

# A more resilient future

**Rebuilding discretionary crisis support in England**

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# Introduction

This report sets out Trussell's recommendations for rebuilding discretionary crisis support in England. It draws on the insights and evidence gathered from food banks in the Trussell community and other partners in the anti-poverty sector and local government. It has been informed by the learning from our evidence review '*What does effective local crisis support look like?*<sup>1</sup>

## Summary

For people trying to survive on a low income, life events or other financial shocks are more likely to result in hardship. Discretionary crisis support is needed in any system designed to protect against deep financial hardship to provide timely, effective relief and prevent a more sustained crisis. The evidence points not only to the positive impact of crisis support for individuals, but also for the public purse.

Despite the benefits, discretionary crisis support in England is in a sorry state. Since responsibility was devolved to local authorities in 2013, a lack of ring-fenced funding or statutory duty to provide crisis support has led to significant variation in provision and a total absence of crisis support in some areas.

Since 2021, the Household Support Fund (HSF) has provided £842 million per year to local authorities in England to support people on the lowest incomes, unable to get by in the face of rising costs. The HSF has been used, in part, to boost funding for local crisis support schemes (also known as local welfare assistance). While the HSF has provided a lifeline in the face of rising hunger and hardship, its effectiveness has been limited by short-term funding rounds and insufficient attention has been paid to meeting the needs of people in crisis, or to prevention and building longer-term financial resilience.

Building on the foundations of local welfare assistance and the Household Support Fund, we are calling on the UK government to work together with local authorities to put in place a new, permanent and effective system of discretionary local crisis support in England.

Every local authority in England should have a scheme where anyone facing immediate hunger and hardship can receive cash-first support to get them back on their feet. Furthermore, local crisis support should be embedded in an integrated local system of services and support that can tackle deep financial hardship and help build financial resilience, making it less likely someone will need crisis support again.

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<sup>1</sup> Trussell (2025) *Evidence review: What does effective local crisis support look like?* [forthcoming]

The 2025 Spending Review is an opportunity to lay the groundwork for achieving this goal by identifying the investment needed and the extension of HSF funding through to March 2026 allows time to design the new approach.

To rebuild discretionary crisis support in England and ensure a more resilient future for our communities, the UK government should:

- **Introduce a new Financial Crisis and Resilience Fund, backed by a multi-year, ring-fenced funding commitment and clear guidance on the standards expected of local crisis and resilience schemes.** In the forthcoming Spending Review, the government should provide an annual investment of at least £1.25 billion for the duration of the Spending Review period.
- **Work with local authorities to develop a clear outcomes framework for the new Financial Crisis and Resilience Fund.** A shared outcomes framework should improve the consistency and transparency of local delivery models.
- **Update the Immigration Rules to allow people with no recourse to public funds to receive crisis support.** The definition of public funds should exclude payments made under a local crisis and resilience scheme. This would enable people with NRPF to receive the support needed to prevent a crisis spiralling into longer-term hardship and the associated costs for individuals and the government.
- **Explore the options for a new legal duty on local authorities to operate a financial crisis and resilience scheme.** There is a risk that provision will be eroded in the future without a statutory duty. Any new duty must be accompanied by funding to enable local authorities to meet their statutory requirements.
- **Work with local authorities to embed the key principles of effective local crisis and resilience schemes to create preventative crisis support systems locally.** Schemes need to be widely promoted, easy to access and prioritise cash grants over the provision of emergency food, vouchers and other goods (while maintaining some flexibility in the support provided). Crucially, crisis support needs to be integrated with other local financial support offers and advice provision and part of a closely coordinated system of preventative services.

Delivering a new approach to discretionary crisis support would play a vital role in helping the UK government to raise living standards in our communities and create the security we all need to access opportunities. It will also enable communities to move away from relying on food banks to plug the gaps in support for people facing financial crisis, helping to fulfil the UK government's manifesto commitment to end the need for emergency food parcels.

# Why do we need to rebuild discretionary crisis support in England?

Discretionary crisis support is a key cog in any system designed to protect people against deep financial hardship. It can make the difference between someone staying on their feet or falling into hunger and hardship. When faced with an unexpected bill, or waiting for a first pay cheque, discretionary support can be an effective way of preventing a financial emergency from escalating into a more sustained crisis.

