



## **Crisis Fund for Struggling Families Report**

### **Introduction**

The UK is the fourth richest country in the world, yet there are still 3.9 million children living in poverty, struggling to access the basic things they need to live a full and healthy life. The Government set a target to end child poverty in the UK by 2020 and to halve it by 2010. Save the Children is determined to ensure that the Government keeps their promise and meets this pledge.

In the six months from October 2008 to March 2009, Save the Children became increasingly concerned about the severity of the situation facing the poorest families in the UK, due to the increased costs of heating and food and the financial crisis putting even more pressure on the poorest families.

Families were at crisis point and with unemployment rising rapidly, many were being forced to make tough decisions, such as leaving the heating off to afford warm clothes for children, or enough food for dinner.

Determined to respond to the urgent needs of the most vulnerable children, we designed the Crisis Fund for Struggling Families, with the aim of helping almost 1,000 of the poorest families in the UK. Working in partnership with Family Action, who is a leading provider of services to the most disadvantaged with a fully audited and proven grant giving mechanism, the Fund was launched on Monday 6th April, thanks to the very generous donation of £150,000 from British Gas.

The crisis fund was planned as a short term, one off project to relieve particular pressures being placed on the poorest families as a result of the recession.

Through the project we have been able to gather detailed case studies which provide compelling evidence on which to lobby Government for lasting change. The changes we hope to achieve through our advocacy work would effect significant improvements in the lives of many more than we could ever reach through short term practical interventions such as the crisis fund. That is not to say we shouldn't continue to deliver such interventions but to emphasise that as Save the Children, one of our key roles is to collect evidence informed by practical interventions to lobby for much wider and more permanent change.

### **Recommendations**

As a result of our joint initiative, Save the Children and Family Action have identified several policy recommendations which, if adopted by the Government, will bring about lasting change to hundreds of thousands of children living in severe and persistent poverty across the UK. We are calling for the Government to take a number of steps in relation to the Social Fund:

- Reform the Social Fund to ensure it is an effective anti child poverty tool by increasing funding and access to the fund and extending eligibility to those on Working Tax Credit. Specifically:
  - There should be a strategy for Job Centres signposting Social Fund applicants who are unsuccessful to other sources of advice and assistance.
  - People with children working 16 hours or less are not eligible for the Working Tax Credit or assistance from the Social Fund. Until the rules are changed to make them eligible for WTC they should be made eligible for at least one

grant from the Social Fund to help them buy children's clothing or essential household goods. This could be done for a time limited period.

- Given that we are currently in a recession the Social Fund should look at expanding its grant, as opposed to loans provision, for the purposes of reaching low-income families with children and ensuring they stay out of debt. At the very least this should be done for a time-limited period as has previously happened with winter fuel payments. For example the Government could announce the expansion of grants provision in the Pre-Budget Report for the financial year April 2010 to March 2011.
- All low-income families moving into unfurnished accommodation should be guaranteed at least one grant to help them with a fridge a cooker or curtains or carpet. At the very least, all low-income parents setting up a second home with children because they are fleeing domestic violence should be guaranteed one such a grant<sup>1</sup>.

In addition Government could take a number of steps that would considerably tackle the financial difficulties and hardship families are currently facing:

- Invest significant resources to promote take up and knowledge of benefit and tax credit entitlements to those in severe poverty.
- Invest in the poorest families by investing in Child Benefit and Child Tax Credit at PBR 2009 and Budget 2010.
- Provide seasonal grants to families with children living in poverty at crucial times of the year.
- Help parents to meet the costs of school by
  - a) extending free school meals to families on Working Tax Credit and
  - b) ensuring greater availability of school uniform grants by placing a statutory duty on local authorities to provide grants and support local authorities to meet this requirement through central government funding if necessary.
- Provide continued support to increase coverage of third sector lenders such as credit unions so they meet the needs of more people on low incomes. The Growth Fund has been a welcome element of support for third sector lenders. Additional targeted support that addresses some of the capacity issues credit unions face, such as back office and technological support as well as marketing, should be provided to enable the sector to grow.
- Ensure banks provide the best possible service to those on low incomes by placing them under a clear obligation to consider the needs of lower income households for access to mainstream financial products, including responsible credit, and placing a requirement on banks to report on their actions to meet these needs.

