

Resetting local crisis support in England

Recommendations for the new Crisis and Resilience Fund

Beatrice Orchard, Sumi Rabindrakumar, Rory Ewan, Francisca Torres Cortés and Deven Ghelani



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List of abbreviations

APPG	All Party Parliamentary Group
CRF	Crisis and Resilience Fund
DHP	Discretionary Housing Payments
DWP	Department for Work and Pensions
HAF	Holiday Activities and Food
HSF	Household Support Fund
IFAN	Independent Food Aid Network
LHA	Local Housing Allowance
NRPF	No Recourse to Public Funds
ONS	Office of National Statistics
PII	Personally Identifiable Information
UC	Universal Credit
VOA	Valuation Office Agency

Summary

The 2025 Spending Review contained a welcome announcement on new long-term funding for local crisis support in England. The new, £1 billion per year Crisis and Resilience Fund is set to replace the Household Support Fund (HSF) from April 2026, for three years.

Crucially, this means guaranteed funding for local authorities to provide discretionary crisis support to people on low incomes – a positive move away from the short-term, often six-month, funding rounds under the HSF. Local authorities in England will receive £842 million per year with the remainder allocated to the devolved governments in Wales, Scotland and Northern Ireland. The new fund was also explicitly linked in the Spending Review document to the UK government's manifesto commitment to end the need for emergency food parcels.

The commitment to multi-year funding for local crisis support in England is extremely welcome and something Trussell, Policy in Practice, other leading anti-poverty sector organisations and local authorities have called for over many years.¹ We have long been clear on the need for a new approach to local crisis support that prioritises cash-first, or income-focused support to help people through a sudden financial crisis, connected to the right advice and wider support to prevent sustained hardship. This is the kind of investment that provides a lifeline to people when they are struggling to cope with the cost of living and reduces the need for emergency food to fill the gap in a crisis, as well as helping people onto a more secure financial footing for the future.

We welcome the intention for the CRF to be used to build financial resilience and prevent financial crisis. This is a vital part of delivering a new, more effective approach to discretionary crisis support. However, the long-term need for discretionary crisis support to help people respond to unexpected events will remain far beyond the end of the planned three-year funding. This long-term need for crisis support is something that should be kept in mind across all levels of government when designing and implementing the CRF.

We are equally clear that the CRF must not be treated as a substitute for the deeper reforms needed in the adequacy, design, and delivery of social security in the UK. We are particularly concerned that frozen Local Housing Allowance (LHA) rates and cuts to the Universal Credit (UC) health element could drive up demand for crisis support, ultimately overwhelming and undermining the CRF, no matter how well it is designed. This risk is heightened by the fact that the £100 million reduction in combined funding for Discretionary Housing Payments (DHP) and the HSF in 2024/25 has been carried forward into the CRF, while the cash value of the CRF itself is frozen over its three-year term as household bills continue to rise.

While the CRF cannot solve the persistent hardship in our communities, which stems from problems in the design and delivery of the social security system, it represents a major opportunity to reset how local crisis support is provided in England. To ensure the CRF builds effectively on the

¹ The Children's Society, 'Save Our Local Safety Net'.

foundations of Local Welfare Assistance and the HSF, and establishes a stronger, more sustainable approach to local crisis support, the UK Government and local authorities should prioritise:

Delivering a cash-first, needs-led approach to crisis support. This means prioritising cash payments for people facing a financial crisis, while still allowing flexibility to suit individual needs and maintain cost effectiveness (e.g. where in-kind provision delivers better value for money in the case of furniture or appliances). Delivered well, a cash-first approach is not purely transactional, but instead provides close connection to advice and wider support to ensure crisis support leads to the prevention of future crises and builds longer term financial resilience.² A cash-first, needs-led approach will deliver better value for money by ensuring support can be used effectively to meet specific household needs. It is also a more dignified approach, ensuring people have the agency to manage their own finances, and provides the speed, choice, and flexibility necessary for effective delivery and improved engagement.

Tackling the drivers of financial crisis, not the symptom of food insecurity. Providing support with food should not be a priority for the CRF if it is to reduce the need for emergency food and other charitable food provision. An inability to afford food is a symptom of struggling to afford essentials including rent, clothes, toiletries and utilities. Free and low-cost food is neither the best form of crisis support, nor a preventative measure that builds financial resilience. Where charitable food providers, like food banks or food pantries, go beyond food provision and help to connect people to cash-first crisis support, advice and other preventative services it is these wider services that contribute to financial resilience, rather than free or low-cost food that might be provided alongside.

Investing in effective models of support that deliver preventative support and build financial resilience for people most at risk of financial crisis. There are many examples of effective models of support that increase access to income and advice for people facing financial crisis and reduce the need for emergency food parcels. Local authorities should be encouraged to use the CRF to invest in the staff and systems required to create local systems of integrated support that can tackle deep financial hardship and help build financial resilience. This means ensuring strong connections between local authority services and community organisations providing relevant support, raising awareness of the support available and the careful use of data to proactively offer support to households before a crisis takes hold.

Developing a systematic approach to monitoring and evaluating outcomes. An agreed approach to collecting data on outcomes is essential for ensuring effective use of the CRF. This has been lacking in the delivery of local crisis support since it was devolved to local authorities in England. The monitoring and evaluation requirements on local authorities should be realistic with the potential to develop during the three-year funding period. We have recommended a practical framework to ensure relevant data is collected with a particular emphasis on access/take-up, timeliness of support, delivery of cash payments and connection with preventative support. The UK government should recognise the cost to local authorities of embedding a new approach to local crisis and resilience support and provide new burdens funding.

