



appg

on Ending the Need
for Food Banks

Cash or food? Exploring effective responses to destitution

Final inquiry report

Executive summary

As members of the All Party Parliamentary Group on Ending the Need for Food Banks, we are delighted to introduce this report on **Cash or food? Exploring effective responses to destitution**. This is a critical time to assess effective ways to support people facing destitution and challenge the growing normalisation of emergency food as a response.

Of course, the ultimate goal should be to prevent people from reaching financial crisis by tackling the drivers of destitution. However, as more and more people find themselves unable to afford the essentials, we must recognise the role of crisis responses and the need to get the right support to everyone who needs it. This is why our inquiry has focused on exploring different local and community responses to supporting people facing destitution and financial crisis.

Food-based support

Food banks meet an immediate need for many households, but the evidence we received was clear that they are not an appropriate solution to destitution. People with their own experience of needing support from a food bank told us about the deep feelings of shame and stigma people feel when they need to turn to charity for essential items, including food.

During inquiry visits, we saw how food banks were focal points in their communities, providing a welcoming space for people in crisis to come for support, in some cases connecting them to other services providing advice and support to help prevent future crises. Communities coming together in this way should not be lost when moving to a society without the need for food banks.

Community responses to financial hardship extend far beyond food banks. We heard how low-cost community food support in the form of food pantries, social supermarkets and community larders serves a different role to emergency food aid. Rather than helping households in financial crisis, this form of support focuses on the longer-term provision of low-cost food to households on low incomes. By enabling people to actively choose what to buy, this is a more dignified form of support. However, many of the same pitfalls associated with food banks remain, including problems with accessibility and the sustainability of donations.

Cash-first support

Several of the main challenges with food-based support are mitigated by a cash-first approach, and we heard how cash grants offer a more accessible, dignified, and flexible form of support to people facing financial crisis. However, the evidence also cautioned against a one-size fits all approach, recognising that people should be able to access the support that suits them best. Cash-first approaches also need to be part of a strong local support system that prioritises good coordination of local services and effective referral pathways to help target support and prevent crises from recurring.

Better local crisis support

Local crisis support, also referred to as local welfare assistance, delivered by local authorities and devolved governments has a crucial role to play. However, there are still significant improvements needed to ensure there is a more strategic and consistent approach to local crisis support in every area, and to increase the availability of cash to support people facing crisis. Beyond this, local and national government needs to do more to support people before they reach crisis point. Local crisis support will be most effective when able to focus on short-term financial shocks in the context of a strong national safety net.

Principles for effective and dignified support

The inquiry has presented a real opportunity to identify a set of commonly agreed principles which should underpin the delivery of local crisis support.

For support to be **effective** it must be *accessible* so people in crisis are able to receive the support easily when and where they need it. It must be fully *inclusive* of everyone who needs it, ensuring no one is excluded due to their background or situation, and *help prevent the crisis from recurring* in the future.

For crisis support to be **dignified**, it must *reduce stigma, provide choice and flexibility* so people have the agency to determine the best way to resolve their crisis for themselves and *prioritise meeting the specific needs of the individual* e.g. dietary needs and preferences.

Recommendations

Building on these principles, we have made a series of targeted recommendations for all levels of government to ensure everyone is able to access effective and dignified local crisis support.

1. A long-term strategy for local crisis support underpinned by the principles for ensuring support is effective and dignified.
2. Cash-first approaches as the default response to financial crisis, whilst ensuring a range of suitable options are available to people depending on their individual needs.
3. Improving data-sharing between all levels of government to develop a holistic picture of local financial hardship.
4. Funding to develop and coordinate strong local support systems which mean no one has to turn to a food bank as a first port of call.
5. Ensuring that local crisis support is accessible to all and no one is excluded.

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Introduction

In May 2022, the APPG on Ending the Need for Food Banks (APPGENFB) launched a new inquiry **Cash or food? Exploring effective responses to destitution**.

The Covid-19 pandemic and the cost-of-living crisis have resulted in record levels of need for food banks, and yet these recent crises follow a longer-term trend of increasing need for emergency food. Food banks in the Trussell Trust network alone reported an 81% increase in need in the five years between 2016-17 and 2021-22.

There has also been a significant expansion in the number and type of alternative community food providers across the UK in recent years, including local pantries, larders, community food hubs and social supermarkets. Increased funding for local crisis support has further altered the picture of support on offer when people face financial crisis.

Therefore, the APPGENFB considered this a critical time to assess effective ways to support people facing destitution and challenge the growing normalisation of emergency food as a response.

The inquiry has focused on exploring different local and community responses to supporting people facing financial crisis. It has explored the merits and challenges of different types of crisis support, including food, in-kind support (e.g. vouchers and goods) and cash.

The ultimate goal, of course, should be to prevent people from reaching financial crisis by tackling the drivers of destitution. However, as an increasing number of people find themselves unable to afford the essentials, and turning to food banks as a result, it is important that policy can be led by the evidence on how best to respond.

Crisis responses to destitution are only one part of the picture when it comes to the challenge of ending the need for food banks. Preventative measures and medium to long-term responses are also vital and are being addressed in other areas of the APPGENFB's work.

Definitions of key terms used in this report

Destitution and financial crisis

People are destitute when they cannot afford the things they need to eat, stay warm and dry. A financial crisis may also mean someone is not able to afford food, or other essentials like gas and electricity. However, a crisis is more likely to be short-term whereas destitution tends to occur ‘in a context of severe poverty over a considerable period of time’, with some people living in destitution for months.¹ This is why crisis responses can only ever be part of the solution.

Local crisis support

While the national social security system has a vital role to play in protecting people from destitution and needing to turn to food banks, local crisis support is also an important tool, *one which is ideally focused on supporting people experiencing a short-term financial shock and which complements a strong national safety net*. This is distinct from wider forms of crisis support, which might deal with emergencies and crises of a different and specific nature, including mental health crisis.

Local crisis support can take many forms and can be delivered by the voluntary and community sector, as well as local government. There are also several ways in which support can be delivered. These include, but are not limited to, cash grants, high street vouchers, food parcels, providing certain goods, such as a fridge or furniture, and wraparound support, such as debt advice.

Effective and dignified support

The definitions of effective and dignified support have been developed based on the evidence to this inquiry and are the measures against which the different forms of crisis support are assessed. There is more detail explaining these definitions in part four of the report.

For crisis support to be **effective**, it must be *accessible* so people in crisis are able to receive the support easily when and where they need it. It must be fully *inclusive* of everyone who needs it, ensuring no one is excluded due to their background or situation, and *help prevent the crisis from recurring* in the future.

For crisis support to be **dignified**, it must *reduce stigma, provide choice and flexibility* so people have the agency to determine the best way to resolve their crisis for themselves and *prioritise meeting the specific needs of the individual* e.g. dietary needs and preferences.

About the inquiry

The **inquiry team** was made up of a small group of members from the APPGENFB:

- Wendy Chamberlain MP, Liberal Democrat, Co-Chair of APPG and Convenor of inquiry
- Catherine McKinnell MP, Labour
- Marion Fellows MP, Scottish National Party
- Paul Maynard MP, Conservative
- Baroness D'Souza, Crossbench

The inquiry sought evidence from a diverse range of sources, and through a variety of methods, seeking to ensure the findings and recommendations were rooted in the evidence and experience of those providing support to people facing financial crisis, as well as the lived experience of those who have needed to seek it.

- A call for **written evidence** was launched in May 2022 and hosted on the Trussell Trust's website. The call for evidence was promoted by the Trussell Trust to its network of food banks and to organisations with an interest in, or experience of, providing support to households facing financial crisis. It was also widely promoted on social media. A total of 66 written submissions were received in response.²
- The **inquiry team took part in visits** in May and October 2022 to services in Hackney, Blackpool, Fife, and Newcastle in order to hear directly from people providing support in their communities, as well as those receiving support.
- In January 2023, the inquiry team hosted **three oral evidence sessions** to delve deeper into some of the key issues raised in the written submissions.
- Finally, a **community workshop** was held with people with lived experience of financial hardship to explore the findings and help develop the final recommendations.

Further details of the organisations involved in providing evidence to the inquiry can be found in the appendix.

The cross-party inquiry team, supported by the Trussell Trust, is enormously grateful to organisations and individuals who have taken the time to share their evidence and experiences.

² This included: 20 submissions from food banks; 5 from organisations offering alternative food-based support, such as pantries and community food hubs; 5 from advice and support agencies; a further 15 coming from the broader VCSE sector. The remaining responses came from academics, people with lived experience of financial hardship, local government and the Scottish and UK governments.

PART ONE: The picture of local crisis support in the UK today

What do we mean by local crisis support?

As set out in the call for evidence, the inquiry has focused on what effective and dignified local crisis support looks like for people facing destitution. This is distinct from wider forms of crisis support, which might deal with emergencies and crises of a different and specific nature, including mental health crisis, and it is also distinct from the national social security system.

Local crisis support can take many forms and can be delivered by the voluntary and community sector, as well as local government. There are also several ways in which support can be delivered. These include, but are not limited to, cash grants, high street vouchers, food parcels, providing certain goods, such as a fridge or furniture, and wraparound support, such as debt advice.

When people seek help from a food bank, they do so because they don't have sufficient income to afford essential items. If someone is not able to afford food, or other essentials like gas and electricity, they face a financial crisis. In 2020, research by the Trussell Trust found that 95% of people referred to food banks in its network were destitute, meaning they were unable to afford to eat or stay warm and dry.³

While the social security system has a vital role to play in protecting people from destitution and needing to turn to food banks, local crisis support is also an important tool, one which is ideally focused on supporting people experiencing a short-term financial shock and which complements a strong national safety net. The social security system is a crucial part of the roadmap to ending the need for food banks in the UK but is not the focus of this inquiry, which has instead dug much deeper into the picture of local crisis support in communities across the UK to understand more about the role of food banks compared to other forms of support.

Voluntary and community sector support

Local charities and community services are often the first organisations on hand to respond to financial crisis and destitution, with the rise in the number of people seeking support from food banks providing the backdrop to this inquiry. Yet this increase in need is a relatively recent phenomenon. Ten years ago, the Trussell Trust had fewer than 100 food bank centres across its network, distributing almost 2,500 emergency food parcels a week. Now, there are more than 1,400 food bank centres distributing almost 42,000 food parcels a week. 1.3 million emergency food parcels were distributed by Trussell Trust food banks between April and September 2022, the highest number ever for this six-month period.⁴

“Food banks are no longer operating as a crisis support service, they are being relied upon by people for the long-term and they are completely normalised.”

Independent Food Aid Network

It is important to recognise that data from food banks in the Trussell Trust network is just one part of the picture and there are many other independent food banks providing emergency food across the UK.

3 The Trussell Trust (2021), State of Hunger, <https://www.trusselltrust.org/state-of-hunger/>

4 The Trussell Trust (2022), Mid Year Stats, <https://www.trusselltrust.org/news-and-blog/latest-stats/mid-year-stats/>

Alongside the growth in need for food banks has been the emergence of other forms of charitable food aid, often in the form of low-cost community food support, such as local pantries, larders, community food hubs and social supermarkets.

What are local pantries, larders, community food hubs and social supermarkets?

There is not necessarily an agreed-upon definition or way of categorising the differences between these models of support. In different parts of the country, different terms may be used. In this report all models are captured under the term ‘low-cost community food support’.

These models are usually open to all in the community and provide low-cost (often subsidised) food. People tend to pay a small membership fee each month to access food at heavily discounted prices. In some cases, there may be specific criteria for membership, such as being in receipt of means-tested benefits. Sometimes membership may be contingent on engaging with the support on offer.