## Statistics

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<sup>1</sup> In theory all low-income families are eligible for grants for items when moving into new accommodation. However this usually happens under the community care grants system and the grants are discretionary, which means even those eligible will only get one if the benefit office decides that their need is important and there is enough money left in the district Social Fund budget.

Since the start of the funds, a total of **£125,242** has been disbursed to **708 families in crisis**, assisting a total of **1513 children**. The rest of the donation from British Gas covered staff and administrative costs at both Family Action and Save the Children.

Geographically families living in London received the largest number of grants, 168 to a value of £29,494.68.

By far the largest number of grants - 131 to a value of £21,801.55 - was made for school uniforms. This can in part be attributed to the surge in applications received after Save the Children's 'back to school' media story<sup>2</sup>. A significant number was also made for multiple needs, children's clothing and beds.

### Cumulative Totals

#### Regional distribution of grants

Region	Grant Amount	Number of Families	Number of child beneficiaries
Anglia	£10,961.55	62	129
London	£29,494.68	168	366
Midlands	£14,845.00	81	197
North East	£22,026.13	126	272
North West	£7,881.94	42	91
Northern Ireland	£950.00	5	11
Scotland	£9,802.00	55	98
South Central	£5,597.00	31	74
South East	£7,947.85	46	102
South West	£9,974.85	60	112
Wales	£5,761.00	32	61
<b>Total</b>	<b>£125,242.00</b>	<b>708</b>	<b>1513</b>

#### Grants by purpose

Purpose	Grant Amount	Number of Families	Number of child beneficiaries
Adult clothing	£1,150.00	7	12
Baby needs	£5,750.00	33	45
Beds	£12,137.65	69	174

<sup>2</sup> On 17<sup>th</sup> August 2009 Save the Children and Family Action announced the results of a survey that revealed over half of the parents surveyed (51%) with an income below £30,000 (almost £2,000 more than the average UK income<sup>2</sup>) can't afford everything their children need for the start of the new school year. For those respondents on low incomes (below £12,000 a year) 59% cannot afford everything their children need to return to school. 50% say they are likely to have problems buying new shoes while 28% say they will have to miss out on buying their children a winter coat. Over a quarter (26%) say they will have to borrow money.

Carpets	£6,278.00	37	61
Children's clothing	£12,605.00	75	155
Communication aid	£750.00	4	9
Cooker	£4,536.68	26	56
Cots	£1,050.00	6	12
Flooring	£2,871.00	15	32
Fridge/freezer	£3,896.00	21	55
Furniture	£7,768.00	43	73
Home Safety	£600.00	3	8
Living expenses	£150.00	1	2
Miscellaneous	£10,227.85	58	107
Multiple needs	£18,317.47	98	212
Repair & redecoration	£800.00	5	10
School uniform	£21,801.55	131	333
Washing Machine	£7,521.29	40	80
Utilities	£7,031.51	36	77
<b>Total</b>	<b>£125,242.00</b>	<b>708</b>	<b>1513</b>

#### Financial information

Average Grant:	<b>£176.90</b>
Remaining in fund	<b>£0.00</b>

#### Detailed case studies

We commissioned a researcher to undertake some further analysis and from a random sample, we found that the overwhelming majority of applications seem to come from Lone Parent Families - just over 80% (80.2%). In addition, almost half of the families have one or more disabled or sick member (46.4%). There was also often more than one person with a disability within the family.

The majority of applicants appear to be unemployed although a significant number were in low paid employment. Most are struggling to keep their debts down.

There are other common characteristics of the applicants including a large number who have suffered domestic violence and a lot of asylum seekers applying for the grant because they are not allowed to work and the vouchers they receive from the Government cannot buy items such as uniforms and furniture.

To follow is a number of detailed case studies which give a clear indication of the range of issues and needs facing some of the UK's poorest families.