Local crisis support is not only important to the individual; evidence suggests it can lead to significant cost savings for local authorities and the wider public purse. High rates of hunger and hardship have a high cost to society, the economy, and the Exchequer and effective crisis support, which can prevent longer term hunger and hardship, will inevitably have a significant impact. In a study cited by the National Audit Office, an investment of £0.5 million into a local welfare assistance scheme generated £9.7million in savings to other public services.<sup>2</sup> More recently, research on behalf of End Furniture Poverty found for every £1 invested in local welfare assistance, over £9 is saved by local authorities in reduced demand for homelessness and social services support, and over £14 is saved by the wider public purse by reduced demand for other public services such as health (NHS), criminal justice and benefits (DWP).<sup>3</sup>

Yet despite its vital role, discretionary crisis support is faltering in England and, in some areas, non-existent. In 2013, the discretionary Social Fund was abolished. This was a scheme administered by the Department for Work and Pensions (DWP) providing payments to help with short-term needs, one-off costs and costs associated with leaving an institution and resettling in the community.

In England, the responsibility was devolved to local authorities to provide people with crisis support through 'local welfare assistance' schemes. No ring-fenced funding or statutory duty was introduced to deliver local discretionary crisis support in England. This means local authorities have flexibility and discretion over how to deliver crisis support and tailor it to local needs, but there is also significant variation in the support provided. Some areas rely on voluntary and community sector organisations (VCSOs) like food banks to fill the gaps created by the lack of a defined crisis support scheme. The funding crisis facing local authorities has resulted in schemes disappearing entirely in some areas.

In the devolved nations and regions, formal crisis support schemes were introduced. The Scottish Welfare Fund (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

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<sup>2</sup> National Audit Office (2016) *Local Welfare Provision* <https://www.nao.org.uk/wp-content/uploads/2016/01/Local-welfare-provision.pdf>

<sup>3</sup> End Furniture Poverty (2024) *Cost Benefit Analysis of Local Welfare Assistance and Furnished Tenancies* <https://endfurniturepoverty.org/wp-content/uploads/2024/11/EFPP-Cost-Benefit-Report-1.pdf>

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.

Since 2021, the Household Support Fund (HSF) has provided £842 million per year to local authorities in England. This has enabled them to bolster their discretionary crisis support offer and provide cash, vouchers and goods, connected to preventative advice and support services, to people unable to afford essentials, including food, energy and housing costs. The HSF has provided a lifeline for people on the lowest incomes, unable to get by in the face of rising costs. There have been pockets of good practice, where the HSF has enabled effective crisis and resilience support. However, there is little evidence the overall design and delivery of the HSF has had a meaningful and lasting impact on the financial resilience of local communities. Instead, it has taken a 'sticking plaster' approach to delivering support for people facing hardship, paying insufficient attention to meeting the needs of people in crisis, or to prevention and longer-term financial resilience.

The Spending Review is an opportunity to build on the foundations of local welfare assistance schemes and the HSF and put in place a new, permanent and effective system of discretionary local crisis support in England. Delivering this new approach to discretionary crisis support has the potential to unlock financial resilience and increase living standards in our communities, and help to fulfil the UK government's manifesto commitment to end the need for emergency food.

## What does a brighter future for discretionary crisis support look like?

Everyone who faces an unexpected cost or income shock, which would push them into (or deeper into) hunger and hardship, should be able to quickly receive effective and 'cash-first'<sup>4</sup> crisis support and access to advice.

Alongside a fit for purpose social security system, people need to have somewhere to turn in a financial crisis or emergency to get cash-first help quickly and connect them to advice and support that can prevent the situation getting worse. This would help ensure communities can move away from using emergency food to fill the gaps in support because there is a permanent system of effective, dignified and easy to access crisis support in every area.

The UK government should work with local government to deliver a new approach to building financial resilience in communities, backed by a new Financial Crisis and Resilience Fund. Establishing an effective system of discretionary crisis support involves two key pillars: first, ensuring every local authority in England has a scheme where anyone facing immediate hunger and hardship can receive cash-first support to get them back on their feet. And second, kickstarting the creation of

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<sup>4</sup> Prioritising cash grants over emergency food, vouchers, and other goods gives people the choice and flexibility to cover the cost of food, energy and other essential items. There are 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.

local systems of integrated support that can tackle deep financial hardship and help build financial resilience.

Ultimately, the need for crisis support should reduce over time if other systems and services are also updated and working well to prevent people from facing a financial crisis or emergency, including our social security and housing systems, advice, and health services.

# How would a new Financial Crisis and Resilience Fund differ from the Household Support Fund?

There is clear evidence that without the HSF, or an equivalent funding stream, local crisis support in England will be further eroded, leaving millions without access to discretionary support in times of financial crisis with long-term repercussions.<sup>5</sup> This must not be allowed to happen. At the same time, the extension of HSF funding through to 2025/26 allows time to design and commit to a new approach to deliver sustained and effective local crisis support, building on the lessons from HSF and beyond.