Food supplies tend to be organised through donations or the distribution of surplus food, as well as purchasing food directly at wholesale prices. In some cases, organisations may have direct relationships with suppliers (or in even rarer cases, be commercial companies who trade in surplus food).

It is not possible to establish precisely how many of these models of support there are across the UK, although the following examples of publicly available data provide a snapshot of the coverage of these schemes:⁵

- Your Local Pantry supports a network of over 80 pantries across the UK, where with a small weekly subscription of £3.50, members can select 10 items from a selection of groceries.
- The Bread and Butter Thing run over 70 mobile food clubs who take affordable food into low-income communities across the North West and North East of England.
- Feeding Britain support a network of 226 affordable food clubs, which include social supermarkets and pantries, food buses and larders. All aim to offer nutritious food and other essentials for a fraction of their retail value.
- There are five social supermarkets which have been supported by the Department for Communities in Northern Ireland since October 2017. These are defined as “community shops that provide support for local families and individuals experiencing food poverty”, selling products at reduced price by up to 70%.⁶

While there are some similarities, this form of support serves a different set of needs to food banks, enabling people to access food at a lower cost, rather than supporting people facing such severe financial hardship that they are unable to buy food at all.

⁵ Your Local Pantry, The Bread and Butter Thing, and Feeding Britain all provided evidence to the inquiry.

⁶ Department for Communities, Northern Ireland (2018), Social Supermarkets Pilot Programme, <https://www.communities-ni.gov.uk/publications/social-supermarkets-pilot-programme-screening>

The role of local government

The nature of government-funded local crisis support has evolved over the past decade since the Social Fund⁷ was abolished in 2013. In England, the Social Fund was replaced with the ability for local authorities to provide people with crisis support through local welfare assistance schemes.

Local welfare assistance schemes are delivered by most local authorities in England to provide support to people experiencing a short-term financial crisis. The support on offer varies by council, but can include vouchers, essential items such as white goods and, in some instances, cash. Signposting to other relevant support and advice services may also be provided.

In England, councils have flexibility and discretion over how to deliver support and tailor it to local needs. However, there is no ring-fenced funding, nor statutory duty to deliver local welfare assistance, as such, there is significant variation in the support provided.

In the devolved nations and regions, there are more established forms of support available. The Scottish Government funds the Scottish Welfare Fund (SWF) to the value of £35.5 million per year. The SWF is underpinned by Scottish Government guidance and delivered by local authorities. Crisis Grants are available in the event of a “disaster or emergency, and where there is immediate threat to the health or safety of that individual or their family”. The Fund also provides Community Care Grants that cover the cost of essential household items to enable a settled life in the community.

Similar support exists in Wales, through the Discretionary Assistance Fund, and Northern Ireland, through the Discretionary Support scheme, although these schemes are centralised and delivered by government departments, instead of local authorities. In Northern Ireland, the use of loans may also be provided as an option to people facing financial hardship. All schemes delivered by the devolved governments are united by the fact they provide the option of cash grants to households facing financial crisis.

The picture of statutory local crisis support available to households facing financial crisis had remained broadly the same since the end of the Social Fund in 2013 up until the Covid-19 pandemic, and subsequent cost of living crisis, which have resulted in significant developments.

The impact of the pandemic and the cost of living crisis on the nature of local crisis support across the United Kingdom

During the pandemic there were widespread changes across all levels of government to ensure that people most at risk of financial crisis could be supported. The temporary increase of £20 per week to the Universal Credit Standard Allowance during the pandemic is credited with reducing food insecurity and poverty and leading to a reduction in need for food banks.⁸

Beyond short-term changes to the social security system, the UK Government provided new injections of funding for local crisis support in England during the pandemic.

⁷ The DWP provided crisis loans and community care grants as part of its discretionary Social Fund. These payments helped people on low incomes deal with emergencies, supported vulnerable people to resettle or remain in the community, and eased exceptional pressures on families.

⁸ Food Foundation (2022), Government data shows £20 uplift is likely to have protected people on Universal Credit from food insecurity. <https://foodfoundation.org.uk/press-release/government-data-shows-ps20-uplift-likely-have-protected-people-universal-credit-food>

Table: LWA funding since the COVID-19 pandemic

Name of fund	Time period	Total funding (England)	Description
Emergency Assistance Grant	July 2020 – November 2020	£63 million	No explicit ringfencing but an expectation funding is spent on support with food. No support for housing costs or advice services.
Covid Winter Grant Scheme	December 2020 – April 2021	£230 million	80% of funding must be spent on families with children, and 80% must also be spent on support with food, energy, and water bills. No support for housing costs or advice services.
Covid Local Support Grant	June 2021 – September 2021	£160 million	As above.
Household Support Fund (1)	October 2021 – March 2022	£421 million	50% must go towards families with children. Expectation that it would go towards food and other essentials. Can be used for housing costs in an emergency. No support for advice services.
Household Support Fund (2)	April 2022 – September 2022	£421 million	33% must go towards families with children and 33% must go towards pensioners.
Household Support Fund (3)	October 2022 – April 2023	£421 million	No explicit ringfencing but an expectation that a portion is available through an application form locally.
Household Support Fund (4)	April 2023 – April 2024	£842 million	No ringfencing, expectation that there is an application process locally. Funding can be spent on advice services as part of package of support. First time the guidance has explicitly mentioned the use of cash as an option for providing support to households.

Most recently, this has been delivered through the Household Support Fund (HSF), which has provided local authorities in England almost £1.3 billion since October 2021, with a further £842 million coming in April 2023. This represents the largest investment in the capacity of local authorities to deliver local crisis support since the abolition of the Social Fund back in 2013.

Additional sums of money were also provided to devolved administrations through the Barnett formula for Scotland, Wales, and Northern Ireland, which were usually spent on strengthening existing schemes. The Scottish Welfare Fund, for example, had its budget increased during the pandemic, as did the Welsh Discretionary Assistance Fund (DAF). At the start of the pandemic, the Welsh Government also adapted the criteria for awarding grants via the DAF to help ensure more people received emergency financial support when they needed it.

PART TWO: What does effective and dignified local crisis support look like?

This section will cover the main types of local crisis support, exploring the merits and challenges associated with them, and how well they meet the measures of being ‘effective’ and ‘dignified’.

Food-based support

Food banks

Summary findings:

The evidence recognised that food banks meet an immediate need for households facing financial crisis, but also that, no matter how dedicated and compassionate the staff and volunteers are, they are not a dignified, nor a long-term solution. A reliance on surplus and donated food was highlighted as being both unsustainable and undignified, as it reduces the choice people have over the food they can access and can be deeply stigmatising.

However, the inquiry also found that food banks are a focal point of their communities and local support systems, helping to connect people to different agencies providing support to help relieve and prevent financial crisis. They also provide a place for people to meet and connect. Rooting support in the community means that people are more likely to trust those running it and engage with support for the long-term. Respondents felt strongly that this should not be lost when moving to a society without the need for food banks.

The evolution of food bank networks, supported by the passion of the staff and volunteers, provides immediate respite for people in crisis.

When somebody is unable to afford essential items, including food and toiletries, a food bank provides immediate respite.

One of the main advantages identified by submissions to the call for evidence and the oral evidence sessions was that because many food banks have been established for the past decade or so, they often have strong relationships with local partners and an agreed upon system for referrals.

The Trussell Trust, for example, supports the largest network of food banks across the UK, and provides guidelines and related resources to ensure that there is a single system of referrals. This means that food banks are able to quickly provide people with a food parcel once they have been referred from an external partner.

“An emergency food parcel helps with a person’s basic needs, when they have no income to spend even in a food pantry. Without food, a person’s physical and mental health is diminished which means that they often cannot then deal with other issues such as income, housing, employment etc.”

Food bank based in Greater Manchester

“Food Banks, or other non-contributory services, offer an immediate support for those without access to money e.g NRPF, those fleeing domestic violence, or leaving a coercive relationship.”

Food partnership based in the South East

However, the evidence was clear that food banks are not the most effective or dignified way to provide support to people facing financial crisis.

The fragility of the donation model

One of the central disadvantages identified by submissions relates to the sustainability of emergency food aid as a model. Food banks rely on volunteers, community donations and, in some cases, surplus food in order to be able to distribute food to people when they face crisis. This means that food banks can often struggle when there are surges in need or drops in donations, especially when this happens at the same time.

The inquiry heard from the Independent Food Aid Network (IFAN), who said that providers of charitable food aid across the board were struggling to keep up with rising need caused by the cost of living crisis. In IFAN’s survey of independent food banks in December 2022, over 91% of respondents reported increased need for their services when comparing November 2021 with November 2022. From September to November 2022, over two thirds of organisations reported having supply issues.⁹

“We are at the end of the road when it comes to food aid – volunteers are overstretched and exhausted and cannot keep up with this level of service, nor can they be responsible for the level of need.”

Independent Food Aid Network

During the oral evidence sessions, the inquiry heard that food banks with the backing of national organisations were more easily able to increase their stock but smaller, independent food banks, who often cater to specific groups, continued to struggle. There were some examples highlighted of local authorities stepping in to help food banks buy food during the cost of living crisis.

Overall, the evidence demonstrated that the ability of food banks to support households facing financial crisis was contingent on a precarious system of donations, use of surplus food, and volunteers, which the majority of respondents felt was not a sustainable approach.

“Food aid is an extremely inefficient way to support people in financial crisis. Aside from the cost to local communities who provide the food, the complex logistics, management and governance of food banks is very challenging”

Food bank based in London

“[Increased] pressures alongside a drop in physical donations means that we are now paying out approximately £300 a week to provide the food that our clients need. This is not sustainable in the medium to long term. “

Food bank based in London

9 Independent Food Aid Network (2022), December 2022 IFAN Survey, <https://www.foodaidnetwork.org.uk/data>

“The defining and crucial disadvantage of food banks (and community pantries) is their reliance on food surplus. We take the view that redirecting surplus food to emergency food aid is not an effective or viable long-term solution to either food waste or food poverty.”

Support project based in Scotland

Dignity and diversity of need

The reliance of food banks on donations, volunteer labour, and surplus food exposes another fundamental problem, which was referenced by 15 written submissions to the inquiry. These submissions argued strongly that it is not dignified for people facing financial crisis to have no choice over the food they eat. One submission argued that it can be “humiliating and degrading” to rely on food sourced by charity, with little to no choice over its contents.

“Most users of the food bank, whilst extremely grateful, see it as their lowest point; the realisation of having to turn to charity to feed themselves or their family.”

Food bank based in the North West

Furthermore, the food available to people through food banks may not be appropriate for those who are in need of support, either culturally or to meet dietary requirements. The inquiry heard from people with allergies that make finding suitable food at a food bank very difficult. A reliance on food surplus and donations means that it is hard to meet the diversity of need in a community.

“There is no dignity in this process for the individual, their sense of self-worth is on a low ebb. Locally to me we only get long shelf-life food, there is no fresh food, no vouchers etc so if you have no energy then food is eaten cold.”

Individual with experience of needing to use a food bank

It should be noted that many food banks who responded to the call for evidence highlighted how they paid attention to the needs of their communities by sourcing culturally appropriate food. During the inquiry visit to Blackpool, for example, the team heard how referrals are made to the local mosque for support with halal food.¹⁰

However, the nature of emergency food aid as a whole in the UK, means that the ability to source culturally appropriate food is often contingent on the availability of donations in a local area, or the ability of the food bank to purchase additional stock.

