



**The
Children's
Society**



BritishRedCross



StepChange
Debt Charity

TURN2US
FIGHTING UK POVERTY

The Right Honourable Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
The Correspondence and Enquiry Unit
1 Horse Guards Road
London
SW1A 2HQ

By email: public.enquiries@hmtreasury.gov.uk

February 2021

Dear Chancellor of the Exchequer,

Re. Funding at Budget 2021 for local welfare provision

We are writing to you as a coalition of charities, to urge you to make funding available at the forthcoming Budget to enable local authorities to continue to operate Local Welfare Assistance schemes. These schemes provide a vital safety net for those facing financial hardship - providing emergency cash grants, fuel vouchers, or other essential items such as furniture and white goods.

Over the past year of the COVID-19 pandemic, local welfare has played a crucial role in keeping low income households afloat at times of crisis. We are pleased that your Government has already acknowledged this by providing additional funding; enabling councils to improve local crisis provision. We, the undersigned, have warmly welcomed the resource provided through the Local Authority Emergency Assistance Grant and the COVID Winter Grant Scheme. We know these grants have made a significant difference to households facing hardship across the country, and have enabled local authorities to meet significantly increased demand for emergency support.

However, this additional funding is due to run out at the end of March 2021. We anticipate that many households will continue to be in need beyond this point, and are extremely concerned that many more will require help for the first time. The Local Government Finance Settlement for 2021/22 currently makes no further dedicated funding available for councils to deliver this vital emergency financial support.

We know from our research that when Local Welfare Assistance schemes are effective, they are able to provide rapid, dignified and efficient support to keep low income households afloat in times of crisis. And local government is uniquely placed to deliver this support: local schemes can be underpinned by the existing knowledge that councils have of need in their communities, and the relationships they hold with local voluntary and community sector partners.

As we begin to rebuild our communities after this pandemic, households need to be assured that if they face an immediate crisis, they will have somewhere to turn for rapid and dignified support. Local Welfare Assistance schemes can provide that support: meeting the immediate challenge

of putting food on the table, fixing a broken boiler, or providing essential items, whilst also working to address the underlying causes of financial hardship. Additionally, there is evidence to suggest that timely preventative support through Local Welfare Assistance can lead to significant cost savings for other public services.

We therefore urge the Treasury to allocate £250 million for local welfare provision in the upcoming budget for the year 2021/22. This would match the funding allocation over the past financial year and ensure that across the country, everyone has a local welfare safety net to fall back on. Looking ahead to the Comprehensive Spending Review, we ask the Government to review LWA in order to establish a longer-term funding settlement with national standards and guidance to accompany the funding.

Yours Sincerely,

The undersigned:

Naomi Phillips, Director of Policy and Advocacy, British Red Cross

Louisa McGeehan, Director of Policy, Rights & Advocacy, Child Poverty Action Group

Sabine Goodwin, Coordinator, Independent Food Aid Network

Sophie Corlett, Director of External Relations, Mind

Becca Lyon, Head of UK Child Poverty, Save the Children

Richard Lane, Director of External Affairs, Stepchange Debt Charity

Richard Crellin, Acting Team Leader - Policy, Research and Public Affairs, The Children's Society

Garry Lemon, Director of Policy & Research, The Trussell Trust

Thomas Lawson, Chief Executive, Turn2us

CC: Will Quince MP, Parliamentary Under Secretary of State, Department for Work and Pensions