## A focus on helping people to weather a short-term crisis or emergency

Crisis support should be there to help people on the lowest incomes with unforeseen costs such as the need to replace a broken cooker or bed, or to get through life events that can take a financial toll such as a bereavement, job loss or moving house. Crisis support is needed to help people without a financial buffer to weather these unexpected events and emergencies.<sup>6</sup>

The HSF has been used to bolster existing local welfare assistance schemes offering crisis support, but has also been used to support people most in need of help to cover the cost of everyday essentials. In fact, the HSF guidance explicitly suggests it is used for covering day-to-day costs like food and energy bills. High levels of hunger and hardship in the UK have required local authorities to

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<sup>5</sup> End Furniture Poverty (2024) *A Bleak Future for Crisis Support* <https://endfurniturepoverty.org/wp-content/uploads/2024/08/A-Bleak-Future-for-Crisis-Support-vr2-2.pdf>

<sup>6</sup> Of the people referred to food banks in the Trussell community, only 10% have any savings, compared to 65% in the general population. Of the people referred to food banks with some savings, most (60%) have less than £100. [Hunger in the UK](#) (2023)

find ways of using the HSF to provide financial and in-kind support to people struggling to get by day-to-day. In this way, rather than being targeted support to provide a helping hand to bridge income shocks, discretionary crisis support is being used to prop up inadequate support for people's everyday essentials.

## **Underpinned by sustainable funding**

Short-term funding rounds, each one accompanied by new guidance, have also limited the ability of local authorities to make the most strategic and effective use of the HSF. Last minute announcements to confirm the next short-term funding pot means local authorities have had very little time to make decisions on how to spend the money and put the necessary arrangements in place.

Instead, long-term, ring-fenced funding for a new Financial Crisis and Resilience Fund would enable local authorities to commit to the approach, infrastructure, and relationships they need to build to deliver an effective crisis and resilience support offer, which provides reliable crisis support and starts to reduce the need for repeated crisis interventions.

## **Local authorities delivering schemes directly rather than relying on local VCSOs**

Short-term funding rounds have also increased the use of HSF money to fund local VCSOs, rather than delivering effective crisis support schemes. Some local authorities, with limited capacity to deliver support themselves within the fixed window of time given (usually six months), have given funding straight to food banks or other organisations to provide emergency food parcels or other forms of charitable food aid as the nearest alternative to an effective crisis support scheme. This risks further entrenching the need for people to rely on charities for the essentials. It also prioritises the provision of food and other goods over cash payments, which are a more effective and dignified form of support, particularly when provided alongside advice and support services that can build resilience against future crises.

Meeting the UK government's commitment to end the need for emergency food parcels will require a new approach to local crisis support which enables communities to move away from using emergency food to fill the gap in crisis and wider support, and ensures sustainable, effective and dignified support is available in every area. A local authority-led approach is more likely to be able to focus on a cash-first approach than charities focused on in kind emergency support.

Even when HSF funding is given to organisations who have used it to provide cash, food or fuel vouchers and advice on maximising incomes and reducing costs, the effectiveness of this support is still limited by the increased administration costs involved. With both the local authority and their VCS partners typically using some of the funding for admin purposes, fragmented delivery usually means less funding is available to people in crisis. It can also be challenging for individuals in need of support to understand what is available, where and when they can receive help from local charities and whether they meet the eligibility criteria which may differ from one organisation to another.



Close partnership working between local authorities and VCSOs will be essential in delivering a new system of local resilience support. However, crisis and resilience schemes providing discretionary crisis support should be delivered by local authorities to ensure support is designed and targeted effectively and connected with preventative advice and support services. Local authorities have a vital role in preventing hunger and hardship and building financial resilience; this cannot be done by fragmenting and sub-contracting support to VCSOs.

## Close coordination with advice and wider support

Another impact of the short-term approach to funding and subsequent funneling of support to local VCSOs in order to use the HSF within the 6-month timeframes, is a lack of coordination with wider advice and support. This wider support is a vital element of building financial resilience – it can both address people's immediate financial crisis and improve people's financial situation in the longer term, to reduce repeated crises.

The Trussell community of food banks has built up robust evidence of the strong impact of warm referrals and close connections with wider advice to tackle the underlying reasons for being in financial crisis. Our recent evaluation of the advice services offered by food banks in the Trussell community to the people who have been referred to them for emergency food found that being able to refer people to advice on money matters in a trusted place where they feel safe and comfortable (the food bank) was a successful way of reaching people not accessing advice and support elsewhere which resulted in positive financial outcomes for these individuals.<sup>7</sup> A new Financial Crisis and Resilience Fund would be able to take on this learning, and ensure crisis support schemes are consistently and proactively linked with key local advice and support services. In this way, local crisis and resilience schemes would always be a starting point to support (where needed) to build longer term financial resilience, rather than an end point of getting one-off help.