The efforts by food bank volunteers and staff to make the environments as welcoming as possible were evident during the visits made by the inquiry team. Food banks do their utmost to be warm, welcoming places, but the scale of testimony the inquiry received about the stigma and feelings of shame that many people have when they turn to food banks was compelling.

¹⁰ A further recent example is the Zimbabwe Newport Volunteering Association, which delivers between 30 – 50 African food parcels a month, supporting people who are unable to afford African foods in specialist shops locally, <https://www.bbc.co.uk/news/uk-wales-64640559>.

“However welcoming we make our centres, people are still embarrassed to come, embarrassed that they cannot afford to feed their family, embarrassed that they have to ‘rely on a hand-out’ in the words of a client I have spoken to just today. Emergency food meets an immediate need by putting food on the table.”

Food bank based in the West Midlands

“It was a relief to receive support as I knew we would manage but it’s not nice having to put yourself out there and ask. I felt like a failure, I couldn’t provide for my child, I was unable to earn enough, yet I don’t control what I am paid.”

Individual with lived experience of using a food bank.

Problems with access to support

A further concern highlighted relates to the inclusion and accessibility of food banks themselves. For some groups facing financial crisis, food banks may not be easily accessible for everyone who might need support. This could be particularly challenging if people have disabilities which prevent them from travelling long distances, or if public transport is too expensive. Research shows that 62% of working age people referred to a food bank in 2020 had a disability, which is three times the rate in the general working age population.¹¹

This concern around physical accessibility is particularly acute in rural areas, where households may face further barriers to support due to poor public transport connections and the cost of having to cover further distances. During the pandemic, many food banks switched to a delivery model due to the requirements around social distancing and some have chosen to keep this up longer-term to support people who may have accessibility issues.

“More widely, the reliance on charity provision results in postcode lotteries; the type and quality of charity support someone can access is dictated by where they live, without parity of service across different communities.”

Food bank based in Yorkshire

Short-termism

The inquiry also heard that the provision of emergency food at food banks does not tackle the root causes of crisis. People do not turn to food banks due to a lack of food, but a lack of income, which can often mean that they are struggling to afford a wide range of essentials beyond food. A food parcel alone does not reduce the likelihood of crisis recurring, only providing a sticking plaster in times of crisis.

“When does the crisis end?”

Food bank based in the East of England

¹¹ Trussell Trust (2021), State of Hunger, <https://www.trusselltrust.org/wp-content/uploads/sites/2/2021/05/State-of-Hunger-2021-Report-Final.pdf>

The strengths of the food bank model provide important learnings for future crisis support.

Acting as places of community

Food banks, which are often set up by members of the community, can act as important spaces in the community where people can form relationships, provide informal support to one another and gain a sense of belonging.

This is something celebrated in evidence provided by food banks themselves, with 10 food banks referring to their role in providing an inclusive place for people facing financial crisis to turn. A further six submissions also highlighted how food banks can help to tackle loneliness and social isolation, by providing a central hub in the community for people to access support.

“Even in a society where food banks are no longer needed, there will be the need for social connection and community - for everyone, equally, irrespective of their income or immigration status.”

Support project based in Scotland

“New approaches to crisis support should be taken in collaboration with existing food aid providers such as food banks. Food banks often build trusted relationships within local communities and with their service users. These relationships are essential to providing effective support.”

Citizens Advice Scotland

Connecting people to other support services

Beyond providing emergency food, food banks also play an important and sometimes leading role in the maintenance of effective local referral pathways. Over the past ten years, food banks have become embedded in local support systems, acting as a link between agencies and helping signpost people to support that can tackle the root cause of their crisis.

The role of food banks in connecting people to further advice and support, and in some cases providing it directly, was picked up by the call for evidence. Respondents recognised the importance of this expertise, with 23 submissions highlighting the role food banks currently play in signposting to, or acting as providers of, advice and support, including financial inclusion services. For example, in 2021/22, the Trussell Trust committed over £19 million in funding to food banks to carry out financial inclusion work, including help to ensure people are claiming all of the benefits and financial support they are entitled to.

“Food banks can also provide a central place for people to receive advice and signposting to help resolve the crisis situation.”

Christians Against Poverty

“As well as practical food support, foodbanks provide relational/emotional support to those referred which can be beneficial outside of food access. Further, foodbanks are places that people can be linked into wider networks of support such as debt, finances, health etc.”

Food bank based in the South East

Food banks who responded to the inquiry also highlighted positive examples of partnership working alongside their local council and other partners. One highlighted their work with the local Citizens Advice to provide assistance to households applying to the Household Support Fund alongside embedding a full-time welfare benefits and debt advice advisor within the food bank.

However, the evidence was also clear about the limits of this wraparound support, especially if people are already receiving everything they are entitled to and their income is still too low.

“We don’t want to tinker around the edges of food support - food banks are constantly supporting people who are already receiving the benefits they are entitled to.”

Independent Food Aid Network

Spotlight on the work of Newcastle West End Foodbank

Newcastle West End Foodbank, who are part of the Trussell Trust network, provided evidence to the inquiry about their ‘Pathways’ scheme, which aims to help people move on from crisis to develop longer-term resilience and move away from needing emergency food parcels.

The project consists of an in-house Welfare Benefits and Debt Advisor, co-locating other forms of support within the food bank, and signposting to external services or agencies as appropriate.

Pathways works as a next step beyond emergency food parcels, providing support in a person-centred and holistic way. A small team of experienced volunteers work closely with people in the food bank to identify their needs, helping to direct them to the most appropriate support.

“Food banks are uniquely placed to begin life-changing conversations. If a client needs food then nothing else matters until that hunger is satisfied. Pride, embarrassment, and the stigma of need are all put aside for a food parcel to stave off hunger; and it’s through this very personal connection that a bond of trust develops between client and food bank over time. And it’s on this relationship, one which is respectful of dignity and confidentiality, that Pathways operates as a ‘next step’ beyond food parcels.”

The example from Newcastle West End Foodbank demonstrates the importance of trust in helping people seek support. Throughout the inquiry, one of the most important issues respondents highlighted was that people facing financial crisis often do not trust statutory support agencies to help. There are multiple reasons for this, including previous negative experiences, but embedding the principles of effective and dignified crisis support in local systems is crucial for helping to build this trust.

Low-cost community food support

Summary findings:

The inquiry heard how low-cost community food support in the form of food pantries, social supermarkets, or community larders, serves a different role to emergency food aid. Rather than helping households in financial crisis, this form of support focuses on the longer-term provision of low-cost food to households on low incomes.

Respondents viewed this form of support as more dignified than emergency food aid, enabling people to actively choose what they buy, rather than relying on an emergency food parcel. However, many of the same pitfalls associated with food banks, including problems with accessibility and the sustainability of donations, were also raised.

Connected to this the evidence pointed to the risk of creating a two-tier system of support. Food banks and low-cost community food support both rely on similar sources of food, which submissions argued represented an increasingly unsustainable prospect, particularly as need is increasing.

Low-cost community food support is not a crisis response but can help people on very low incomes to manage their situation.

The inquiry found that low-cost food support in the form of food pantries, social supermarkets, or community larders, serve a different role to emergency food aid. Rather than providing crisis support, they help people on low incomes with access to low-cost food.

People turn to food banks because they cannot afford the essentials, including food, whereas low-cost community food support tends to be used by people who need to stretch their incomes further. As was highlighted in the oral evidence sessions, there is a difference between being on a low income and having nothing in the bank account.

The inquiry heard these forms of food-based support can play an important role in easing budgets and making ends meet for low-income households, due to the subsidised and low-cost nature of the food available. This was highlighted by submissions to the inquiry as helping put people on a more sustainable foundation. Many used terms such as “stepping-stone” or “stop-gap” to describe low-cost food support, acting as a bridge between crisis support and being able to afford the essentials.

“Through the eyes of the residents they serve, it doesn’t feel like they are receiving help from a charity. Rather, they are a member of a club that is built upon ideals of mutual self-help, reciprocity, choice and dignity. And it therefore gives them an insurance policy they need for their regular budgets so that by becoming a member they can save just enough money on just enough food and household items each week.”

Feeding Britain

Many of the strengths and weaknesses of food banks are mirrored in these alternatives, although they are also seen as more dignified.

Providing community spaces and connections to other support

Low-cost community food support is similarly rooted in communities as food banks are, providing a space for people to come together.

“Pantries tackle social isolation, encouraging members to come into the shop and join coffee mornings. Members have reported that being a member has improved their mental health and [that they] have made new friends at the pantry.”

Your Local Pantry

“A further advantage was the “community based” nature of the provision. “It’s local.” Being close by and “easy to get to” was important for access. This also helps with people getting to know about it.”

Whitley Community Development Association

Similarly to food banks, many of these services also offer wraparound forms of support, acting as key referrers across the local support system and building in principles around holistic and person-centred support.

“We bring in other services (e.g. debt, energy, benefits advice) from expert partners and make these available to our members during our weekly service.”

The Bread and Butter Thing

However, as with food banks, not all services have the capacity to provide this support, which evidence submissions indicated could lead to people missing out on help.

Problems with access and sustainability

Similar concerns around the accessibility of food banks were also raised in relation to low-cost community food support.

“[Food pantries are] Inaccessible to many people in work and in poverty, as these schemes tend to open once a week within working hours.”

Food Partnership based in the South East

“The research highlights that there are contradictions and tensions in normalising a bottom up approach to chronic food insecurity. There is a potential risk of creating a two-tier society, as there are not enough social supermarkets to cover all the geographical areas in most urgent need.”

Local Government Association

Food pantries, and to a lesser extent social supermarkets, also rely on donated or surplus food. As previously discussed, this can create an unsustainable as well as a deeply stigmatising source of help.

“Our pantry mostly runs on surplus food donations. I would say 90% of all the food we receive has either expired its use-by date or will expire in 3 days or less. This system of charities utilising surplus food to feed the community has an incredibly unhealthy link to associating food poverty as a way to reduce waste.”

Food Pantry based in the North West

Increasing choice and reducing stigma

Importantly, food pantries, social supermarkets and community larders were considered, on the whole, to be a more dignified form of support, with 19 submissions to the call for evidence highlighting this. The action of buying food, rather than relying on a charity parcel, was said to help build dignity and self-esteem, increasing choice and reducing the stigma associated with having to turn to a food bank for support. Many food pantries and social supermarkets are also open to all members of the community without the need for a referral, which means stigma is further reduced.

“A significant advantage of alternative sources of emergency food was the ability to choose food items to cater for likes and dislikes, dietary requirements, and to have a wider range of choice than offered at food banks.”

Food bank based in the South West

‘Sticking plaster’ solution

In much the same way as food banks are not able to tackle the root causes of destitution, low-cost community food support was described as a sticking plaster response in the evidence to the inquiry.

“Food poverty is poverty and results from lack of income. It cannot be solved through the provision of food whether through low-cost community food support such as social supermarkets and food pantries or through food banks.”

Independent Food Aid Network

“These forms of crisis support, do not solve the underlying reasons why people need emergency food provision, do not have enough ‘cash’ and are in financial hardship. These community ideas are fantastic but are just a sticking plaster over the real reasons.”

Support provider based in the East of England

There are risks in the creation of a two-tier system of food-based support.

Concerns about the creation of a two-tier system of food-based support for low-income households were raised by multiple submissions in the call for evidence. This reliance on the same sources for donations was identified as being unsustainable, and concerns were raised about the risk of duplicating support (despite

the differences identified above). This also means that at times when surplus food is hard to come by, donations fall, and the cost of living increases, difficult decisions have to be made over resource allocation.