² Crisis Support Working Group, 'Cash First but Not Cash Only'.

Introduction

This joint report by Trussell and Policy in Practice discusses the importance of the new Crisis and Resilience Fund (CRF) to reestablish discretionary crisis support in England. The report presents our recommendations for the delivery of the CRF, ensuring it delivers effective support to people faced with a financial crisis, and plays a role in reducing the need for food banks in line with the UK government's stated aims for the new three-year fund.³

Our recommendations have been informed by a new analysis of the needs of households most at risk of financial crisis, using administrative data and Household Support Fund (HSF) spending data. They have also been informed by further insights and evidence gathered from food banks in the Trussell community and other partners in the anti-poverty sector and local government, particularly members of the Crisis Support Working Group including the Independent Food Aid Network, The Children's Society and End Furniture Poverty. The report is intended to inform the CRF guidance for local authorities, as well as CRF implementation in each local authority area.

The purpose of the Crisis and Resilience Fund

The CRF offers a chance to reshape how local crisis support is delivered in England. Local authorities should use it both to assist people facing immediate financial hardship and to help households strengthen their financial resilience. The multi-year funding commitment presents a real opportunity to embed discretionary crisis support as a consistent feature of our social security system in England and take us closer to the situation in Wales, Scotland and Northern Ireland where crisis support is much more embedded in wider delivery.⁴ It should also enable local authorities to take a more preventative approach by providing support to build financial resilience before a crisis takes hold. This aligns with the three areas of focus set out at an introductory event to launch the co-design of the CRF:

- Provision and access to effective crisis support
- Improving individuals' and local communities' financial resilience
- Bolstering community level support

While the CRF presents a clear opportunity to bolster local support and infrastructure in a way that can prevent and relieve financial crisis for people struggling to get by, it must not be seen as a substitute for the more fundamental changes needed in the adequacy, design, and delivery of social security in the UK. Indeed, for the CRF to achieve maximum impact it must focus on helping people to weather a short-term financial crisis or emergency and not be used to prop up inadequate support for people's everyday essentials.

³ HM Treasury, 'Spending Review 2025'.

⁴ Farnworth-Mayers and Orchard, *Cash or Food? Exploring Effective Responses to Destitution*.

The next section of this report examines the depth of financial insecurity among low-income households and the effects of a social security system that fails to provide adequate support as essential living costs continue to rise. For people on very low incomes, often receiving means-tested benefits which do not protect them from going without essentials such as food and heating, an unexpected cost or income shock remains impossible to manage. Building financial resilience and preventing hardship are essential goals. They must go hand in hand with effective crisis support. The CRF should therefore help establish a permanent system that combines proactive prevention with the ability to respond quickly and effectively to urgent needs and unexpected events.

Crucially, the CRF must reduce reliance on food banks and other charitable food provision by ensuring that every area has an effective, dignified, and easily accessible system of financial crisis and resilience support - combining direct financial assistance where needed with advice and wider support to build financial resilience.

The remainder of this section sets out our recommendations for how the CRF should be delivered and what this means for the guidance provided to local authorities. The following sections then examine in detail the key approaches that should underpin the CRF's design and delivery.

Design and delivery of crisis support

Recommendation 1: All local authorities should have a scheme offering discretionary crisis support. The provision of cash grants, furniture and appliances for people facing financial crisis must be a core purpose of the CRF. The guidance should be clear that all local authorities need to deliver a discretionary crisis support scheme that adopts a cash-first, needs-led approach for the duration of the CRF. Local authorities should be encouraged to deliver the scheme themselves, recognising statutory and public services are best placed to ensure support is in place long-term. Exceptions would be established, well-known community hubs which are well-placed to deliver crisis support alongside wider advice and support.

Recommendation 2: Adopt a cash-first approach to crisis support. Crisis support should prioritise cash payments, whether made directly into a person's bank account or accessed through the Post Office, PayPoint or an ATM, instead of shopping vouchers or in-kind assistance. In limited cases, shopping vouchers or goods may be more appropriate, but these should remain the exception given the clear evidence base that cash payments are the most effective and dignified approach to providing crisis support.⁵ A cash-first approach should also ensure that direct financial help is closely linked to wider advice and support services that help prevent longer-term hardship, particularly those focused on maximising income. The guidance should clearly set out the case for cash-first crisis support, and best practice materials should illustrate effective delivery models and their benefits.

Recommendation 3: Ensure crisis support is needs-led and prioritises people in crisis. Support should be based on assessed need and directed to those experiencing a financial crisis. While most cases will be identified through applications or referrals, carefully targeted proactive outreach may

⁵ Crisis Support Working Group, 'Cash First but Not Cash Only'.

also be appropriate. The guidance should make clear that an open application route must be available at all times throughout the year.

Recommendation 4: Make crisis support visible, accessible and available when people need it.