For this approach to succeed, we need a revitalised advice sector. Currently, advice services are under strain, due to increased demand, case complexity, funding constraints and reduced staffing, all of which affect recruitment and retention. Funding for discretionary crisis support alone cannot fill this gap. Rather, it can enable stronger connections into these services for the people who need them most; investment in the advice sector is needed in tandem if crisis support is to be a genuine tool to build financial resilience.

## Separating discretionary crisis support from support for families during the school holidays

Since it was introduced, the HSF has been used by local authorities to support families eligible for Free School Meals (FSM) during the school holidays, often in the form of supermarket vouchers.

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<sup>7</sup> Finney, A, Davies, S, Collings, D, Cross, K and Evans, J (2024) *Evaluating the advice and support services provided through food banks*, Personal Finance Research Centre, University of Bristol <https://www.trussell.org.uk/news-and-research/publications/evaluation/evaluating-our-money-matters-advice-and-support-services>

During 2023/24, 39% of HSF spend was used for this purpose.<sup>8</sup> The widespread use of the HSF for FSM holiday provision is a clear indication of the challenges facing families on the lowest incomes. The majority (63%) of support provided by food banks in the Trussell community is for families with children<sup>9</sup> and recent Trussell research revealed 1 in 5 (21%) children are growing up facing hunger and hardship.<sup>10</sup>

Until Universal Credit provides better protection against going without the essentials, there is a need to continue support for families on the lowest incomes who experience increased financial pressures during the school holidays. However, financial pressures due to the lack of FSM during the school holiday is an essential and predictable household cost. FSM holiday provision therefore meets a fundamentally different need to discretionary crisis support for one-off or unexpected income shocks, and funding should be separated.

Responses to the recent Save Our Local Safety Net inquiry called for a standardised approach to FSM holiday provision, either directly within the Universal Credit system or as a separate, complementary offer to the other financial support delivered by local authorities, with many respondents expressing a preference for a national offer.<sup>11</sup> A standardised approach would ensure all eligible families are supported and no one missed out due to inconsistencies in the delivery of support across different local areas. Furthermore, the benefits of extending FSM support outside of term time would be best realised by providing a cash payment, enabling families to meet their own needs in a way that is most suitable for them.

## Bringing discretionary housing payments within wider discretionary crisis support

Discretionary housing payments (DHPs) are currently provided by lower tier authorities, while local welfare assistance and HSF support is delivered by upper tier authorities. Local authorities can provide DHPs when people cannot meet their housing costs or have a shortfall in support for their housing costs. Often, as with wider discretionary crisis support provided through local welfare assistance and HSF support, this is short-term support – for example, to help secure and move into alternative accommodation.

There is a strong argument that this system of local discretionary financial support should be simplified for people in crisis. Rather than the current fragmented offer, the new Financial Crisis and

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<sup>8</sup> DWP (2024) *Household Support Fund 4 management information for 1 April 2023 to 31 March 2024* <https://www.gov.uk/government/publications/household-support-fund-4-management-information-for-1-april-2023-to-31-march-2024>

<sup>9</sup> Trussell (2024) *Emergency food parcel distribution in the UK. April - September 2024* <https://www.trussell.org.uk/news-and-research/latest-stats/mid-year-stats>

<sup>10</sup> Trussell (2024) *The Cost of Hunger and Hardship* <https://www.trussell.org.uk/news-and-research/publications/report/the-cost-of-hunger-and-hardship>

<sup>11</sup> The Save Our Local Safety Net inquiry ran from 9 Oct until 14 Nov 2024 and gathered responses from a range of stakeholders, including local authorities, VCS organisations, and individuals with lived experience to a series of questions about the future of local welfare and crisis support. A total of 72 responses were received. <https://www.childrenssociety.org.uk/what-we-do/our-campaigns/save-our-local-safety-net/future-of-local-welfare-inquiry>

Resilience Fund would provide a unified funding stream for local discretionary financial support. In addition, reforming the way discretionary pots like DHPs are delivered is an early opportunity to pave the way for delivering efficiency savings and improving public services by bringing together lower and upper tier services, as set out in the UK government's English devolution white paper.

Longer term, improvements to the social security system are needed to ensure local authorities can limit longer term awards to mitigate the impact of various reforms which bake in shortfalls in meeting housing costs (e.g. the benefit cap, 'bedroom tax', and Local Housing Allowance freeze), and ensure new crisis and resilience funds can focus on income shocks rather than ongoing everyday costs.