“All charitable forms of crisis food support – food banks, social supermarkets, food pantries, soup kitchens – have the same disadvantages of being reliant on the generosity of donors and volunteers, meaning that their provisions cannot be guaranteed.”

Support provider based in Scotland

Summary of findings on food-based support

While some evidence indicated them to be more dignified forms of support for households facing financial crisis, the inquiry identified that low-cost community food support has much in common with the emergency food aid provided by food banks.

The evidence clearly established problems with the accessibility and sustainability of food-based support. Critically, all food-based responses remain extremely limited in their ability to address the root causes of destitution and poverty. As such their efficacy is significantly limited.

While food-based responses cannot be relied upon to provide effective and dignified crisis support, there are positive lessons that can be used to help understand the key principles for effective and dignified local crisis support. These are:

1. Rooting support in the community is key to improving access.
2. Trusting relationships should be at the heart of the support provided.
3. Strong partnerships and a clear referral pathway to the services people need are key to creating effective local support systems.

Cash-first approaches to local crisis support

Summary findings:

Cash-first approaches to local crisis support provide people with money, rather than emergency food or in-kind support (vouchers and goods). Responses to the call for evidence made the distinction between crisis cash payments provided by local or devolved governments (e.g. cash grants provided as part of local welfare assistance schemes) and the role of the national social security system (e.g. money paid directly to people eligible for means-tested benefits).

Evidence submissions illustrated numerous mechanisms to deliver cash-first crisis support at the local level, ranging from direct grants into people's bank accounts, cheques through the post, access to cash via Post Office or PayPoint machines or via a code to use at an ATM.

The inquiry heard from respondents that the use of cash grants was the most accessible, dignified, and flexible form of support to respond to the needs of people facing financial crisis. However, the evidence also cautioned against a one-size fits all approach, recognising that people should be able to access the support that suits them best.

A small amount of evidence was also provided on the use of cash grants given out by charities, but there was broad agreement that a reliance on charity isn't particularly sustainable or likely to address the root causes of financial hardship.

Spotlight on the cash grant pilot programme in Leeds

In partnership with Leeds City Council, the Trussell Trust commissioned an external evaluation into a pilot scheme which provided people facing financial crisis locally with cash grants rather than emergency food parcels. The pilot scheme provided small cash grants as part of the council's crisis support offer. It ran from 1 October 2021 to 1 April 2022 and distributed £45,450 between 187 grants, supporting 283 individuals.

The evaluation found that cash grants had an immediate impact on a person's financial situation and were a more dignified form of support than emergency food parcels. 91% of recipients reported an improvement in their finances while receiving the cash grant and 94% said they preferred cash to a food parcel. The evaluation also showed that people used the cash to buy essential items, primarily food, gas and electricity.

"It is not a problem of a lack of food, but a problem of poverty. We found the cash first scheme gave people independence to spend money as they pleased and they were able to meet certain needs that could not be accommodated by vouchers."

Leeds City Council

Furthermore, it found wider benefits were unlocked by the use of cash, including placing people on a more sustainable financial footing for the long-term.¹²

12 Lipscombe, L. and Walker, C. (2022), An Evaluation of the Leeds City Council Cash Grant Pilot programme, <https://www.trusselltrust.org/wp-content/uploads/sites/2/2022/11/Vantage-Point-Research-Leeds-Cash-First-evaluation.pdf>

“We requested support from the cash first during this time so she could have some additional money to cover her needs following this shortfall and it helped her pay her bills for that month. We found the cash first was essential in bridging some of the gaps between her income and needs.”

Leeds-based support provider talking about the cash grants pilot

Since the pilot, Leeds City Council have said they will embed a cash-first approach in their local crisis support offer.

“In terms of cash benefits, I’m fairly passionate that it should be something that is part of Local Welfare Assistance Schemes – it gives people dignity in terms of support on offer, and they can choose to spend that cash on whatever they want. It makes an immediate difference to mental health and wellbeing.”

Nick Hart, Deputy Head of Customer Contact, Leeds City Council

Several of the main challenges with food-based support were mitigated in a cash-first approach.

The weight of all the written and oral evidence was firmly in favour of the use of cash-first approaches to crisis support. Almost half of written submissions received (32) explicitly expressed positive sentiment towards the use of cash grants, with only one submission rejecting their use (discussed in more detail below).

Cash was said to be the most accessible, dignified, and flexible form of support to respond to the needs of people facing financial crisis.

“Cash to the individual via either a one-off payment or an increase in regular benefit payments allows and empowers the recipient to make their own choices, gives flexibility for the individual to address their different needs, and is far more dignified than any other form of support.”

Food bank based in the East of England

“Cash gives people the dignity of choice, agency to buy what suits their household priorities and makes people more likely to come forward for support as it reduces stigma.”

Food poverty alliance based in the West Midlands

The positive sentiment towards the use of cash-first responses also extended to emergency food aid providers. Half of food banks (10) who supplied evidence to the inquiry talked about the value of using cash grants as an alternative to providing people with emergency food parcels.

People turn to a food bank because they do not have enough money to afford the essentials, including, but not limited to, food. Therefore, giving people cash ensures they are better placed to buy the essentials they need at the time. For example, a food parcel cannot pay for a new boiler, or a child's winter coat.

Immediacy and accessibility

“A cash-based system could improve accessibility, which can encompass many things; including cost, geography, access to personal or public transport, or unfamiliarity with different types of food. If your closest retailer is over 30 minutes away, you need to factor in travelling time as well as shopping time alongside your other responsibilities.”

Food partnership based in Yorkshire

In contrast to other forms of support, cash-first approaches can put money directly and immediately into people's bank accounts, meaning that many of the barriers associated with accessing support can be mitigated. This was reflected in research by Policy in Practice on behalf of London Councils, which found that cash was a more accessible and efficient form of support.¹³

“One of the big things brought out was that if recipients got vouchers it wasn't efficient, because the supermarkets they got vouchers for were expensive and they could've sourced their own food.”

Policy in Practice

Some respondents highlighted that the way in which cash grants are delivered has a large impact on the accessibility of support. As with all forms of support, when there is a one-size fits-all approach, people may miss out on help. Respondents agreed that – in order to maximise accessibility – cash grants needed to have multiple options available for their redemption, rather than relying on an online portal or having to physically travel to an ATM.

Dignity and choice

Stigma represents another significant barrier to support which people face when they are experiencing financial crisis. As discussed already, a common theme from the evidence was that people experienced feelings of shame when they asked for support from food banks. In most cases cash was said to remove this barrier.

Submissions explained how cash places trust in people facing financial crisis as individuals with agency and gives them the choice to buy the things they need to suit their priorities. This means that there is less stigma associated with cash compared to emergency food parcels, and respondents found that it made people more likely to come forward for help when they needed it. In total, 22 submissions referred to the dignity and choice in the use of cash grants, especially when compared to a food parcel.

“Cash payments allow families to avoid any shame or embarrassment - real or anticipated - around receiving free meal provision or other in-kind support. Most families told us this method provided them more flexibility, dignity, safety and convenience.”

Child Poverty Action Group

¹³ London Councils (2023), Local Welfare Assistance Evaluation, <https://beta.londoncouncils.gov.uk/news/2023/study-shows-boroughs-welfare-support-struggling-residents-bulwark-against-homelessness>

“Cash-first approaches to food insecurity allow people to choose what they eat and thus accommodate dietary and cultural requirements.”

Citizens Advice Scotland

Cash can unlock longer-term benefits

Responses to the inquiry also explored how the use of cash can unlock longer-term benefits, including paying down debt, empowering people to start saving, or supporting job searches.

“Some improvement in emotional wellbeing was also attributed to changes in grant recipients’ lives as a result of the cash grant. These included one person who had started a new job after being unemployed and so felt more financially secure, and another person was actively searching for a job. There was also relief for some that they had decreased their debts, having used some of the grant to pay off a debt or arrears.”

Evaluation of the Leeds City Council cash grant pilot programme

While there were some concerns about the potential for misuse, the evidence provided countered these.

Risks of ‘misuse’

“Obviously cash-first approaches are not without risk – how can we ensure that people spend that cash in the right way?”

Food bank based in the West Midlands

A common concern cited with cash first approaches relates to the fear of fraudulent claims or the potential to cause harm, especially to people with problematic substance use. This concern was highlighted in seven written submissions and during the community workshop.

“I think it needs to be a mixture because just giving some of us cash, that would just get spent straight away in the nearest off-licence. Actually having food in the cupboard, that’s fantastic.”

Community workshop participant

“The problem with cash grants is that for many who are in poverty, the underlying cause is addiction, such as drugs or gambling. To provide cash in such circumstances is naive and simply perpetuates people’s problems.”

Food Action Group based in the South West

It should be noted that concerns over misuse, whilst often based in genuine concern for people’s well-being, are not currently rooted in the existing evidence base surrounding the use of cash grants.

One evaluation which covers 19 studies in three continents found that when people receive cash grants, there is no significant increase of expenditure on alcohol or tobacco as a result.¹⁴ Similar results have been found in the United Kingdom, with participants in the Leeds cash-first trial reporting that they had spent their cash grant on essential items.

During the inquiry's visit to Blackpool, the team heard about people with multiple and overlapping needs, including substance use, mental health problems and homelessness, who are housed in the area due to the low cost of accommodation. People in this situation may only live in the area for short periods of time, in insecure accommodation. Therefore, there were concerns expressed about using cash in circumstances that made it harder to provide additional advice and support alongside the crisis intervention. This added to the evidence that the options available in local crisis support systems must take into account the unique needs of the community.¹⁵

Control and conditionality

Other forms of crisis support do enable agencies to exercise more control (this is explored further in the next section on vouchers). During one of the oral evidence sessions the inquiry discussed the role of conditionality when providing support, including suggestions around attaching cash-based support to requirements to attend budgeting advice or income maximisation programmes.

Witnesses highlighted that in many instances, when advice is offered alongside crisis support, people tend to take it, and in instances where they do not, it might be that their crisis has become so acute that they need immediate respite before considering it.

Witnesses were also mindful that people often needed to jump through many hoops to access support, including detailed application forms, which is already a form of conditionality.

“The form filling triggers me with anxiety and worry, when you already feel unwell.”

Community workshop participant

The inquiry heard that the support provider's control over expenditure must be balanced with enabling households to choose the support they need when they face financial crisis so that they do not feel unduly stigmatised about having to turn to support and can meet their family's needs most effectively. People in crisis may not feel in a position to engage with support if there are certain conditions attached to its use.

“In our last emergency grant fund, the Covid-19 Response Fund, we removed the strict eligibility criteria and detailed checks on whether applicants were in the situation they said they were. The number of fraudulent claims (that we were aware of) were negligible. We would argue the positive impacts of an approach led by trust and dignity far outweigh the small chances of fraud.”

Turn2us

¹⁴ World Bank Africa Region (2014), Cash Transfers and Temptation: A Review of Global Evidence, <https://documents1.worldbank.org/curated/en/617631468001808739/pdf/WPS6886.pdf>

¹⁵ For more information, please see the Joint Strategic Needs Assessment for Blackpool which has profiled the transient nature of a significant proportion of Blackpool's population. Blackpool Health and Wellbeing Board (2021), Joint Strategic Needs Assessment, <https://www.blackpooljsna.org.uk/Blackpool-Profile/Population.aspx>

The importance of ‘person-centred’ support

While there was broad agreement in the evidence that cash-first approaches to crisis support are more effective and dignified than food-based support, there was also agreement that a one-size fits-all approach could lead to unintended consequences. The inquiry heard that crisis support should be ‘person-centred’, meaning that at the heart of every response, should be an attempt to provide the right support to meet individual needs.