Crisis support should be widely promoted, easy to access, and available at the point of need. People with experience of financial hardship consistently report difficulties in understanding what support is available. Awareness of discretionary crisis schemes is low, particularly in England, where more than half (55%) of people referred to food banks in the Trussell community last year were unaware of this support.⁶ Low awareness is further compounded by digital exclusion, stigma, shame, and perceptions of ineligibility or lack of confidence that the support will help.⁷

The multi-year funding commitment should enable local authorities to raise awareness and remove barriers to access. To ensure crisis and resilience support is truly accessible when people need it, the guidance should:

- Require local authorities to have a direct application route to support and a choice of application channels, including online, phone and face-to-face.
- Encourage a simple application process, with translations offered. For example, by guiding against seeking a large quantity of evidence, such as multiple bank statements, which can present a barrier to accessing support and recommending the focus is on determining whether someone can afford the essentials they need at the point they apply.
- Ensure repeat applications, a lack of local connection or No Recourse to Public Funds (NRPF) status do not result in automatic ineligibility.
- Require local authorities to take into account local context when determining eligibility. For example, in a rural area a local launderette is less likely to be available to help with a broken washing machine.
- Require crisis support applications to be processed within two days recognising the importance of providing support as quickly as possible in a crisis. 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 2022/23.⁸
- Provide direction on the level of support provided to applicants, allowing local authorities discretion to meet individual needs, but requiring cash payments (as the default means of support, or alternative support where necessary) to be sufficient to prevent the crisis escalating further. Local authorities should be guided to keep the crisis payment level under review as part of the monitoring and evaluation requirements.
- Ensure clear information about available support, eligibility criteria and how to apply is made available on local authority websites and in posters or leaflets in relevant public spaces. Information on preventative support available to people before they reach crisis point should

⁶ Trussell, *Hunger in the UK Wave 2*.

⁷ Policy in Practice, *Missing Out 2025: £24 Billion of Support Is Unclaimed*.

⁸ Scottish Government, *Scottish Welfare Fund Statistics*.

also be included. DWP should also consider pulling this into a central gov.uk directory of local schemes.

Recommendation 5: There should be no defined ‘appropriate’ level of spend on types of support or specific demographic groups. Guidance can adequately ensure there is a balance of spend across areas the DWP and HM Treasury have determined must be covered by the CRF by explicitly encouraging local authorities to deliver needs-led, cash-first, easy to access crisis support and showcasing examples of good practice in delivering outcome-focused financial resilience support. While there should be no minimum levels of spend on types of support stipulated, the guidance should:

- include a requirement for local authorities to offer furniture and white goods as part of their crisis support scheme, while remaining clear about the need to adopt a cash-first approach to local crisis support.
- ensure local authorities do not use the CRF to deliver free or low-cost food as a crisis response.

Building financial resilience and bolstering community support

Recommendation 6: Use the CRF to strengthen prevention and build financial resilience. The CRF should enable local authorities to take a more preventative approach by supporting households before a crisis takes hold. This could include funding local advice services to focus on maximising income for people most at risk of going without essentials. The guidance should set out practical approaches to reach people at risk of financial crisis and deliver positive financial outcomes. Examples include close coordination between local authority and community-led services, access to income maximisation support co-located within community settings, a “no wrong door” approach to providing assistance, and warm handovers to ensure services have the information they need to support individuals effectively.

Recommendation 7: Focus commissioned funding on inclusive, preventative models that build financial resilience. Where CRF funding is used to commission community organisations to provide support, it should be directed towards models that promote inclusive access to advice and assistance aimed at building financial resilience and preventing crisis. Many community organisations already provide such services, including charitable food providers that also offer benefits and debt advice, savings schemes, financial education, and budgeting support alongside free or low-cost food. However, the emphasis must be on this preventative support. The guidance should make clear that charitable food provision can only temporarily alleviate food insecurity and does not build financial resilience. Preventative support that might be available at food banks or food pantries should have the capacity to outlast the need for charitable food support.

Recommendation 8: Invest in local infrastructure to build coordinated systems of crisis and resilience support. Local authorities should be encouraged to use CRF funding to invest in the staff and systems needed to map and strengthen local networks of support aimed at tackling hardship and preventing financial crises. This should include creating clear routes to connect people into and out of crisis support and fostering strong partnerships between local authority services and

community organisations. The guidance should make clear that funding the development and administration of an integrated system of crisis and resilience support is an appropriate and necessary use of CRF resources.

Support during school holidays

Recommendation 9: Ensure any school holiday support funded by the CRF remains flexible, needs-led and cash-first. If the DWP retains additional school holiday support within the scope of the CRF, the approach should fundamentally be needs-led and aligned with the principles of cash-first crisis support. Local authorities should be guided against a blanket approach to providing support to all families eligible for Free School Meals (FSMs). They can instead deliver support in line with the local crisis support scheme criteria. With funding for the Holiday Activities and Food (HAF) programme now confirmed,⁹ there is a strong case for keeping the CRF focused on broader crisis needs rather than specifically including holiday meals for children within its remit.

The enabling role of DWP

Recommendation 10: Strengthen public awareness through clear national and local identity. The DWP and local authorities should work together to raise public awareness of local crisis and resilience support, including targeted outreach, particularly to groups most at risk of needing help. The guidance should require all local schemes to operate under a single, recognisable name and identity to improve visibility and understanding among the public.

Recommendation 11: Establish an outcomes framework to track, evaluate, and strengthen the CRF's impact. There should be an outcomes framework to ensure relevant data is collected so that the UK Government, local authorities, and external stakeholders can track and evaluate the outcomes of the CRF, particularly for groups most at risk of needing support. Requirements for local authorities should be proportionate and designed to develop over the three-year funding period. The framework should prioritise measures of access and take-up, timeliness of support, delivery of cash payments, and connections with preventative services.

To ensure the impact of the CRF is well understood and areas for improvement can be identified, the DWP should:

- Ensure the guidance clearly sets out the baseline approach local authorities must take to measuring outcomes from the first year of the fund.
- Provide best practice examples to support and encourage local authorities to strengthen their monitoring and evaluation.
- Consider identifying local authorities to pilot a more in-depth approach to capturing outcomes, including longitudinal outcomes.

⁹ UK Government, 'Parents to Save Thousands in Government Cost of Living Support'.