#### *Silva's story*<sup>3</sup>

Siva has fled domestic violence. Since moving she has felt much safer and has been able to get on with life but has been left with huge debts by her ex-partner. She was referred to 'Crisis Fund for Struggling Families' by a domestic violence survivors' agency who wrote:

"She owes money to the council for council tax and to her housing association for arrears. With the help of a credit union Silva is addressing these. However half of Silva's wages literally goes on keeping up payments on her debts. "Silva has been in this situation for sometime and is completely unable to save up to buy the furniture her daughter needs. Her daughter, Natasha, is currently sleeping on the floor and keeping her clothes in a

<sup>3</sup> \* All names have been changed.

cardboard box. When I visited the household last week Natasha was sitting on the floor of her bedroom with three friends with only a mattress and no flooring, no curtains at the window.”

Silva works as a part-time cleaner at a school. She is not eligible for working tax credit because she works insufficient hours and she is not eligible for assistance from the social fund because she works part-time. When she applied to the ‘Crisis Fund for Struggling Families’ the school was not paying her for a two-week period because it was the summer holidays.

**A grant of £250 was made for furniture for Silva’s daughter’s bedroom.**

**Sarah’s story \***

Sarah is a single parent of two children, aged 4 and 9 years. Her housing support worker wrote:

“Sarah left a violent relationship with her ex-husband and set up home as a single parent. Her ex-husband has continued to be abusive and obstructive. He has kept the jointly owned house and all of the possessions in it. He has refused to allow Sarah to collect any of her possessions from the former marital home, including furniture and personal effects and he ignores solicitors’ letters in connection with this issue. He also effectively stole Sarah’s car. This means that Sarah has incurred extra expenses in replacing furniture that she already once had and getting a car. Due to her ex-husband insisting that their daughter does not move school, Sarah has to have a car to take her several miles to school and back each day (there are no direct bus routes)...

“Her ex-husband barely contributes to the children’s welfare, does not pay for clothes, school trips or food. He has contested the payment of Child Benefit and Child Tax Credit and receives half of the benefits paid but barely spends any of this money on the children. As he receives half of the Child Benefit, Sarah will also be denied a higher rate of Housing Benefit when their daughter turns 10 later this year. Consequently Sarah has to make her half share of benefits pay for all the significant costs of bringing up the children. This had led her to get into debt with her utility bills and she has also accrued a significant loan from her bank. She struggles to get by on a day-to-day basis and often skips meals herself to ensure that her children are fed properly. Her ex-husband has also stopped making payments on their joint mortgage. The house is in negative equity and Sarah therefore faces a further large debt if the house is repossessed and sold for less than the outstanding loan...

“...Sarah does a fine job of bringing up her children in difficult circumstances and shielding them from the conflicts caused by her ex-husband. However, she is struggling to make ends meet. The financial pressures on her and continued emotional abuse from her ex-husband, have put her under a great deal of mental distress. She has recently contacted her doctor about stress and depression and I have concerns for her long-term well-being. Sarah is obviously attempting to get her ex-husband to comply with the court orders regarding access, maintenance, etc. However, it is a lengthy process and Sarah has all the pressures of being a single mother on benefits to deal with...

“...A grant to pay for her utility arrears would be of enormous benefit to Sarah as it would remove a great deal of the stress hanging over her. Likewise a contribution towards clothing for her children will help out enormously and lessen Sarah’s embarrassment at having to send her children out in old and ill fitting clothes.”

**A grant of £200 was made as a contribution towards utility bills and children’s clothing.**



**Elsa's story \***

Elsa is a 35 year old single parent with three children. She receives a total of £214.50 per week in benefits from which she is paying back a loan at £20 per week and a mortgage of £128 per week. She also has household debts of £5,045, including utility bills. Elsa was referred to Home Start, following the birth of her third child. Her support worker wrote:

"There is a gap between her second and third children of 14 years and thus coping with a new baby, particularly as a lone parent with monetary problems, can be worrying for Elsa. Her family live in Germany and she lacks any type of support network in Britain. Elsa currently struggles to provide some of the basic provisions such as food, clothing for herself and the children due to mounting debts and was unable to afford a cot (Home Start have now paid for the cot). Further to this her second child (a son of 14) is currently living with his paternal grandmother due to Elsa's struggling financial situation (not a decision Elsa is comfortable with)...