For example, when households need help with “lumpy costs”, such as replacing white goods or furniture, it may be more appropriate to source these directly through the local authority. End Furniture Poverty spoke to the inquiry about how local authorities often have better buying power to source white goods and furniture, and can prevent hidden costs from being passed on to residents facing financial crisis. Being given a white good can help people’s income stretch further compared to a smaller cash grant.

During the visit to Fife concerns were also raised that cash does not stretch as far in a rural community due to expensive local transport costs, no large supermarkets, and poor energy efficiency. While other respondents to the inquiry argued that the choice and flexibility cash offers is especially important in rural communities.

“Cash payments also provide a boost to the local economy by increasing the likelihood of payments being spent with local, independent retailers, rather than supermarkets. This is especially important in rural areas (where supermarkets might be inaccessible anyway), and in places with struggling local high streets.”

Turn2us

The need for a person-centred approach to crisis support was an overarching theme of the community workshop discussion. For participants, this meant ensuring people could access the support that suited them best, including vouchers and food, as well as cash.

“Cash will still be king for some people, in terms of the form of support most useful. So how about a hybrid, more tailored form of support to individual circumstances – where a mix of cash, vouchers and/or food is available. That will help cater for people with special dietary needs, or no food bank being near them.”

Community workshop participant

Proponents of cash-first also recognised the importance of community networks and wider advice services.

‘Food is a connector’

Whilst food banks responding to the call for evidence broadly supported providing cash to people facing financial crisis, one witness highlighted concerns from the charitable food aid sector that a solely cash-first approach, could result in other benefits from food-based responses being lost.

“We don’t want to see pantries close because of the work they do to build resilient communities – food is a connector.”

Food Pantry based in the North West

“Cash grants funded by government/ local authority are a more reliable means of support. However, where funds are distributed by government/ local authorities the process can become impersonal and faceless.”

Food bank based in West Yorkshire

This reflects the fear that the processes for providing cash support can make it feel like a more impersonal form of support, especially if people value the relational dimension of visiting a food bank, or other community service.

Cash helps people facing financial crisis, but sometimes people prefer to access support within their community over the longer-term. This was highlighted in the APPG visit to Fife, where a food bank welcomed people in for tea and coffee as a way to tackle isolation, but also a stepping-stone to secure longer-term support. It was highlighted further at the community workshop where communities responding to the need they see was a key theme of the discussion.

“Food will always be important, there will always be people who need food at the point of need, I would hate to see support disappear because somebody somewhere has decided we’ve solved the problem.”

Community workshop participant

The need for wraparound support and advice

Whilst the evidence highlighted the advantages of cash grants, it was also clear that this approach alone is not a panacea to financial crisis and is instead best used alongside wider advice and support to tackle the root causes of people’s crises.

The inquiry heard how financial crisis often interacts with other forms of crisis and wider adverse life experiences. For example, someone could face high levels of debt, have inadequate housing, and experience poor health.

Whilst cash grants provide important short-term respite in a way that is more effective and dignified than emergency food aid, they are still limited in their ability to prevent further crises.

Submissions to the inquiry highlighted that cash needs to be accompanied with other forms of support and advice that can be ‘wrapped around’ people to help them build a longer-term foundation without returning to a crisis situation. This could include advice and support with income maximisation, debt, or budgeting, or referring people on to other wider forms of support, such as housing and mental health services.

“A cash-based approach should work in conjunction with new and existing services [...], often which provide key non-financial support such as life skills and personal development.”

Support service in Scotland

“Where this is the case, crisis support services should seek to connect users with services that can help meet their longer-term needs, and this should be built into the system. To do this, the crisis support organisation may need to connect with other organisations and agencies.”

Save the Children

Evaluation of local welfare assistance schemes in London and additional support on offer

Policy in Practice shared research with the inquiry exploring the wider support people facing financial crisis were able to access as part of the local welfare assistance (LWA) offer in London.

The research, conducted by Policy in Practice on behalf of London Councils, found that local authorities recognise the value of providing holistic support to residents. However, there is significant variation in the provision of additional support. Across all boroughs surveyed, more LWA recipients were not offered additional support (46%) than were offered it (37%).

The research found that for those surveyed who had received additional support, an overwhelming majority (80%) said that the support made an improvement to their situation, whether that was improved mental health, improved budgeting, an increase in household income, or an improved ability to manage debts.¹⁶

Building in wider support when giving people cash can put people on a stable foundation for the long-term and help prevent crises from recurring.

Summary of findings on cash-based support

Cash-first approaches to local crisis support are a more dignified and effective alternative to food-based support, but there should be sufficient options available to ensure support can be tailored to individual needs and preferences. Further lessons that can be used to help understand the key principles for effective and dignified local crisis support are:

1. Cash reduces stigma, helping people to buy the essentials they need in their moment of crisis.
2. Cash is, on the whole, a more accessible form of support.
3. Cash is a more flexible form of support than food and can unlock wider benefits.
4. Cash-based support does not mitigate the need to ensure there is good coordination of local services and effective referral pathways to help target support and prevent crises from recurring.

¹⁶ London Councils (2023), Local Welfare Assistance Evaluation, <https://beta.londoncouncils.gov.uk/news/2023/study-shows-boroughs-welfare-support-struggling-residents-bulwark-against-homelessness>

Vouchers and low-cost loans

Vouchers as a middle ground between cash and food.

Vouchers can address problems with access, dignity and safety

Vouchers were mentioned as a possible alternative to emergency food aid by seven submissions in the call for written evidence, identifying them as a middle ground between cash and food. Vouchers were said to be useful because they were more accessible, with people not having to travel to receive the support, and more dignified because they provided households with some degree of choice and agency.

“There were many families that I was working with throughout the early stages of the pandemic who received FSM vouchers. Most of the families that I was helping at that time fed the whole family with their vouchers. It meant that families could choose the food they wanted and gave them dignity!”

Response from food bank in the East of England

Vouchers also enable a level of control over expenditure, which was seen as positive by some respondents to the inquiry. For example, some participants at the community workshop felt vouchers would present less risk in domestic abuse situations and help ensure food could still be provided for the family.

Vouchers can still be too restrictive in some cases

However, concerns about digital exclusion and stigma were also highlighted. One submission highlighted that some supermarkets refused to accept some vouchers and vouchers restricted people to using supermarkets which may not have had the food which best suited their cultural, religious, or health needs.

There were other concerns expressed about the use of vouchers in rural communities where the type and number of supermarkets was more restricted, meaning that people could be forced to shop at more expensive outlets with a more limited range of food and other essential household items, or be forced to travel further afield.

“The disadvantage to vouchers for me, is they cannot be used in my local town as I live in a small rural town with no named shops, they are all family run and more expensive.”

Individual with experience of financial hardship

Loans can bridge the gap at difficult points but cannot be a long-term solution.

Access to affordable, low-cost credit can be an empowering tool to help people make ends meet at times of hardship. The inquiry heard that increasing access to trusted providers can help prevent people needing to turn to loan-sharks or high-interest loan companies, which could make a bad situation turn worse.

Low-cost loans were therefore highlighted as a way to bridge the gap at difficult points in people's lives. This can be helpful for some households, helping to afford the essentials, pay off other costs, and improve their credit score. The inquiry notes with interest the government-backed “No Interest Loan

Scheme” pilot delivered in partnership with Fair4All Finance, Fair By Design, and Toynbee Hall, which will add to the evidence base around the use of no interest loans to households facing financial hardship.¹⁷

Like all forms of support, the use of low-cost or no-cost loans is not a panacea. For some households it may make an important difference, but submissions raised concerns that becoming dependent on any form of credit to make ends meet is not sustainable and could lead to further hardship down the line.

The debt advice charity, StepChange, shared research with the inquiry on the use of credit as a way to make ends meet. They found that becoming dependent on credit is not sustainable over the long-term and can often compound income shortfalls as repayments increase.¹⁸

“We also found that those using credit as a safety net were six times as likely as those who were not to have recently used a food bank or other local support.”

StepChange

Spotlight on Fair for You and Iceland

The inquiry heard about the work Fair for You and Iceland have done over the past two years to set up access to affordable credit for households on low incomes.

Fair for You and Iceland deliver the Iceland Food Club, which offers microloans of between £25 and £75 so that households are able to smooth their incomes during the school holidays, or when they are hit with unexpectedly large bills or financial crisis. Loans are made on a pre-loaded card (which looks like a regular debit card) and can be used in store or online in Iceland.

In its pilot stage, the interest rate for the scheme was 45% per annum or 3.75% per calendar month, but regardless of the amount borrowed, repayments were set at £10 per week. The majority of customers were families with children (83%), two-thirds (64%) were not in work, and 51% were single parents.

In their initial evaluation of the pilot, Fair for You found that the majority of people (95%) using the Food Club said they found it helpful, and that 71% said they were better able to pay for food and other essentials.

During the oral evidence sessions, the inquiry also heard how access to low-cost credit can improve people’s credit ratings and overall financial security.

Iceland and Fair for You have since extended the Food Club nationwide, alongside further investment to enable all future loans to be offered on an interest-free basis to customers.

¹⁷ For more information, please see: Fair4AllFinance (2022), Plans announced for new UK wide no interest loan scheme pilot, <https://fair4allfinance.org.uk/plans-announced-for-new-uk-wide-no-interest-loan-scheme-pilot/>

¹⁸ StepChange (2021), Falling behind to keep up: the credit safety net and problem debt, <https://www.stepchange.org/Portals/0/assets/credit-safety-nets/Falling-behind-to-keep-up-the-credit-safety-net-and-problem-debt-StepChange.pdf>

A theme which emerged from the inquiry is the need for local systems of support to think beyond crisis support and consider the multiple stages and options best suited to building financial resilience in the longer-term. It was stressed during the inquiry's oral evidence sessions that the point at which people get access to sustainable and affordable credit may not be the immediate crisis point, but instead part of a journey towards financial security.

Summary of findings on vouchers and low-cost loans

Vouchers are considered to have many important advantages, including increasing choice and flexibility and reducing the risk of harm in specific, individual cases. However, the limitations are significant.

The discussion on loans suggested local support systems also need to think beyond crisis support and consider all options best suited to building financial resilience and preventing people reaching crisis point. This is discussed further in the next section.

PART THREE: The role of government in delivering better crisis support

This section will specifically cover the role of local and national governments in the provision of local crisis support, setting out the challenges highlighted by the evidence to the inquiry as well as the ways in which these can be addressed.

Improving the picture of cash-first local welfare assistance

Summary findings:

The inquiry heard about the importance of local welfare assistance schemes in providing locally targeted and tailored support to people facing financial crisis. However, there was consensus that significant improvements were needed, including with regards to the use of cash grants, in order for schemes to provide the most effective and dignified support at the point people need it.

Many local authorities in England do not provide cash grants as part of their local welfare assistance offer. The reluctance to use cash may be due to concerns over misuse or fraud, or because local authorities in England are reluctant to set up schemes without sufficient, secure long-term funding.

It is welcome, therefore, to see the use of cash grants encouraged in the most recent iteration of government guidance on the Household Support Fund, a change from previous iterations which didn't mention cash in the same way. There are also important learnings from the devolved nations and regions, as well as from the use of cash transfers in international development programmes.

Broadly, respondents to the inquiry wanted to see a more strategic and consistent approach to local welfare assistance in every local area and the increased use of cash to support people facing financial crisis.