Recommendation 12: Promote continuous improvement through shared learning and good practice. The DWP should complement the core CRF guidance with good practice materials and case studies, and foster networks that support ongoing learning and improvement. These resources should include examples of effective cash-first support, particularly approaches to distributing cash payments securely and efficiently.

Recommendation 13: Recognise and fund the local capacity needed to deliver effective crisis and resilience support. The DWP should acknowledge the costs to local authorities of embedding a new approach to crisis and resilience support and provide new burdens funding. Delivering a needs-led, cash-first model that is closely connected to services building financial resilience will require time, staffing and investment in systems. Drawing on existing practice, this includes mapping and convening local networks of community organisations, developing effective referral pathways, and maintaining coordination to connect people into and out of crisis support.

If new burdens funding is not available, the guidance should make clear that local authorities may use a proportion of CRF funding for administration, provided it supports the approach outlined above and is used effectively to prevent and relieve financial crisis and build resilience. The guidance could indicate a reasonable proportion for administration costs, for example up to 10% as a rule of thumb.

The need for local crisis and resilience support

For many individuals and families struggling to get by on a low-income, even the cost of essentials such as food and energy is unaffordable.¹⁰ In this situation, an unexpected cost or income shock is impossible to manage without some form of emergency assistance or crisis support. We know people turn to food banks due to extremely low income and a lack of financial resources. Recent research by Trussell found 88% of people referred to food banks in the Trussell community have no savings at all and a further 6% had less than £100.¹¹

Policy in Practice estimates essential household costs, such as food and other necessities, based on household size and composition. By comparing these expected costs with actual household income and fixed expenses such as rent and Council Tax, we can assess how many low-income households face a negative budget. A negative budget means that income is insufficient to cover essential living costs, even before accounting for unexpected expenses, rising prices, or debt repayments. This analysis highlights the extent of financial insecurity and hardship experienced by people on low incomes.

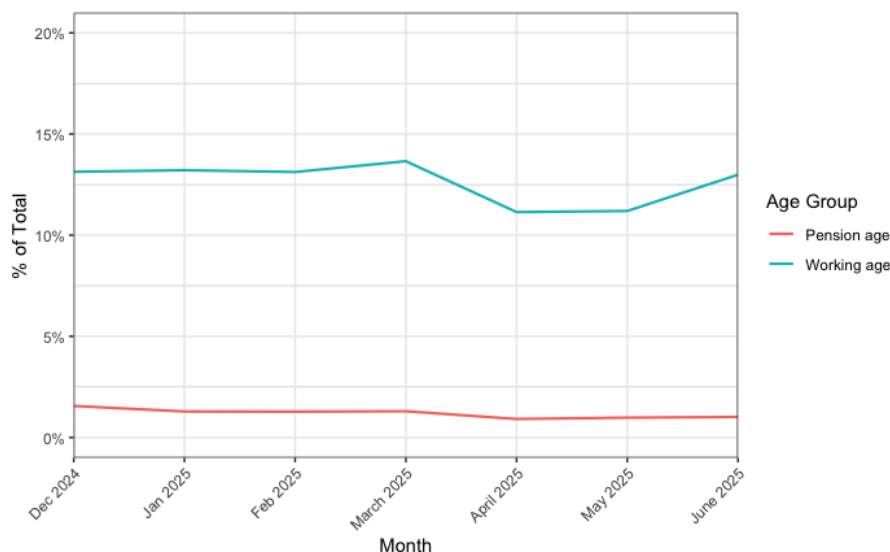
In June 2025, just under one in ten (9.2%) low-income households (defined as receiving a locally administered benefit) had a negative budget, meaning their income was below the threshold required to cover essential costs. For these households, the average budget shortfall was almost £400 per month.

Different household types experience different rates and depths of negative budgets. Working-age households are ten times more likely than those who are pension age to have a negative budget. As **figure 1** shows, 13% of low-income working-age households face a negative budget compared with 1% of low-income pension age households. Working-age households also face a greater cash shortfall of £400 per month compared to £360 for pension age households.

¹⁰ Joseph Rowntree Foundation, 'Guarantee Our Essentials'.

¹¹ Trussell, *Hunger in the UK Wave 2*.

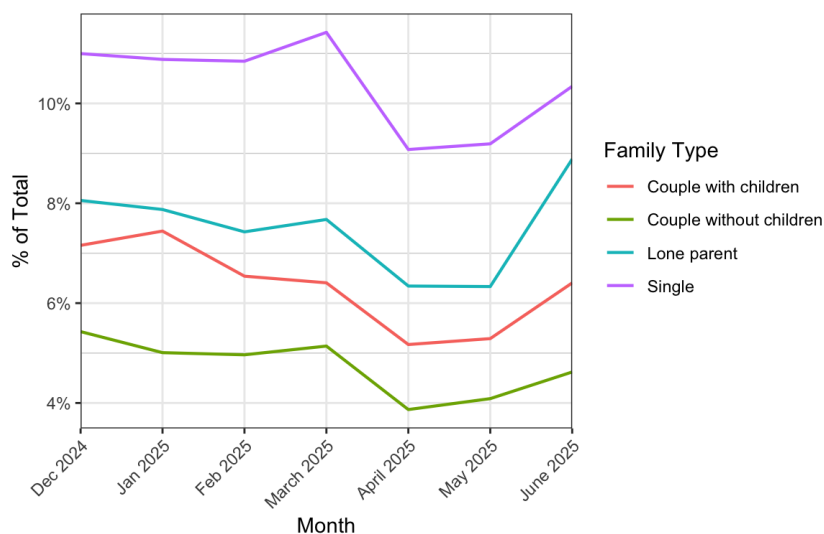
Figure 1: Percentage of low-income families with a negative budget after expected essential costs, by age group



As shown in **figure 2**, when looking at family type, single households without children were most likely to face a cash shortfall in the first six months of this year. However, the proportion of lone parents and couples with children facing a negative budget has also increased in recent months, with just below one in ten lone parents facing a negative budget.