# What is the role for UK government?

While local authorities in England should retain discretion to tailor schemes to suit local circumstances, the UK government will need to provide funding and direction to ensure the policy aims are delivered.

## **Introduce a new Financial Crisis and Resilience Fund, backed by a multi-year, ring-fenced funding commitment and clear guidance on the standards expected of local crisis and resilience schemes**

### **Multi-year, ring-fenced funding**

The new Financial Crisis and Resilience Fund (FCRF) would provide local authorities in England with funding to deliver local crisis and resilience schemes. Local authorities need long-term funding certainty to invest in setting up schemes, and to administer and resource local crisis and resilience support effectively. A long-term funding settlement is also needed to enable local authorities to take a strategic look across local services and build an integrated local system that can tackle deep financial hardship and help build financial resilience, using the new crisis and resilience schemes to kick-start this work. It is also clear that without ring-fenced funding the pressure on local government finances will result in non-statutory support dwindling.

The economic case for investment, as outlined above, is strong. It is also possible that over time, with broader reforms to reduce poverty, hunger and hardship, the level of investment required would reduce. In the forthcoming Spending Review, the government should provide an annual investment of at least £1.25 billion for the duration of the Spending Review period. This is equivalent to the

funding provided for the HSF and DHPs in 2024/25, the current level of funding for local welfare assistance drawn from the Revenue Support Grant, plus 10% for new burdens funding to recognise the need for local authorities in England to deliver a new strategic approach to crisis support. It would also end the disparity on spending per capita on discretionary crisis support between England and the other UK nations and regions.

**Table 1: Breakdown of recommended total funding for new Financial Crisis and Resilience Fund**

Fund	Budget in 2024/25
Household Support Fund	£1 billion
Discretionary Housing Payments	£100 million
Core funding for local welfare assistance drawn from the Revenue Support Grant	£35 million
10% new burdens funding	£113.5 million
<b>Total</b>	<b>£1.25 billion</b>

Note: Current HSF budget includes Barnett consequentials. 93% of the current £100m DHP allocation goes to local authorities in England; the Welsh Government would receive Barnett consequentials from the new Financial Crisis and Resilience Fund which they could use to manage the change in DHP provision. Core funding for local welfare assistance based on Freedom of Information data.<sup>12</sup>

## UK government guidance to local authorities

The UK government should provide detailed guidance to ensure the fund delivers the policy intent. The next section of this briefing details the key principles of effective crisis and resilience support which should be covered by the guidance. The guidance should give local authorities discretion over exactly how the funding is spent but should clearly identify the minimum delivery standards and monitoring and evaluation requirements.

### A clear and consistent identity

A clear and easy to understand name for this programme of work, such as the Financial Crisis and Resilience Fund, will also help to build awareness and make it more likely people will reach out for help so support can be delivered in a timely way. For example, in discussions with people who have experienced financial hardship, awareness of the Scottish Welfare Fund is much greater compared to awareness of discretionary crisis support in England.

<sup>12</sup> End Furniture Poverty (2024) *A Bleak Future for Crisis Support* <https://endfurniturepoverty.org/wp-content/uploads/2024/08/A-Bleak-Future-for-Crisis-Support-vr2-2.pdf>

## Work with local authorities to develop a clear outcomes framework for the new Financial Crisis and Resilience Fund

There is a clear steering role for the UK government to ensure local crisis and resilience schemes are delivering intended outcomes. The government should work with local authorities to develop monitoring and evaluation requirements as part of a shared outcomes framework. These should not be overly burdensome, but they should be sufficient to improve the consistency and transparency of local delivery models, hold local authorities to account on meeting minimum delivery standards and help identify opportunities for improvement.

A shared outcomes framework could also set out expectations on reducing the need for crisis support as a result of effective integration with wider services, providing a way of measuring the financial resilience in local communities.

The UK government can also work with bodies including the Local Government Association to foster networks of best practice and shared learning across local authorities and combined authorities. This would encourage a move towards continuous improvement and identifying common themes or specific needs (e.g. for rural areas, or particular demographic groups).

## Update the Immigration Rules to allow people with no recourse to public funds to receive crisis support

Local authorities should be able to use their crisis support schemes to provide emergency help to people with no recourse to public funds (NRPF). The current HSF guidance is clear that there are restricted circumstances in which local authorities can lawfully provide local crisis support to individuals with NRPF – largely where “there is a genuine care need that does not arise solely from destitution”.

The emphasis in current guidance is that it is local authorities’ responsibility to determine whether the powers exist to support individuals with NRPF, and this should be done on a case-by-case basis. This does not offer local authorities with sufficient scope or confidence to provide discretionary crisis support to people with the NRPF condition attached to their visa.