People face a postcode lottery in the level of support available through local welfare assistance schemes.

In a written submission to the inquiry, the Department for Work and Pensions outlined its approach to local welfare assistance.

“We believe that Local Authorities should have the discretion to design their own local welfare assistance schemes to best meet local need. This is why we have given them flexibility to do so in these schemes, within the parameters of the grant determination and guidance for the funds which set overall scope and priorities.”

Department for Work and Pensions

However, there was broad consensus that currently there is a postcode lottery in the level of support available in England, with some councils not even delivering such schemes due to budget constraints and limited guidance from central government.

“Crisis support in England in particular is a patchwork with different eligibility criteria and application processes – an estimated one in five local authorities don’t have a scheme at all. A coordinated, national approach is needed for consistency across local authorities.”

Child Poverty Action Group

“People facing financial crisis are currently faced with significantly reduced – and in some areas ultimately non-existent – local welfare support. This simply isn’t good enough.”

Joseph Rowntree Foundation

Some local welfare assistance schemes do not allow people in receipt of Universal Credit to apply for support, others may build in principles present in the national social security system, such as the two-child limit or the benefit cap. This means that people will miss out on help, despite facing financial crisis.

Concerns were also raised about local welfare assistance simply filling gaps in the social security system, rather than fulfilling its intended purpose of responding rapidly to short term crisis.

“Councils which we surveyed would allow up to two applications per year – but this is quite terrifying for people when there is no other option. Sustainability needs to be built in. LWA is designed to cover crisis and emergency, yet we heard that many people applied for support due to the inadequacy of the benefits system.”

Policy in Practice

The inquiry heard how food banks have stepped in to provide immediate relief to people facing financial crisis given the gaps in support from local authorities.

“Since the end of the Social Fund in 2013 and then the end of ringfenced Local Welfare Assistance in 2016, there has been very limited government funded crisis support available. The gap has partially been filled through food banks and other voluntary activity, but a fall in the value of social security benefits over the past decade has driven rising poverty and risk of destitution.”

Shelter

There is some reluctance to embed the use of cash within local welfare assistance schemes in England.

As discussed already, cash grants are the preferred form of support for most people facing financial crisis. Rooting cash-first crisis support locally has the benefit of enabling local decision makers to tailor schemes to the needs of their communities, acting quickly and swiftly in order to respond to financial crisis, or the threat of financial crisis.

“Our preferred form of crisis support, alongside a genuinely robust social security system, would be a well-funded Local Welfare Support system which offers timely cash-based support to households in times of need, wherever they might live in the UK.”

The Local Government Association

Yet many local authorities do not provide cash as part of their crisis support offer. In 2016, National Audit Office research showed only 24% of councils in England offered cash support.¹⁹

Cash payments were considered increasingly relevant in response to the Covid-19 pandemic and so the number may have risen in more recent years. However, evidence seen during the inquiry shows there are still significant gaps. For example, research by End Furniture Poverty found an example of one council that directed all local welfare funding to local food banks in 2021/22, and the number of local authorities in England not running a local welfare assistance scheme at all stood at 35 in the same year.²⁰

The reluctance to use cash may be due to concerns over misuse or fraud, or because local authorities in England are reluctant to set up schemes without sufficient, secure long-term funding. Previous guidance provided to local authorities on the Household Support Fund has also discouraged the use of cash grants.²¹

The evidence is clear that having to turn to a food bank is a symptom of a wider problem, arising from not having enough money to afford the essentials. Therefore, if local authorities don't provide the most flexible form of support, people facing financial crisis will find it even harder to address the root cause of their crisis and prevent the situation recurring.

Increased funding for local crisis support during the pandemic and cost of living crisis has provided further protection, but challenges remain.

Responding quickly and flexibly

The inquiry heard how the significant investment in the Household Support Fund has helped households facing financial crisis. One food bank, for example, provided several examples of people supported through the council's Household Support Fund allocation, including:

- One parent was searching for support in order to get by before he started his new job the following month. He had no money and was struggling to afford the essentials. He was referred to the Household Support Fund and given £200 to tide him over for the month.
- Another example included a woman in her early 20s who had lost her employment after taking maternity leave and did not earn enough whilst working part time. She received £1000 to clear her gas, electric, and rent arrears.

¹⁹ National Audit Office (2016), Local Welfare Provision, <https://www.nao.org.uk/wp-content/uploads/2016/01/Local-welfare-provision.pdf>

²⁰ End Furniture Poverty (2022), Resetting Crisis Support, <https://endfurniturepoverty.org/wp-content/uploads/2022/12/EFP-Resetting-Crisis-Support-Final.pdf>

²¹ Department for Work and Pensions (2022), Household Support Fund Guidance – October 2022 to March 2023, <https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils/household-support-fund-final-guidance-for-county-councils-and-unitary-authorities-in-england>

When delivered well, the Household Support Fund enabled local authorities to respond quickly and flexibly depending on individual circumstances. The DWP also highlighted the role of the Household Support Fund in supporting *“those who may not be eligible for the other support government has recently made available to help with the cost of living.”*

Challenges arising from short-term funding rounds

However, the inquiry also heard that the short-term nature of this funding has created a fragmented response across England. Funding has been localised with varying guidance from the UK Government about how it should be used.

“Not enough time was given to Councils to decide what to do with the money and which households and individuals it should be targeted to. This made it very hard to give out the current HSF (and other payments such as the CT Energy Rebate), as there was no time to form an administration team for the specific fund, or to implement an application process.”

Food bank based in the South East

“The UK government did give local authorities more money to support people, such as the Household Support Fund, but these pots of money have all been short term and ad hoc. They have provided no security to local authorities nor their residents who need this crucial support.”

Citizens Advice Sheffield

Up until April 2023, where the government has provided a year-long funding package, each round of funding for the Household Support Fund has previously been six-month intervals, with local authorities not allowed to carry over any unused funding. The short-term and ever-changing nature of this funding meant that often, support has not been as strategic, or targeted, as it should be.

“Because they [councils] haven’t had long-term commitments, it’s hard for them to plan effectively. Local authorities used to target funding for families who have free school meals – but this means that other families are missing out.”

Joseph Rowntree Foundation

Challenges with limited capacity in the system

In some cases, local authorities have stopped delivering pre-existing local welfare assistance schemes altogether, focusing instead on setting up brand new ways to deliver support through the Household Support Fund. Respondents to the inquiry were of the view that the Household Support Fund would have been better used to strengthen existing schemes.

Some councils, without the capacity to deliver support themselves, have given funding straight to food banks to support their work giving out emergency food parcels. This risks entrenching food-based support.

Challenges providing support to all who need it

While additional funding and flexibility for local crisis support during the pandemic was welcomed, some respondents to the inquiry felt further flexibility was still needed, particularly for people with no recourse to public funds.

“A further learning from the pandemic is the scarcity of crisis support available for people with no recourse to public funds (NRPF), who are at particular risk of destitution without access to a social security safety net or rights to statutory homelessness assistance. Lack of clear government guidance surrounding the Household Support Fund caused confusion, with some local authorities excluding NRPF households from receipt of this support while others have not.”

Shelter

Reflecting on the pandemic and the ongoing cost of living crisis, whilst respondents to the inquiry recognised the value of the funding provided to local authorities, they also viewed it as a missed opportunity to build a more effective and dignified system of local crisis support, especially in England.

The recent changes to the Household Support Fund guidance are encouraging, but it is too early to see the impact.

Concerns around the Household Support Fund may have been addressed by the UK Government in the latest guidance, published in February 2023.

The latest round of the Household Support Fund is set to run for a year (between April 2023 and April 2024) and the new guidance recommends cash to households as an option for providing support, as well as allowing local authorities to spend some of their allocation on funding advice services in a change from previous rounds.²²

This may help to mitigate the challenges arising from short-term funding rounds and enable local authorities to build strong local schemes. However, there has been no further clarification of the role of the Household Support Fund in providing support to those who have NRPF status.

There are important learnings from the devolved nations and regions when it comes to delivering cash-first crisis support.

There was agreement amongst the written and oral evidence the inquiry received that the models of local welfare assistance delivered in the devolved nations and regions could serve as good practice examples.

Unlike in England, cash grants are available in every local authority in the devolved nations and regions as part of their crisis support offer. In their response to the call for evidence, the Scottish Government highlighted how the Scottish Welfare Fund was central to their approach to providing support to households in crisis and stopping food banks from being the first port of call.

²² Department for Work and Pensions (2023), Household Support Fund Guidance - April 2023 to April 2024, <https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils/1-april-2023-to-31-march-2024-household-support-fund-guidance-for-county-councils-and-unitary-authorities-in-england>

“An adequately resourced, responsive, and well-coordinated local welfare assistance scheme is critical to ensuring effective, dignified local crisis responses.”

Scottish Government

In Wales, the Bevan Foundation has described the Discretionary Assistance Fund as a “lifeline for people in severe financial hardship. When there is nowhere left to turn, the DAF can help with money for food and heating, and other things.”²³

Responses to the call for evidence identified learnings from the schemes in Scotland, Wales and Northern Ireland that respondents wanted to see applied to local crisis support across the United Kingdom.

- Support should have **cash** as an option: All three schemes run in Scotland, Wales, and Northern Ireland provide cash as an option.
- Support must be **timely**: The Scottish Welfare Fund has guidance attached to it which state that councils should seek to inform applicants of an outcome within 2 working days.
- Support must be **accessible** and **widely-promoted**: Applications to the Discretionary Assistance Fund (DAF) in Wales can be made by post, phone, online, or through referral partners.
- Support available should be **consistent** and **inclusive** of everyone who needs support: whilst the Scottish Welfare Fund allows for local variation, it still has national guidance attached which means everyone is afforded a minimum standard. The Emergency Assistance Payments available through the DAF in Wales can be provided to people with No Recourse to Public Funds if they are in extreme financial hardship.

However, these learnings must be caveated by the evidence that challenges remain.

A report commissioned by Save the Children and the Trussell Trust found that the application success rate for the Scottish Welfare Fund’s Crisis Grants varies across Scotland, ranging from as low as 45% in one area, to as high as 84% in another.²⁴ This suggests that even when there are national guidelines for consistency, a locally administered scheme will lead to a “postcode lottery regardless”.

An independent review into the Discretionary Support (DS) scheme in Northern Ireland found that it “can make the difference between someone living in or escaping from destitution”, but that more can be done to improve its ability to meet emergency need.²⁵ The review identified that there is a lack of public awareness of DS alongside wider accessibility problems associated with the move to online applications which should be addressed by the NI Executive. It also found that the use of loans as part of the offer led to some claimants struggling to pay them back.

²³ Taken from: Welsh Government (2023), Over 30,000 people in Wales sought financial help over the Christmas period <https://www.gov.wales/over-30000-people-wales-sought-financial-help-over-christmas-period>

²⁴ Save the Children and the Trussell Trust (2022), Tackling Child Poverty and Destitution – Next Steps for the Scottish Child Payment and the Scottish Welfare Fund, https://www.savethechildren.org.uk/content/dam/gb/reports/scotland-tackling-child-poverty-and-destitution_003.pdf

²⁵ Department for Communities, Northern Ireland (2022), Independent Review of Discretionary Support, <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-independent-review-of-discretionary-support-22.pdf>

Despite some of the clear positives of the schemes run in Scotland, Wales, and Northern Ireland, this has not prevented food banks in the Trussell Trust network experiencing similarly large increases in need to those seen in England.²⁶ In Scotland, this had led to calls for urgent steps to be taken to address weaknesses in the Scottish Welfare Fund by increasing both the value and the administrative responsiveness of the fund.²⁷ Research by IPPR Scotland for the Trussell Trust and Save the Children concluded that the Scottish Government needed to explore all routes to moving the Scottish Welfare Fund away from a cash-limited discretionary fund and towards a need-led funding model, to ensure it can always provide vital support to people where and when they need it.²⁸

This is perhaps further evidence that crisis cash payments will always be limited in their effectiveness without wraparound support and a strong social security system. Some work to mitigate this is under development in Scotland through local cash-first partnerships. These will provide funding and practical support to multi-sector and multi-agency partnerships in local authorities which aim to strengthen cash-first responses and measurably reduce the need for food banks. These launch in the 2023/24 financial year, and the APPG will be watching their progress closely.