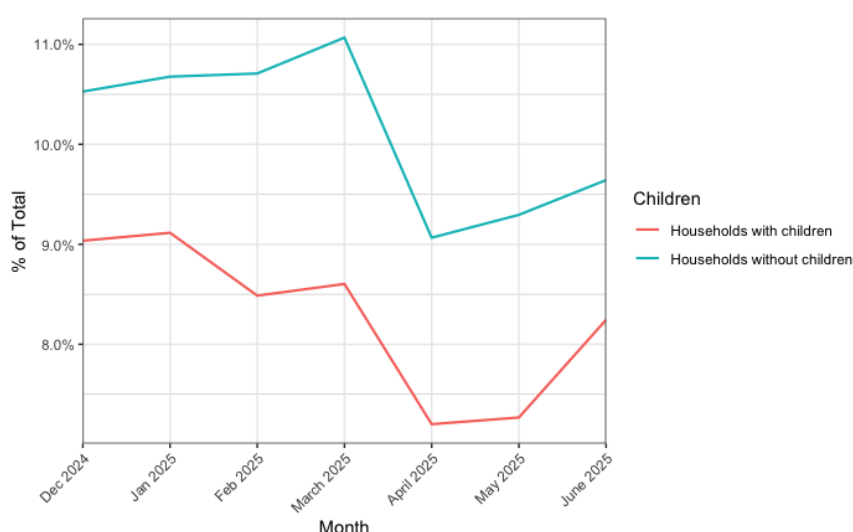
Although households with children face a marginally lower rate in having a negative budget, the negative budgets they face are often deeper. For households in a negative budget in June 2025, lone parents faced an average monthly shortfall of £465, for couples with children the average shortfall was £545. Whereas the average monthly shortfall was £365 for single households and £434 for couples without children.

Figure 2: Percentage of low-income families with a negative budget after expected essential costs, by family type



When looking only at whether a household does or doesn't have children (**figure 3**), the analysis shows around 8% of low-income households with children and just under 10% of households without children have a negative budget. This share fell slightly at the start of 2025 but has since begun to rise again. Among those with a negative budget, households with children face a larger shortfall on average than those without. In June 2025, the average monthly shortfall was £369 for households without children and £481 for those with children.

Figure 3: Percentage of low-income families with a negative budget after expected essential costs, by children in household

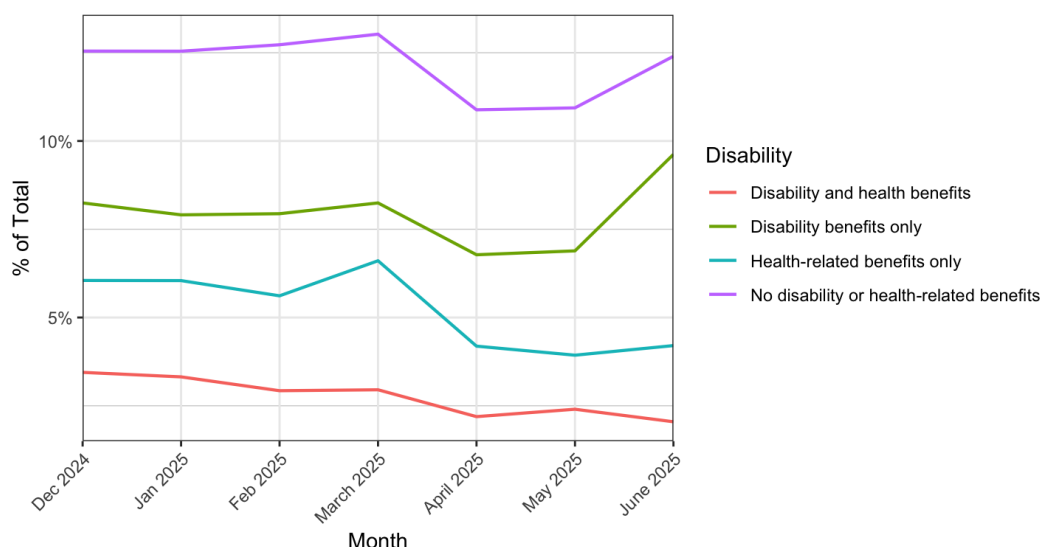


Household financial position also varies based on whether the household is in receipt of social security payments related to disability and ill health. As shown in **figure 4**, just over one in ten low-income households not receiving any disability or health-related benefits have a negative budget, compared with around one in ten of those receiving disability benefits. Households receiving health-related benefits face slightly lower rates, and those receiving both types of support have the lowest rate, with fewer than one in twenty experiencing a negative budget.

Although this pattern suggests disability and health-related benefits help reduce the incidence of negative budgets, the analysis may still underestimate the true cost of living for disabled households. Additional disability-related costs are taken into account indirectly, but are not directly modelled.

Among households with a negative budget, those not receiving disability or health-related benefits as well as those receiving both types of support faced average shortfalls of around £391 per month. Households receiving only disability benefits had a larger shortfall of £409, while those receiving only health-related benefits faced the highest average gap, at £484 per month.

