%40childrenssociety.org.uk%7C8070ad511b444615391108dae2709279%7C340ae048d81c4eab88a4b7491fa8a408%7C0%7C0%7C638071270386990288%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=pX%2BpmL1YKUOnB3sVirZP8Tox6qcFWCjRmGhd3eBFMTo%3D&reserved=0)), Fuel Poverty ([Volume 723: debated on Tuesday 29 November 2022)](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fhansard.parliament.uk%2FCommons%2F2022-11-29%2Fdebates%2F1E9853D6-CB03-4298-9E51-EBF33B77020A%2FEnergyPriceGuaranteeImpactOnHouseholds%3Fhighlight%3Dhousehold%2520support%2520fund%23contribution-BDC498B4-ADCB-4437-B476-F74A43F00CA8&data=05%7C01%7CPriya.Patel%40childrenssociety.org.uk%7C8070ad511b444615391108dae2709279%7C340ae048d81c4eab88a4b7491fa8a408%7C0%7C0%7C638071270386990288%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=OBzzWw7Aw%2FvHOuYxQrQ5g%2Fv2DYvUbV98BXDk9V06qis%3D&reserved=0), a lack of funding for local authorities ([Volume 824: debated on Thursday 20 October 2022](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fhansard.parliament.uk%2FLords%2F2022-10-20%2Fdebates%2F4C6A9DA8-CF3E-43C2-8478-E1A7FBB48E74%2FWarmHubs%3Fhighlight%3Dhousehold%2520support%2520fund%23contribution-B8245312-0A1F-4583-B520-D0C0F94D1A5C&data=05%7C01%7CPriya.Patel%40childrenssociety.org.uk%7C8070ad511b444615391108dae2709279%7C340ae048d81c4eab88a4b7491fa8a408%7C0%7C0%7C638071270386990288%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=DxPHq6jZjhD%2Bo2a%2FctxF65tDxJAeL9dNTslNnUdhRAc%3D&reserved=0)), and child poverty ([Volume 722: debated on Thursday 17 November 2022](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fhansard.parliament.uk%2FCommons%2F2022-11-17%2Fdebates%2F97DB3122-0068-46CD-B026-F757C8DF39AF%2FAutumnStatement%3Fhighlight%3Dhousehold%2520support%2520fund%23contribution-9FAE5BEE-A1D3-4C46-ABE7-FB3150D4DE47&data=05%7C01%7CPriya.Patel%40childrenssociety.org.uk%7C8070ad511b444615391108dae2709279%7C340ae048d81c4eab88a4b7491fa8a408%7C0%7C0%7C638071270386990288%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=xZvf68iAcVlEC8pZRmbSzhuWua85RE7ga9qlEBASH7Y%3D&reserved=0)). [↑](#footnote-ref-15)
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