While many people with NRPF are able to work and support themselves and their families, they are more likely to be in low-paid and insecure work and to have an income below the UK median, meaning it is not always possible to cope with a sudden shock such as illness, or an unexpected cost.<sup>13</sup> Instead, they are required to rely on charities, including food banks, that are already struggling

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<sup>13</sup> Citizens Advice (2021) *How do I survive now? The impact of living with no recourse to public funds.* [https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/How%20do%20I%20survive%20now\\_%20November%202021.pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/How%20do%20I%20survive%20now_%20November%202021.pdf)

to meet the need in their communities. This is a missed opportunity to help people avoid longer-term hardship and the associated costs for individuals and the government.

There is a precedent for the UK government, and learning from counterparts in Wales, to support a change in policy. The Immigration Rules were updated in March 2022 to allow payments to people with NRPF through the Energy Rebate Scheme 2022 (part of the UK government's cost-of-living crisis response). Since 2019, people with NRPF have been eligible for one of two elements of the Discretionary Assistance Fund (emergency assistance payments) as part of the Welsh Government's 'Nation of Sanctuary' plan.

The Home Office should update the Immigration Rules in a statement of changes, as per Energy Rebate Scheme and amend the definition of public funds under paragraph 6(2) (k) to exclude payments made under a local crisis and resilience scheme. A ring-fenced funding settlement would assist with this process, to define eligible payments. A similar approach should be taken to ensure crisis support via the Scottish Welfare Fund and the Discretionary Support scheme in Northern Ireland can also be provided to people with NRPF. Finally, the guidance on local crisis and resilience schemes should make it explicit that people with NRPF are eligible for support.

## **Explore the options for a new legal duty on local authorities to operate a financial crisis and resilience scheme**

As set out above, there is a need for a permanent offer of discretionary crisis support within a wider system designed to protect people against severe hardship. There is a risk that provision will be eroded in the future without a statutory duty to provide this support, as was the case following the abolition of the Social Fund.

The UK government should consider introducing a statutory duty on local authorities to operate a crisis support scheme, setting out the minimum delivery standards in legislation, to ensure there are no gaps in crisis support across England.

Regardless, the most important foundational element of a new approach to discretionary support remains long-term, ring-fenced, and sufficient funding – this is the critical factor holding back the delivery of a long-term offer of discretionary crisis support. Introducing a duty without this funding in place would hamstring local authorities' ability to comply with new statutory responsibilities or make a discernible impact on the local crisis and resilience landscape.

# What are the key principles of effective local crisis and resilience schemes?

**Ensuring every local authority in England has a scheme where anyone facing immediate hunger and hardship can receive cash-first support to get them back on their feet**

## **Schemes need to be widely promoted**

Awareness of local crisis support is low and people with experience of financial hardship consistently report how difficult it can be to understand what support is available. Looking across the UK, over half (51%) of people referred to food banks in the Trussell Community in mid-2024 were not aware of crisis support schemes and only one in 10 (10%) had received support from a scheme in the previous 3 months before needing to turn to a food bank.<sup>14</sup> Long-term funding would enable local authorities to promote schemes and build awareness, aided by strong partnerships with local VCISOs that can signpost and support people to apply. Schemes should be promoted in multiple languages in areas where this will help reach more people in need of support.

## **Schemes need to be easy to access**

Facing hardship is an incredibly demoralising and isolating experience. Crisis support should be easy to access, for everyone, making it more likely people will receive the support they need. All schemes should be required to have a direct application route to support and a choice of application channels, including online, phone and face-to-face. The application process should be simple, with translations offered, and the burden of evidence required should be proportionate to the support provided. For example, asking for multiple bank statements feels very intrusive and can present a barrier to accessing support. Instead, appropriate eligibility requirements should focus on determining whether someone can afford the essentials they need at the point they apply. Repeat applications or a lack of local connection should not result in automatic ineligibility. Decisions on eligibility should also take account of local context. For example, in a rural area a local launderette or bus service are less likely to solve the problem of a broken washing machine or car in need of repair. As noted above, access should be extended to people with NRPF.