Figure 4: Percentage of low-income families with a negative budget after expected essential costs, by disability or health-related benefit



As this analysis shows, a significant and growing number of households in the UK have an income too low to meet their essential needs. Families with children, lone parents, and those affected by disability or ill health face deeper cash shortfalls whilst also experiencing the largest barriers to increasing their income from work. These bigger shortfalls mean that even small increases in costs can push these groups into deeper hardship without timely and accessible crisis support.

The plan to increase the Universal Credit standard allowance above the standard inflation rate is a welcome step in the right direction to reducing the need for crisis support but, even with this increase, the basic rate of UC will still fall short of covering essential living costs.¹² The CRF needs to be able to offer effective support to these households in times of crisis and use this as an opportunity to connect them to advice and wider support to help build financial resilience, particularly advice focused on maximising incomes.

Continued shortfalls in the inadequacy of our social security system risk undermining the CRF

While the provision of discretionary crisis support for people facing a financial crisis or emergency situation must be a core element of the CRF, it must not be seen as a way of plugging gaps in the adequacy of social security in the UK. Given the failings of the social security system to protect people from going without the essentials when they need it, there is a risk the CRF will be overwhelmed by the significant need arising from people struggling to get by day to day rather than providing a lifeline to help people respond to unexpected events. This risk is further exacerbated by the continued freeze in LHA rates and forthcoming cuts to the UC health element.

While LHA support remains static, private rents continue to rise, creating or deepening shortfalls

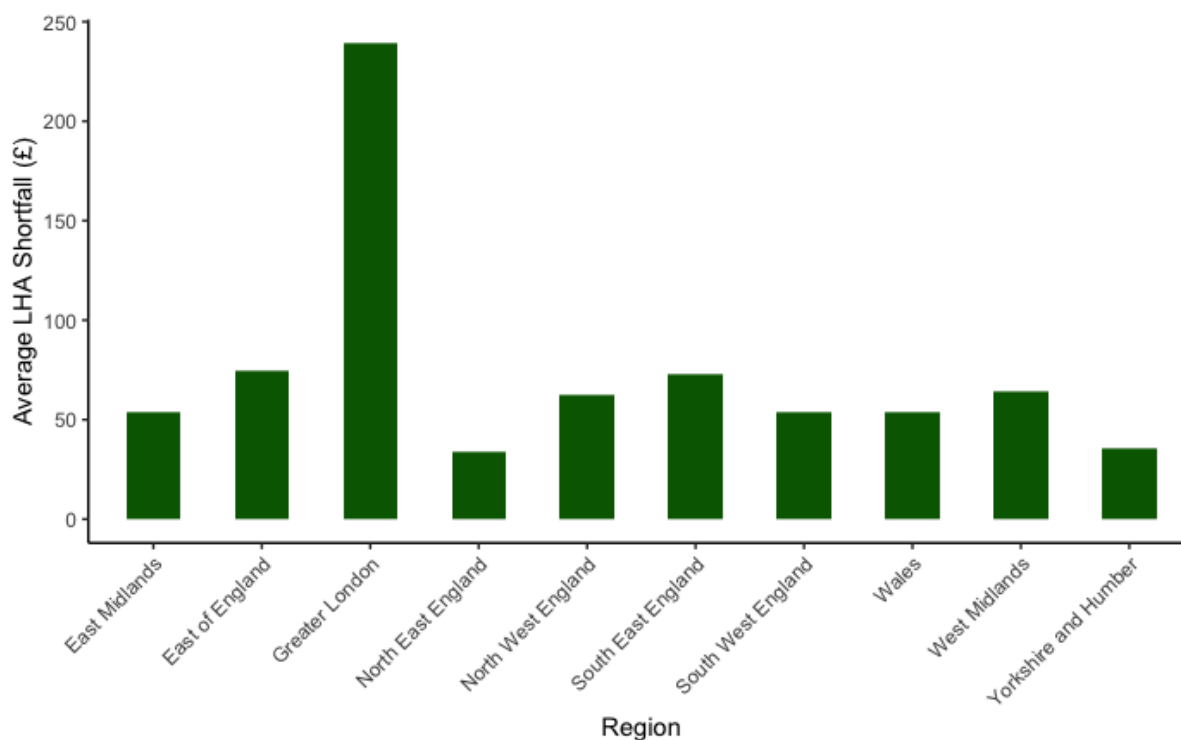
¹² Joseph Rowntree Foundation, 'Guarantee Our Essentials'.

between housing support and actual rental costs. This widening gap places low-income households at greater risk of financial strain, as they must cover an increasing proportion of their rent from already insufficient incomes. This will, in turn, increase reliance on discretionary crisis support, particularly as Discretionary Housing Payments become incorporated into the CRF. However, these are pressures that arise not from sudden emergencies, but from the structural impact of social security reforms resulting in ongoing real-terms cuts to household income.

Using shadow rent data collected by the Valuation Office Agency (VOA) for 2025, we can model the level of support low-income households would have received if LHA rates had been uprated in line with rents to the 30th percentile for the 2025/26 financial year. Among private renters currently affected by the LHA cap, almost one in three (30%) who faced a shortfall in June 2025 would no longer experience a shortfall if support for rents had been uprated. For these households, the average monthly shortfall amounts to £280.

The regional impact of the LHA freeze is highly uneven. Comparing the average current LHA rates against the 30th percentile of shadow rents for 2025/26, Greater London faces the steepest real-terms cut in support when looking at the difference between the current LHA rates and what they would be if they had been uprated. As shown in **figure 5**, the average gap across all bedroom sizes in all London BRMAs stands at just under £240 per month. By contrast, households in the North East and Yorkshire and the Humber face smaller, though still significant, average shortfalls of £30-£35 per month.