What sets the nations and regions apart from England is that having a single-named, nationally administered scheme can lead to accountability and questions being raised about their performance. In England, it is much harder to highlight problems with local crisis support due to the fragmented nature of local welfare assistance schemes. There has been no UK Government backed review into the nature or delivery of local crisis support as there has been in Scotland and Northern Ireland.

Spotlight on inquiry team visit to Fife

As part of the inquiry, the team hosted a roundtable with local support providers from across Fife and the surrounding areas.

Participants discussed the types of support available to people facing financial crisis beyond emergency food parcels, including community food projects and groups who support people with complex needs, alongside the role of the local authority and NHS providers in helping to link up support and survey demand.

Roundtable participants reported wide awareness of the Scottish Welfare Fund and that people were referred regularly, but also described ongoing issues in accessing support – some people reported waiting eight days for money, which is a significant amount of time to wait considering people did not have enough income to afford the essentials. There was also agreement on the need for more Scottish Government funding for the SWF to meet growing demand.

²⁶ In Scotland, there was a 34% rise in the number of emergency food parcels between 1 April to 30 September 2022 compared to the same period in 2021. In Wales, the figure was 38%, and in Northern Ireland, the figure was 25%. More information can be taken from the Trussell Trust's mid-year statistics page: <https://www.trusselltrust.org/news-and-blog/latest-stats/mid-year-stats/>

²⁷ The Trussell Trust (2022), Mid-Year-Stats Scotland Briefing, https://www.trusselltrust.org/wp-content/uploads/sites/2/2022/11/MYS-Nation-and-Regional-briefing_Scotland.pdf

²⁸ Save the Children and the Trussell Trust (2022), Tackling Child Poverty and Destitution – Next Steps for the Scottish Child Payment and the Scottish Welfare Fund, https://www.savethechildren.org.uk/content/dam/gb/reports/scotland-tackling-child-poverty-and-destitution_003.pdf

Whilst there are many differences in the use of cash transfers in international development programmes, there is a large body of evidence and practice to learn from.

“If you go on the Department for International Development website, you’ll find briefings there which applaud cash transfers as a way to give aid overseas. It’s the most cost effective for the tax-payer and is more dignified.”

Independent Food Aid Network

Cash is widely used to transfer resources directly to people in developing countries and those facing humanitarian crisis situations, and submissions to the call for evidence highlighted the extensive literature surrounding the use of cash transfers in this way.

The context in which these cash transfers are used is, of course, markedly different to the situation for people facing financial crisis in the UK. While supply chains and local service infrastructure may be much weaker in these international contexts, cash is also used for many of the same reasons cited by proponents of cash-first approaches to crisis support in the UK, providing choice and flexibility and unlocking wider benefits.

“Independent evaluations show that the programmes have consistently delivered on their core objective of increasing incomes and consumption levels for the poorest households, with modest but positive effects on savings, asset accumulation and debt reduction.”

Food poverty alliance based in West Midlands

The use of cash benchmarking in international aid was also referenced as a positive way to understand the best way to deliver support for a given situation. Cash benchmarking is where the impact of giving in-kind support or services is compared against the impact of giving cash to households or individuals, helping stakeholders to understand whether providing cash grants would be a better alternative to other forms of support.²⁹

It is likely there is much to learn from the use of cash transfers and cash benchmarking in these international contexts.

29 For more information about cash benchmarking see: Social Market Foundation (2021) , The case for cash benchmarking, <https://www.smf.co.uk/publications/the-case-for-cash/>

Preventing people from reaching crisis point

Summary findings:

The inquiry heard that whilst improving support for people facing financial crisis is important, there is also a need to think more broadly. Being in crisis is an inherently dislocating experience for people. Crisis support is also more expensive than responding to people's needs earlier on. We heard during the oral evidence sessions that local authorities can play a greater role in ensuring people are reached before the point of crisis.

In order to build a more effective system of local support, respondents to the inquiry highlighted the importance of improving the use of data, and the coordination of local services. Local authorities have a wealth of data available to them to understand who may be at risk of falling into crisis, but often this isn't being made best use of. This is because local services may not connect to each other or share data between services, leading to a drop off in both the information available about residents, and the provision of support available to them if they turn to a wrong door. There was also a clear understanding of the need to tackle the drivers of destitution and that a local support system alone was unlikely to be able to achieve this.

Using data to prevent and tackle the drivers of destitution.

Facing a crisis is an incredibly difficult experience – as explored in the inquiry, people face barriers to accessing support, and feelings of shame and stigma when they do turn to help. But we also heard that intervening at a crisis point is the most expensive point for local support services; the best point to intervene is prior to a crisis taking place. Local authorities and other agencies have access to rich amounts of data about people who live in their communities. By making effective use of this data, local authorities could work to target support to people before short-term hardship reaches a crisis point.

However, the inquiry heard how local authorities could be doing much more to make use of the data available to them in order to target those most at risk of falling into crisis.

Due to lack of up-to-date data on households facing financial hardship, some local authorities chose to target funding they received through the Household Support Fund to families eligible for free school meals because it was the only dataset they had access to. This meant that some households missed out on support, especially those on low-incomes without children.

Responses to the inquiry noted that whilst a wide amount of data on low-income households is available, there are often difficulties for local agencies to access and make use of it to its best potential. This includes a lack of joined-up data sharing between local authority departments or services, such as housing or debt collection – yet being in arrears on your council tax bill or struggling with rent can be an early warning sign for financial hardship.

“For most of the councils there wasn’t a method of joining up local welfare assistance support with other data sets. Nor was there any common reference between LWA data and other data sets – preventing joined up holistic approaches.”

Policy in Practice

A further point was made during the oral evidence sessions that there is a need for the UK Government to work closely with local government to share relevant information on benefits and other indicators of financial hardship. This could be used in combination with local knowledge and lead to more effective

and targeted interventions. The Local Government Association told the inquiry that they would like to see a shared outcomes framework for nationally provided local welfare funding in order to help build a more consistent and effective approach to tackling and preventing crisis.

Although the DWP did not directly address the point about sharing data in its evidence to the inquiry, it did describe the policy of using promotional campaigns to help raise awareness and ensure people claim the support they are entitled to.

“The cross-government Help for Households campaign launched in October across national broadcast channels including TV and radio as well as paid digital channels. The campaign promotes over 40 government schemes which support households with the cost of living including support with income, energy bills and childcare.”

Department for Work and Pensions

Effective co-ordination of support.

A similar point to the issues around access to local data in responding to and preventing financial crisis relates to local co-ordination of support. Evidence to the inquiry highlighted that for support to be holistic and person-centred when responding to crisis, services need to be well coordinated. This can then put people on a stable foundation for the long-term.

“Crucial to the success of these models has been close working between different sectors and services, including the local authority, third sector agencies, community organisations including food banks, to ensure well-coordinated, holistic support is in place to help meet people’s needs.”

Scottish Government.

An effectively co-ordinated local support system can help ensure people are supported on a journey from financial crisis to longer term financial security.

“Note, in 2013, over 50% of those referred to Cornwall Council’s Winter Wellbeing programme were helped by 3 or more organisations or charities, and only 5% of those helped needed to come back for further support the next year due to the emphasis on providing permanent solutions.”

Food poverty charity in the South West

Community workshop participants also raised the need to bring together the wider help and support available locally and identifying key partners to work alongside food banks to provide wider support, mentioning the Fuel Bank Foundation, Citizens Advice, local councils, mental health organisations, disability charities and baby banks.

The inquiry heard that co-ordination, partnership working, and signposting are all resource intensive, yet often this is taken up by the charitable sector rather than local authorities. In many cases, we heard how local authorities simply do not have the budget available to take ownership of such coordination locally.

“All too often when we signpost clients to support they respond with phrases such as ‘why didn’t the job centre tell me that’ or ‘I never knew that I could access that.’”

Food bank based in the West Midlands

Wider reforms to tackle the drivers of destitution.

As has been explored throughout the inquiry, local crisis support does not exist in a vacuum, and relies on wider contingencies and national systems for it to be most effective. Destitution and financial crisis is not usually caused by a single issue. Instead, it is a multitude of interweaving forms of disadvantage which push people under and lead to them needing extra support.

Therefore, whilst it did not form the main part of the inquiry, wider approaches to tackling destitution, such as a right to food, were explored during the call for evidence.

The call for evidence asked respondents to think about how rights-based approaches could be used to support people facing destitution and what role they could play in tackling short-term crises. It also prompted those responding to the inquiry to explore how setting income levels (such as through a Minimum Income Guarantee or Universal Basic Income) could help.

A ‘rights-based approach’ was understood by respondents as establishing core principles which govern the delivery of all statutory forms of support to people facing financial hardship. There was broad agreement that a rights-based approach could be a useful tool to increase accountability for duty holders to ensure that no one has to turn to emergency food aid when they face financial hardship. The Right to Food campaign, was an example referenced by a number of submissions to the call for evidence.

A right to food would enshrine in law someone’s legal right to access food. One submission argued this approach could “help to refocus the conversation away from individual choices” and onto the “wider environment and systems”, which could reduce stigma. The Scottish Government has recently consulted on plans to enshrine a right to food in law.

What respondents believed this meant for local crisis support varied. One response explored how a rights-based approach could apply to the delivery of local crisis support by placing a duty on local authorities to respond to financial crisis.

“Crisis support should be fully regulated and established as a right to support people through one-off shocks that cause a sudden drop in income or increases in costs and help end the need for food banks.”

Child Poverty Action Group

Putting local welfare assistance on a statutory footing was suggested as a way of developing clear expectations and criteria across the UK for support when people face financial crisis.

A related theme running through the evidence was that the social security system needs to provide people with a sufficient income to afford the essentials in order for local crisis support to be at its most effective. Some form of income guarantee, or increasing benefits, was supported by a majority (33) of written submissions.

The need to raise awareness of the scale of financial hardship and diversity of need in the UK and for policies to recognise that “we are not all made up of able-bodied people who are able to work 60 hours a week” were key themes in the community workshop discussion. For example, some participants wanted to see the introduction of Universal Basic Income.

“In one sweep it would give people the dignity we’re all asking for.”

Community workshop participant.

This was caveated by some respondents to the inquiry, who highlighted the need to take a person-centred approach to crisis and that wider wraparound support, such as mental health or social care services, were also needed.

PART FOUR: Principles for effective and dignified local crisis support

The inquiry has presented a real opportunity to identify a set of commonly agreed principles which should underpin the delivery of local crisis support. Led by the evidence to the inquiry, these principles make clear what is needed to ensure local crisis support is effective and dignified.

For support to be effective:

It must be accessible so people in crisis are able to receive the support easily when and where they need it.

“Accessibility. In our community we often come across people who struggle with either technology access or literacy which can limit their ability to access crisis support.”

Response from food bank based in the South East.