"...The majority of her benefits currently go towards her home mortgage repayments as she has been faced with the prospect of re-possession, which causes her a lot of stress and worry. Having worked her whole time while in Britain, Elsa finds it difficult to understand what types of benefit she is entitled to. Many of the benefits to which she is entitled to were not claimed due to this lack of knowledge of the benefits system and this has had a knock on effect resulting in mounting household bills. This is currently being addressed with an adviser...

"...Prior to the birth of her third child in late 2008, Elsa worked at home as a dressmaker and would like to return to work very soon as she finds it hard to manage on benefits. Elsa knows that her health, following child-birth, needs to improve before she can do this – she currently suffers from fatigue and dizziness."

**A grant was requested for baby clothes and household furniture. A grant of £200 was made for children's needs.**

**Dan's story \***

Dan is 28 years old and lives with his partner and young child. Following the loss of his job the family now live entirely on benefits. A grant of £350 was requested for a fridge/freezer, school uniform and bedding. An application had been made to the Social Fund but turned down on the grounds that he had not been unemployed for long enough. The Debt Visiting Officer wrote:

"I served the above tenant with a Notice of Seeking Possession due to rent arrears. I believe this tenant is suffering severe hardship at present and is unable to provide essential items for his daughter. I have referred the tenant to CAB for debt advice and I have applied to the Water Company Trust for help towards rent and water arrears so that the Notice can be withdrawn.

"...The tenant is in receipt of full housing benefit and is actively seeking work, I have also referred him to our in-house worklessness co-ordinator. His partner suffers from depression and does not deal with day to day things easily putting more strain on the relationship. The tenant is in need of a fridge freezer, bedding and help towards their daughter's school uniform."

**A grant of £200 was made towards the costs of a fridge freezer and school uniform.**

**Fay's story \***

Fay is a single parent of 2 children and lives alone with her two young daughters and has recently had a run of bad luck. Her washing machine broke down over Christmas. She saved up and purchased another which also broke down. She

received a refund and immediately ordered a new machine with Empire Direct paying them £350. The machine was due to be delivered on 14th January but it did not arrive. When Fay called Empire they explained that they had a break-in at their depot and would now deliver on 20th January. Again, the machine did not arrive and when Fay called for an explanation she was told the company had gone into administration on 19th January at 4.30pm and she had lost her money. Her support worker wrote:

“Fay has not been able to get any help from the Social Fund as she is repaying an outstanding loan. As you can imagine she is extremely upset and cannot afford to pay out this amount of money again and desperately needs a machine”.

**A grant of £300 was awarded for a new washing machine.**

***Paul's story \****

Paul is 27 years old and lives with his wife and daughter in privately rented accommodation. The family income is £145 per week - £125 in earned income and £20 child benefit. They have debts of £600 for electric, £130 for gas and £1,000 for council tax. Repayment plans have been agreed with the electricity provider for £80 per month and £110 for council tax but they have not been able to keep this up as they simply can't afford to pay this amount out of their current income. The family support worker wrote:

“Paul and Sophie have a daughter who is 4 years old. Sophie is also 38 weeks pregnant and the family have no provisions for the unborn child due to their current financial situation. The family moved here approximately 8 months ago and have very few family and social networks within the area. Home-Start has recently matched a volunteer the family to assist Sophie, who is suffering with low self esteem due to her personal circumstances. The family are living in a flat which is cold and unwelcoming, home contents are sparse and the only seating is hard dining chairs as they have no sofa. The daughter only has a mattress on the floor to sleep on and both parents and child have no bedroom furniture to store their clothing...

“...Paul currently works 12 hours per week for a mobile phone shop and the family has no other source of income other than child benefit. Paul has applied for Tax Credits although the application has been declined. This is currently with the appeals team for a final decision to be made.