## **Schemes should take a cash-first approach to support**

Under the HSF, local schemes have embraced the use of cash payments, persuaded by the evidence and cross-party support that this provides a more accessible, dignified, and flexible form of

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<sup>14</sup> Trussell (2025) *Hunger in the UK: Wave 2* [forthcoming] survey of 3,866 adults aged 18+ referred to food banks in the Trussell community by Ipsos on behalf of Trussell. Fieldwork was undertaken between May and August 2024.

support.<sup>15</sup> During 2023/24, over one fifth (21%) of HSF spend went on cash awards, with some local authorities spending over 90% of their HSF allocation on cash awards, rather than on vouchers, items or grants to third party organisations.<sup>16</sup> Cash offers dignity, flexibility, choice, speed and convenience. It is effective at relieving an immediate crisis and can help with steps towards financial resilience, in a way other forms of support cannot – e.g. by allowing people to pay off debts or accumulate small amounts of savings.<sup>17</sup>

Guidance should ensure schemes prioritise cash grants over the provision of emergency food, vouchers and other goods, while recognising the need for schemes to maintain flexibility to suit individual needs and maintain cost effectiveness. For example, there will be situations when individuals prefer vouchers to cash and where local authorities will be better placed to source large items, such as furniture and white goods, directly. However, cash-first should be the default approach across all schemes.

### **Schemes should have clear delivery standards, ensuring support is timely and sufficient**

Delivery standards for schemes should be clearly publicised to help people understand what they can expect. As discussed above, there is a need to ensure minimum standards are in place across all local authorities. This should include ensuring crisis support applications are processed within two days recognising the importance of providing support as quickly as possible in a crisis or emergency situation. In Scotland, 96% of Scottish Welfare Fund Crisis Grant applications were processed within the target time of the next working day in both 2023/24 and 2023/23.<sup>18</sup> Information on how to request a review if someone is unhappy about a decision should also be clearly provided.

Guidance should also cover the level of support, allowing local authorities discretion to meet individual needs, but requiring cash payments (or alternative support) to be sufficient to prevent the crisis escalating further. The average award value of Crisis Grants under the Scottish Welfare Fund in 2023/24 was £115.<sup>19</sup> Local authorities should be guided to keep the level of support under review as part of the monitoring and evaluation requirements.

### **People with experience of hardship should be involved in the design of schemes**

We know from people with experience of applying for crisis support through a local welfare assistance scheme that the process can be complex and lacking in dignity. People should be able to receive welcoming help and not feel they must navigate a 'maze of gatekeeping, restrictions and

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<sup>15</sup> APPG on Ending the Need for Food Banks (2023) *Cash or food? Exploring effective responses to destitution. Final Inquiry Report.* [https://trusselltrustprod.prod.acquia-sites.com/sites/default/files/wp-assets/appg\\_report\\_2023\\_updated.pdf](https://trusselltrustprod.prod.acquia-sites.com/sites/default/files/wp-assets/appg_report_2023_updated.pdf)

<sup>16</sup> DWP (2024) *Household Support Fund 4 management information for 1 April 2023 to 31 March 2024* <https://www.gov.uk/government/publications/household-support-fund-4-management-information-for-1-april-2023-to-31-march-2024>

<sup>17</sup> Trussell (2022) *An Evaluation of the Leeds City Council Cash Grant Pilot programme* <https://trusselltrustprod.prod.acquia-sites.com/sites/default/files/wp-assets/Vantage-Point-Research-Leeds-Cash-First-evaluation.pdf>

<sup>18</sup> Scottish Government (2024) *Scottish Welfare Fund Statistics: annual update 2023-24* <https://www.gov.scot/publications/scottish-welfare-fund-statistics-annual-update-2023-24/>

<sup>19</sup> Ibid



limitations'.<sup>20</sup> For support to be dignified it also needs to provide choice and flexibility for individuals to meet their specific needs, something cash awards can do well. Guidance should encourage local authorities to involve people with experience of hardship in the design of local schemes.

### **Ensuring local crisis support is embedded in an integrated local system that can tackle deep financial hardship and help build financial resilience, making it less likely someone will need crisis support again**

The Financial Crisis and Resilience Fund should be focused on building and strengthening both cash-first crisis and resilience schemes *and* pathways to wider support.

#### **Schemes should be integrated with the wider local welfare system**

Local authorities already provide other forms of financial support to help people with specific financial pressures with the main examples being DHPs and Council Tax Support, both delivered by lower tier authorities. There should be a 'no wrong door' approach when people on low incomes seek financial support from their local authority, ensuring application processes are streamlined as far as possible. In two-tier areas, this will require lower-tier authorities to have close links to the crisis and resilience scheme delivered by the upper-tier authority.

Local authorities should also use data to better understand the drivers of need and improve take-up of all forms of financial support e.g. Council Tax collection teams promoting local crisis and resilience schemes.

#### **Schemes should be integrated with advice provision**

Providing financial support directly to people facing immediate hunger and hardship must remain a central part of new crisis and resilience schemes and this is how the bulk of funding should be spent. However, some funding should be available for local coordination and administration (akin to 'new burdens' funding) to ensure strong connections between crisis support and advice provision.