Figure 5: Average LHA shortfall by region due to LHA Freeze



Embedding a cash-first approach to local crisis support

A cash-first approach to local crisis support brings multiple benefits:

- **A more dignified approach:** Cash gives people agency to manage their own finances, respecting their autonomy and avoiding the stigma often associated with vouchers or in-kind support.¹³
- **Increased effectiveness:** Cash payments offer speed, choice and flexibility, often essential to relieve a financial crisis and prevent hardship from escalating.¹⁴ For example, cash payments mean someone can buy school uniforms, get their car through an MOT or pay down debt to prevent a more costly crisis in a way that emergency food parcels and shopping vouchers cannot.¹⁵
- **Better value for money:** By providing support in the most flexible form, cash-first approaches allow councils to target help where it is most needed and ensure funds make the biggest possible difference for households. Crucially, *cash-first does not mean cash-only*.¹⁶ Councils can still use in-kind provision where it delivers better value for all involved (e.g. direct provision of furniture and white goods), while ensuring cash is the default starting point.

Cash-first support does not mean the relationship is solely transactional. Done well, it provides close links to advice and wider support, ensuring that crisis support acts as a gateway to building longer-term financial resilience. Under the Household Support Fund, many councils already combine targeted cash payments with proactive outreach and signposting to wraparound services, recognising the direct financial assistance offers an opportunity to engage residents in other support available locally.

While the CRF is intended to mark a shift from more short-term approaches to local crisis and resilience support, analysing expenditure under the HSF helps to better understand the starting point for local authorities in England. HSF spending patterns offer evidence to support the case for a cash-first approach to local crisis support and provide information about current local authority practices that can inform the design of the CRF.

¹³ Whitham, 'Cash First' - Responding to the Needs of Low Income Residents through the Provision of Local Welfare Support

¹⁴ Farnworth-Mayers and Orchard, *Cash or Food? Exploring Effective Responses to Destitution*.

¹⁵ Lipscomb and Walker, *An Evaluation of the Leeds City Council Cash Grant Pilot Programme*.

¹⁶ Crisis Support Working Group, 'Cash First but Not Cash Only'.

Analysis of HSF spending patterns shows cash support is likely to be the most responsive and effective for individuals and families facing financial crisis. The evidence also highlights the limitations of relying heavily on vouchers or in-kind provision, as well as practical examples of councils delivering cash quickly and effectively.

These lessons are crucial as the CRF aims to move beyond the limitations of ad hoc, short-term schemes to create a more integrated and effective system of crisis and resilience support. Its ambition to reduce the need for emergency food parcels and incorporate DHPs signals a shift towards direct financial assistance (although we have noted concerns about the total funding available in the first section of this report). However, our analysis of HSF expenditure also shows a cash-first approach will require some local authorities to adopt new ways of working. This is to be expected given the HSF guidance has never recommended cash-first as the default approach to offering crisis support. Therefore, while the CRF guidance will want to allow for some local discretion, DWP must be clear that cash-first support should be the default, otherwise reliance on vouchers or third-party provision may persist.

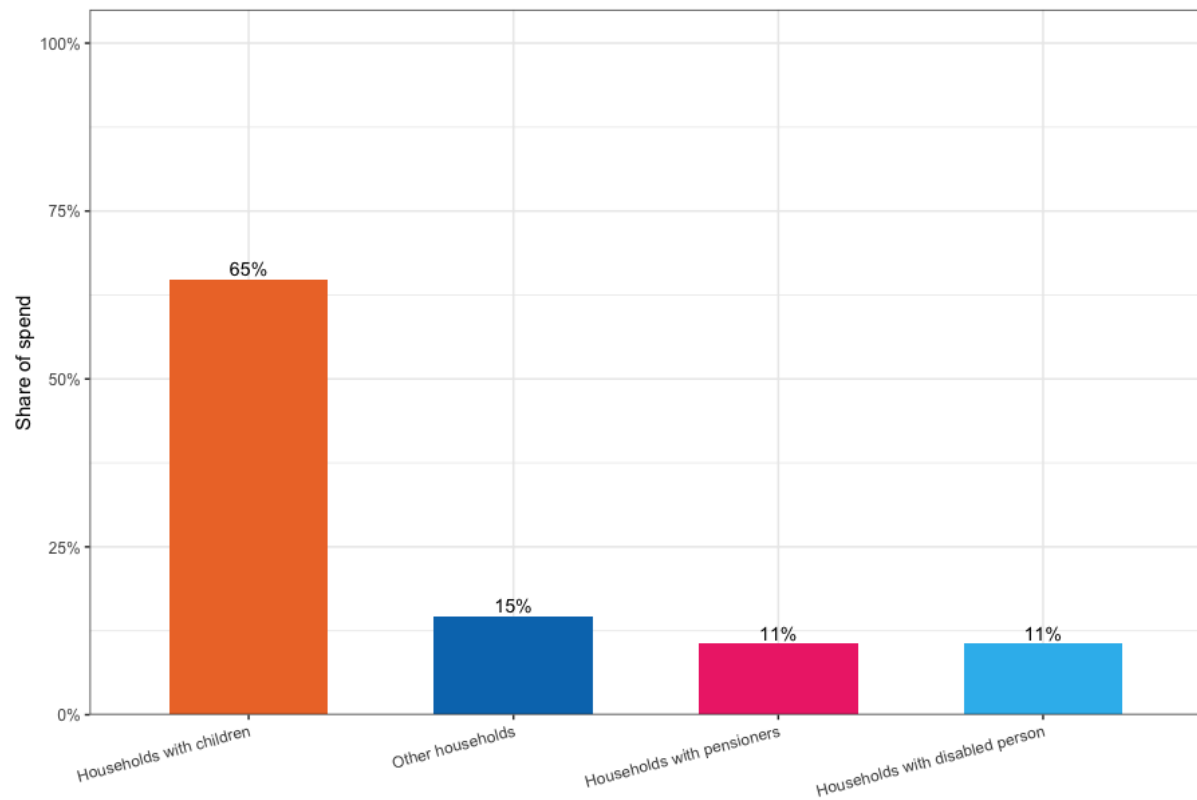
A significant shift in local crisis support delivery is required