“...Due to financial hardship they have been unable to purchase any essential baby equipment for the new arrival in June and desperately need financial assistance. The family have enclosed two utility bills which they would like you to consider for payment as they are currently in arrears and have no funds to repay debts. The family have been living below the poverty line for approximately 8 months and if they were awarded this money it would make a huge difference to their financial situation and quality of life”.

**A grant of £200 was awarded for baby's needs. The panel also recommended that the family seek immediate benefit and debt advice, particularly about the Sure-Start maternity grant eligibility.**

***Fiona's story \****

Fiona is 29 year old single mother and lives with her two children, aged 4 and 6. Household income for the three of them, excluding housing and council tax benefit, totals £166.25, from which she pays £5 per week for a fine and £8.25 for a loan. Other debts still need to be addressed. A social fund application was being made for other priority needs. The project worker wrote:

“Fiona suffers from depression and sees her doctor regularly for this. She has also suffered previous domestic violence from the children's father. Due to the family living in a small rural village they have limited access to shops and other amenities. Fiona is on a low income and we are currently trying to address her finances and outstanding

debts as she is struggling to manage these. This is having a massive impact on Fiona's lifestyle, but the changes we make will assist her to move forward into a more positive way of life...

...Fiona is trying to provide the best for her children and to meet their basic needs, however, the children are in need of some new clothing and due to Fiona's financial situation she cannot afford to provide this. Receiving this small grant would be a massive help to Fiona in assisting her to meet the children's needs. If Fiona is successful in receiving this grant then I would support her in spending this in an appropriate manner."

**A grant of £50 was made for children's' clothing.**

***Balaynesh's story \****

Balaynesh is a 20 year old single mother of one child, aged 18 months. A grant of £750 was requested for a washing machine, wardrobe, table, chairs and bed. Household income is £133.50 per week. A community care grant has been awarded but is not enough to cover all the items needed. The support officer wrote:

"Balaynesh is a single parent who is expecting her second child in July 2009. She came to this country as an unaccompanied minor from Eritrea when she was 15 years old. She is a young mother, who copes very well with independent living, but is in need of some financial assistance to buy essential household items. She receives income support, child benefit and child tax credits and finds it difficult to make ends meet...



"...She has no washing machine and the launderette is costing her £18 per week. When her second child is born the baby will use the cot that she is currently using for her 18 month old and she will need a bed for the older child. She is also in need of a wardrobe as she does not have anywhere to store her clothes. Financial assistance will mean Balaynesh will not need to get into debt with hire purchase, which she cannot afford. Balaynesh does not have any debts at the moment and it would be beneficial for her not to start now."

**A grant of £150 was awarded towards the cost of a washing machine.**

***Bryan and Sonya's story\****

Bryan and Sonya have two teenage children, aged 14 and 16 years. The eldest child is considering leaving school to enter employment and assist the family financially.

Their support worker wrote: "Our clients were living in a private rented home which was fully furnished. They regularly endured drug users loitering in their doorway while injecting and discarding needles in the doorway. They did not leave the home after dark. Our clients approached the local authority for assistance and last year were allocated a new home.

"...The new home was unfurnished and at the time our clients were both in employment. Bryan was a lorry driver and Sonya worked in a call centre. They thought that they would be able to furnish and decorate the home over time. Due to the current economic climate Bryan lost his employment at the end of last year, a few weeks later Sonya also lost her employment. Neither qualified for any redundancy due to the limited length of time they had held their position. Despite numerous attempts our clients have so far been unable to secure employment.

"...At this time our clients have no flooring in the living room, hall, kitchen, bathroom or two of the bedrooms. There is no wallpaper in the living room, hall, kitchen or

bathroom. Our clients have no window covering at all. They have managed to obtain some furniture but still require a chest of draws for one of the children.”

**A grant of £200 was made for priority needs.**

*Caroline's story\**

Caroline is 23 years old and lives with her 2 year old daughter. Her case worker wrote to us and said: “Caroline and her young daughter have been receiving support for the horrendous domestic abuse Caroline suffered at the hands of her daughter’s father.

“...Caroline hid the fact that she was suffering abuse for many months due to the belief that she owed it to her daughter to have two parents, but the beating she received a few months ago was severe enough for her to move out of the family home and seek help.