There should be clear referral pathways in both directions between local crisis and resilience schemes and local advice provision, particularly advice services focused on maximising incomes e.g. benefit checks and advice, budgeting, debt advice, access to affordable credit. This kind of wrap-around support, provided alongside a crisis payment, is a critical way of addressing underlying needs and enabling people to build their own resilience against future crises. Schemes should be clear on how people will be connected to advice as part of the support on offer. For example, referrals to advice provision can be built into the application process without holding up the disbursement of crisis payments.

Local authorities should have a clear picture of 'income maximisation' advice provision locally and consider targeted ways of using a new Financial Crisis and Resilience Fund to boost capacity – particularly within local authority-run services. Examples could include expanding access to

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<sup>20</sup> APPG on Ending the Need for Food Banks (2023) *Cash or food? Exploring effective responses to destitution. Final Inquiry Report.* [https://trusselltrustprod.prod.acquia-sites.com/sites/default/files/wp-assets/appg\\_report\\_2023\\_updated.pdf](https://trusselltrustprod.prod.acquia-sites.com/sites/default/files/wp-assets/appg_report_2023_updated.pdf)

benefits and debt advice to all residents, not just council tenants, and considering how advice services can best target people most at risk of hunger and hardship before reaching crisis point. A new vision for discretionary crisis support in England should be closely linked with a new vision and investment in money advice services.<sup>21</sup>

### **Schemes should be part of a closely coordinated system of preventative services**

Local authorities have a role to play in preventing and alleviating hunger and hardship that extends far beyond the provision of discretionary financial support. It is important that local crisis and resilience schemes are effectively integrated into a wider ecosystem of services beyond advice, tailored to local needs. Local crisis and resilience schemes should kick-start a more deliberate approach to coordinating locally delivered support, including wider financial support options, such as locally active grant givers, businesses and voluntary organisations. There should also be effective joined-up working across advice, housing, employment and health (particularly mental health) services, and other community support. And, as with local authority delivered support and advice services, clear referral pathways in both directions are needed between local crisis and resilience schemes and this wider support.

There should be a focus on increasing access to these services, particularly for people who are not being reached currently. This might mean exploring delivering support in community settings in spaces where people feel comfortable and safe and relationships can be built. This would also help reduce the problems of digital exclusion and social isolation which exacerbate hardship and make it harder to leave behind for good. This would be a big step towards preventing people from reaching the point of needing crisis support.

### **Prevention should be prioritised as a measure of success**

The success of local crisis and resilience schemes should be viewed through the lens of prevention and a sustained improvement in financial security. This means using data where possible to understand who needs repeat applications, why, and whether further intervention is feasible. This approach should also encourage local authorities to use data (e.g. on arrears, housing, benefits) to proactively identify recipients of support, to reach people before crisis point, alongside maintaining and promoting a direct application route.

### **Schemes should be appropriately monitored and evaluated**

As above, the UK government and local authorities should work together on establishing monitoring information requirements and a clear outcomes framework for the new Financial Crisis and Resilience Fund. Given the previous principle of prevention, any new outcomes framework could also set out expectations on reducing the need for crisis support as a result of effective coordination and integration with wider services.

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<sup>21</sup> ASA (2024) *Advice is the key* <https://asauk.org.uk/wp-content/uploads/2024/09/Social-Welfare-Advice-and-the-UK-Government-V5.pdf>. [pagespeed.ce.sGN-Mlbrzd.pdf](https://www.pagespeed.ce.sGN-Mlbrzd.pdf)

# Conclusion

The case for rebuilding discretionary crisis support in England is strong. A record number of people (7.5 million) are already facing hunger and hardship across the country<sup>22</sup> and millions more are living on low incomes that make a job loss, unexpected bill or other financial pressures hard to withstand.<sup>23</sup> Emergency food is not an effective or dignified solution when people face a financial crisis and the UK government has rightly pledged to tackle high levels of need for emergency food parcels. To achieve this, we must build on the foundations of local welfare assistance and the Household Support Fund and – learning the lessons from crisis support schemes in Scotland, Wales and Northern Ireland – the UK government should invest in a new Financial Crisis and Resilience Fund to ensure everyone in England has somewhere to turn in a financial crisis or emergency. This would be both an investment in increasing the financial resilience of our communities and in reducing the pressure on our public services.

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<sup>22</sup> Trussell (2024) *The Cost of Hunger and Hardship* <https://www.trussell.org.uk/news-and-research/publications/report/the-cost-of-hunger-and-hardship>

<sup>23</sup> JRF (2024) *UK Poverty 2024* <https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk>

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