This was the most frequently cited principle in the written submissions to the inquiry. Of the 66 submissions, 32 made reference to the importance of accessibility for effective responses to financial crisis.

Accessibility should be defined in broad terms. Submissions made reference to the importance of the physical place and locations of services (9 responses), opening hours (4), the availability of information about support (4), the importance of ensuring the information provided was easy to understand (4) and working to mitigate digital exclusion (7).

The difference between urban and rural communities with regards to accessing support was highlighted by 14 submissions. Rural communities can face increased barriers to access due to problems with both transport and internet connectivity.

It must be fully inclusive of everyone who needs it.

“We are navigating a maze of gatekeeping, restrictions and limitations every day. This erodes our dignity and creates added challenges on top of the challenge of food insecurity and poverty.”

Community organisation based in Scotland

The inquiry heard that effective forms of crisis support should not design in exclusions present in the social security system. Eight submissions highlighted the “scarcity of crisis support available for people who have no recourse to public funds” and that they are at a heightened risk of destitution because they miss out on support from the social security system.

It must help prevent the crisis from recurring in the future.

“Food poverty is one facet of poverty, it’s scooping people up out of the river to prevent drowning now, but doesn’t stop or minimise the reasons for them falling into the river in the first place, or returning to that same place.”

Community workshop participant

While crisis support can give people immediate respite and breathing space, often it provides only a short-term “sticking plaster” solution.

For people to be empowered to address the underlying causes that led them to seek support in the first place, integrated and person-centred wraparound support must be built into the system, with 22 written submissions to the inquiry mentioning this.

The inquiry heard numerous examples of community action helping to improve access to longer-term support.

“In [name of town] we run something called Form Filling Friday where we help people fill in forms! They also get a hot meal and get to engage with other support orgs – simple but worthwhile.”

Community workshop participant

For support to be dignified:

It must reduce stigma.

“I feel the most effective, appropriate and dignified form of crisis support comes when those in crisis feel safe and comfortable to reach out; when they feel they are in a place where they are ready to accept help from people they know will not engage with them whilst holding any form of judgement.”

Community organisation based in the North West

Being in financial crisis can be an incredibly demoralising and isolating experience, and 29 submissions stressed the importance of rooting support in communities and in spaces where people can access welcoming help. Nine submissions said people wanted to speak to their peers when they access support.

It must provide choice and flexibility so people have the agency to determine the best way to resolve their crisis for themselves.

The evidence was clear that it is not dignified for people facing financial crisis to have no choice over the food they eat, or the opportunity to try and resolve their crisis by restricting the type of support on offer to something as specific as a food parcel. In total, 22 submissions referred to the dignity and choice in the use of cash grants.

It must prioritise meeting the specific needs of the individual e.g. dietary needs and preferences.

The inquiry heard that support services should have knowledge of the unique needs of their local communities in order to be both effective and dignified, and providing support that enables everyone to meet their specific, individual needs should be a basic requirement.

Based on the findings of this inquiry, therefore, the APPGENFB recommends the principles above are embedded into local crisis support systems to help ensure the support is as effective and dignified as possible.

PART FIVE: Recommendations

The final section of this report makes specific policy recommendations for different levels of government to enact, building on the principles for effective and dignified local crisis support.

1. A long-term strategy for local crisis support underpinned by the principles for ensuring support is effective and dignified.

Evidence to the inquiry has highlighted the need for a long-term strategy for local crisis support set by the UK Government. Since the abolition of the Social Fund in 2013 there has been no UK-wide thinking about how local crisis support should interact with the social security system. This has led to a piecemeal approach, and to community groups picking up the slack when people face financial crisis. A decade on and the UK Government has injected significant sums into local crisis support as part of its response to the Covid-19 pandemic and cost of living crisis. This presents an excellent opportunity to use the learnings from the Household Support Fund and the schemes in the devolved nations and regions to develop a clear, long-term strategy.

Specifically, the UK Government should:

- **Commit to a multi-year settlement of funding**, at least matching the current annual investment in the Household Support Fund, to give local authorities and the devolved governments the certainty they need to effectively resource their crisis support schemes.
- **Establish a clear outcomes framework for local crisis support**. This would improve the consistency of support, ensure it is more effectively integrated with crisis prevention and enable more robust monitoring of outcomes delivered. This should be produced in partnership with the devolved nations and regions, local government, third sector partners, and people who have lived experience of poverty.
- **Improve the monitoring and evaluation of the Household Support Fund in England**. In the short-term, the UK Government should work to publish how the fund has been spent by local authorities more regularly.

Furthermore, the Scottish Government should:

- **Publish its plan to end the need for food banks with key milestones for implementation clearly identified**.
- **Increase the value and administrative responsiveness of the Scottish Welfare Fund** so that it can better respond to the cost of living crisis facing low-income households.
- **Introduce a target in guidance that Crisis Grant applications have a same day decision**, to prevent the need for a food bank referral, and ensure local authorities are fully resourced to work with and support applicants throughout the process.
- **Invest in local government capacity to support the delivery of the Scottish Welfare Fund** and to end the postcode lottery of support on offer, including through regular training of staff delivering the fund to ensure dignity at all times.
- **Act swiftly on the findings of the Scottish Welfare Fund review** and explore all routes to move the Scottish Welfare Fund away from a cash-limited discretionary fund and towards a needs-led funding model.

2. Cash-first approaches as the default response to financial crisis, while ensuring a range of suitable options are available to people depending on their individual needs.

Overwhelmingly, respondents to the inquiry expressed a preference for the use of cash grants to support people facing financial crisis. Local support systems should embrace the use of cash grants while ensuring support remains person-centred and alternative options are available.

Cash benchmarking – used to compare proposed policies to the alternative of providing cash transfers of equivalent cost – should also have a role to play in understanding the most effective responses when people face financial crisis and in building the evidence base around the use of cash grants.

Specifically:

- **UK and Devolved Government guidance should always promote the use of cash grants in locally and nationally administered crisis support schemes.**
- **All local authorities should embed a cash-first approach to delivering local crisis support.**
- **The UK and Devolved Governments should consider the use of cash benchmarking in policy impact assessments and evaluations.**

3. Improve data sharing between all levels of government to help develop a holistic picture of local financial hardship.

The best time to intervene in a crisis is before it takes place. Yet currently, local authorities and decision makers across the UK do not have all the information they need to make informed and targeted decisions to support households facing financial hardship. How local authorities use data on their systems varies widely and some may not even have a central database collating information available to them. Local data - on arrears, benefits and housing for example - only paints part of the picture and combining this with data held by the DWP would offer a more detailed view of those most in need of support.

Specifically, the UK Government should:

- **Work with local authorities to overcome the difficulties in sharing data that can be used to identify financial hardship** by developing a set of standardised data sharing protocols for use by local authorities and government departments.
- **Commit to sharing the full Universal Credit dataset with local authorities** in place of the occasional releases which make it harder for local authorities to combine with their existing data. Previously, much richer administrative data was made available from Housing Benefit – yet this has not been replaced with the move to Universal Credit.
- **Work to ensure better data sharing agreements with Devolved Governments and social security agencies (e.g. Social Security Scotland).**

4. Funding to develop and coordinate strong local support systems which mean that nobody has to turn to a food bank as a first port of call.

Crisis responses will only be effective if people receive wider help to tackle the root causes of their hardship. This requires sufficient resourcing to enable local authorities to take an active role in shaping referral pathways locally and forging links with local community organisations. The Scottish Government's cash-first partnership pilots will provide funding and practical support to multi-sector and multi-agency partnerships in local authorities with the aim of reducing the need for food banks, and other parts of the UK should follow this approach.

Specifically:

- **The UK and Welsh Governments should provide pilot funding for local authorities to develop strong referral pathways and partnerships that focus on preventing an immediate crisis leading to long-term destitution or hardship.** The Northern Ireland Executive should be restored as a matter of urgency, and similarly support the development of strong local support systems.

5. Ensuring local crisis support is accessible to all and no one is excluded.

The inquiry heard how local crisis support is often the final safety net, yet too many people are excluded from statutory support and are left to rely on community organisations when faced with financial crisis and destitution. People with restricted eligibility for support as a result of the immigration status (including those with NRPF), find it particularly hard to access help in a crisis. Other groups at increased risk of financial hardship, such as disabled people and people with health conditions, also face additional barriers to accessing support which must be removed.

The evidence to the inquiry on the stigma associated with needing support to afford essential items was compelling and every effort must be made to ensure this is never a barrier to getting support to all who need it.

Specifically:

- **The UK Government should clarify to local authorities and the devolved nations and regions that those with restricted eligibility for support as a result of their immigration status (including NRPF) are eligible for crisis support.**
- **Local authorities and Devolved Governments should ensure there is a choice of communication and application channels for those needing local crisis support,** including online, phone and face-to-face.
- **Local crisis support systems should have specific strategies to support groups who face barriers to accessing support,** for example people in work, people with English as an additional language and disabled people. This should include a referral pathway linking applicants to partners who can provide appropriate financial grants and specialist support.
- **Local crisis support systems should be designed with close involvement of people with lived experience of financial hardship.**

APPENDIX – organisations and individuals providing evidence to the inquiry

Written evidence submissions:

Dr Katy Gordon, Dr Hannah Lambie-Mumford, Dr Rachel Loopstra

Brighton and Hove Food Partnership

Community Food Initiatives North East (CFINE)

Chelmsford Foodbank

Citizens Advice Scotland

Citizens Advice Sheffield

Child Poverty Action Group

Department for Work and Pensions

Devizes and District Foodbank

GIPSIL

Global Solidarity Alliance

Govan Community Project

Hackney Foodbank

Independent Food Aid Network (IFAN)

Joseph Rowntree Foundation

Leeds City Council

Local Government Association

Newcastle-Staffs Foodbank

REACH Haverhill (Haverhill Foodbank)

Redbridge Foodbank

Save the Children

Shona Robison MSP, Cabinet Secretary for Social Justice, Housing and Local Government, on behalf of the Scottish Government

Shelter

Shropshire Food Poverty Alliance

StepChange

Sufra NW London

Turn2Us

West Cheshire Foodbank

Whitehawk Foodbank

Winchester Food Partnership

Women's Budget Group

Your Local Pantry

APPLE Collective

Barton Area Foodbank

Bassetlaw Foodbank

Bread and Butter Thing

Byker Pantry

Chorlton & Didsbury Foodbank

Christians Against Poverty

Citizens Advice Coventry

Citizens Advice Newcastle

Cornwall Food Action

Feeding Britain

Feeding Liverpool

Food Works Sheffield

Healthy Living Lab

Hull Consortium of Church-based Food Aid

Hull Food Partnership

Liverpool's Good Food Community Advocacy and Policy Group

Magic Breakfast

Manchester Central Foodbank

Newcastle West End Foodbank

Perth & Kinross Foodbank

Rye Foodbank

Southend Foodbank

The Matthew Tree Project

The Welcome Centre

Whitley Community Development Association

Oral evidence session witnesses:

Maria Marshall – Independent Food Aid Network (IFAN)

Andrew Forsey - Feeding Britain

Mark Game - The Bread and Butter Thing

Dr Naomi Maynard - Feeding Liverpool

Claire Donovan - End Furniture Poverty

Zoe Charlesworth - Policy in Practice

Hannah Aldridge - Child Poverty Action Group (CPAG)

Chris Bennett – Fair for You

Nick Hart – Leeds City Council

Councillor Emily O’Brien – Lewes District Council

Report authors:

**Joe Farnworth-Mayers,
Beatrice Orchard**



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for Food Banks