“...She is now undergoing counselling with our in-house counsellor to overcome the broken relationship and the abuse she has suffered.

“...We hope we can assist Caroline to set up a safe, secure home for both her and her daughter but due to her now being dependent on benefits she is finding it difficult to equip her home with the essential goods they require.”

A grant of £450 was requested for home safety equipment, clothing and beds and bedding.

**A grant of £200 was made for the needs of the child.**

*Jill's story\**

Jill is a 37 year old single parent of three children aged 11, nine and four years. She is making the application on behalf of her eldest son, Mark.

Their support worker wrote: “At 11 Mark is the eldest of the three children. He is a very bright boy, who has supported his mother and younger brothers through some very difficult years. His mother was subjected to verbal and physical abuse throughout her ten year marriage and as a result has been admitted to a mental health institute twice. She is now divorced.

“She suffers from chronic anxiety depression and is currently receiving Income Support and Disability Allowance. Mark looks after her and helps with the younger children.

“...Mark has won an academic scholarship to attend a prestigious college and the school has confirmed that it will pay 100% of the fees required. But due to the current economic climate it cannot fund his school uniform and any extras as funds are required to help parents of current pupils with fees. He is very bright and at state school was being taught separately from his peers, which in some instances resulted in him being bullied and intimidated. The reason his mother tried to get into this college was that he would be academically challenged and she believes the pastoral care, ethos and discipline would benefit him greatly, as his home life involves a lot of responsibility and everything that goes along with helping a single parent that suffers from mental health issues.

“...Jill is applying for a grant towards Mark’s school uniform and extras that would be incurred. He will be a day pupil at the mainly boarding school. The school has informed her that there will be educational trips, for example to the theatre etc. She is not in a position to fund these or pay for all the uniform, even if she buys as much of it second hand as possible. Mark is well aware that money is tight in their household, and is prepared to make whatever sacrifices are necessary. He was receiving free violin lessons for two years at his state school as he had an “ear for music”. But he will not be carrying these on at college because his mum can’t afford to pay for lessons.

"...Jill is very concerned for Mark, as he is a shy and sensitive boy and believes that although this is a lifetime opportunity for him, not being able to participate in school life outside of the classroom could have an adverse effect on him. She worries it will seriously affect his confidence and self esteem and make him feel inadequate."

**A grant of £300 was made for school uniform.**

*Miriam's story\**

Miriam is a single parent of two young children. Her professional worker wrote:

"Miriam has been registered blind since childhood and is a single parent with two young children, one of whom wets the bed on a regular basis. She was receiving the middle rate of the care component of DLA until March 2006 when it was reduced to the low rate. Unfortunately, due to an error, Miriam's Housing Benefit and Council Tax Benefit were not reassessed in line with this. This has resulted in an overpayment of these benefits and she now has to pay an extra £12.40 per week. I am currently assisting her with a new claim for the middle rate of the care component of DLA.

"...She requires a new washing machine as her old one, which is over 6 years old, is broken and is beyond repair. As one of her children who regularly sleeps with her wets the bed a washing machine is vital for the family. A incurs extra costs not just for laundry but also for replacing bedding, underwear and night clothes for her daughter.

"...Miriam isn't eligible for a Community Care Grant and would find it very difficult to repay a budgeting loan."

**A grant of £200 was made towards the costs of household needs.**

- Ends -

Family Action has been a leading provider of services to disadvantaged and socially isolated families since 1869. We work with over 45,000 families a year by providing practical, emotional and financial support through over 100 community-based services across England. Additionally in 2008-2009 we distributed 3,235 grants totaling over £641,000 to families and individuals in need throughout the UK. Family Action won the 2009 Charity Awards Foundation award for effectiveness. [www.family-action.org.uk](http://www.family-action.org.uk)

Save the Children is the world's independent children's charity. We're outraged that millions of children are still denied proper healthcare, food, education and protection. We're working flat out to get every child their rights and we're determined to make further, faster changes. How many? How fast? It's up to you. For further information about our work please visit [www.savethechildren.org.uk](http://www.savethechildren.org.uk)