Our analysis of the most recent, published Household Support Fund management information (HSF4 2023/24 is the most recent data available, despite local authorities now delivering HSF7 during 2025/26) shows that most councils have focused this discretionary support on families with children and food provision during school holidays, at the expense of a more flexible support offer that can respond to diverse financial crises. This reflects a mix of institutional practice and short-term funding constraints rather than what is most effective for households in financial difficulty. If the CRF is to successfully embed a cash-first approach, it is vital to understand both how current practice is structured and the scale of the shift required, while recognising that some local authorities are already demonstrating more flexible models of support that CRF can build on.

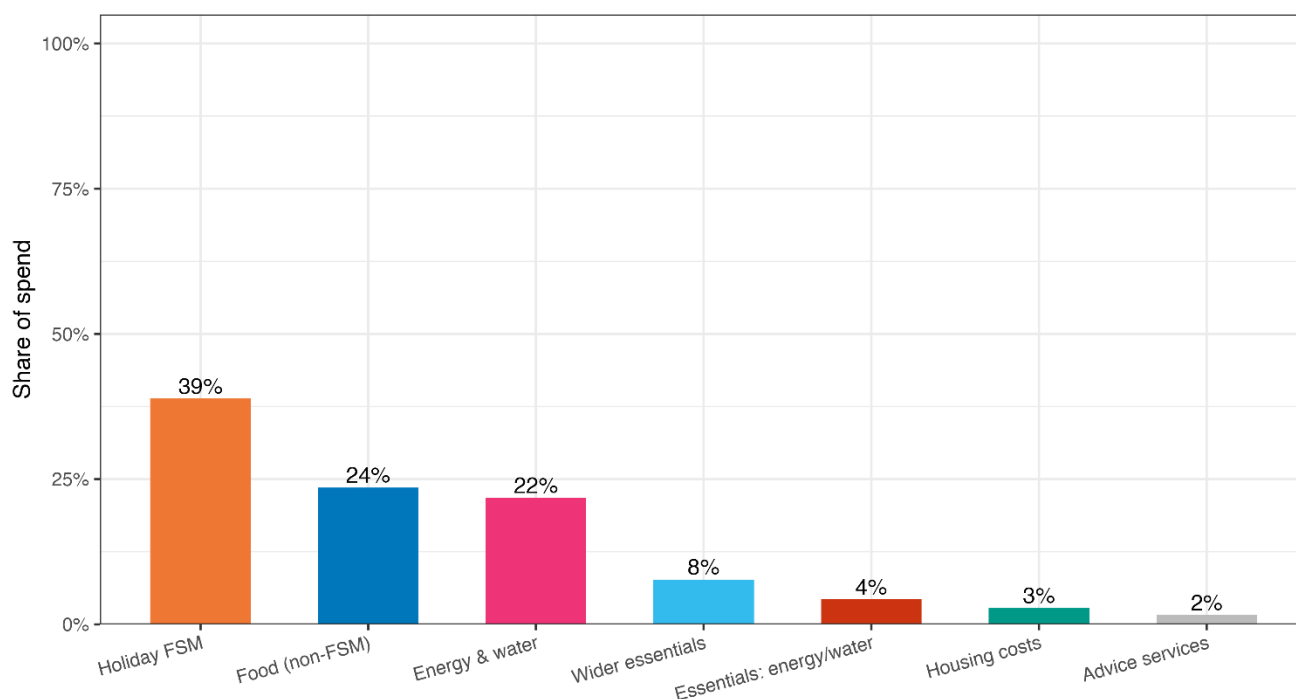
HSF support is concentrated on families with children and food provision

Looking at HSF4 data, the majority of HSF support is routed through families with children. Around 65% of spending is directed to these households, with smaller shares to households with pensioners, households with a disabled person and other households (**figure 6**). Nationally, councils spend most on 'Free School Meals (FSM) support in the holidays' (39%) and 'food (non-FSM holiday support)' (24%), followed by support with energy and water costs (22%) (**figure 7**).

Spending on 'holiday FSMs' usually means councils providing shopping vouchers or cash payments for families eligible for FSMs as a way of helping with the additional cost of food during the school holidays. While 'food (non-FSM holiday support)' spending is more likely to be focused on supporting people facing food insecurity more broadly. These patterns show a heavy emphasis on supporting specific, easily identified groups with predictable needs, rather than flexible support that can be responsive to the varied needs of households facing a financial crisis.

Figure 6: National average HSF spend by household type

Note: Percentages are average reported shares; categories may overlap, so bars do not sum to 100%. **Source:** Policy in Practice analysis based on HSF4 management information.

Figure 7. National average HSF spend by expense type

Note: Percentages are average reported shares; categories may overlap, so bars do not sum to 100%. **Source:** Policy in Practice analysis based on HSF4 management information.

We know this focus on supporting families on low incomes during the school holidays has continued in later rounds of the HSF. Recent research from End Furniture Poverty based on FOI data found FSM support during the holidays accounted for 30% of overall HSF spend in 2024/25.¹⁷

The widespread use of the HSF for holiday FSM support is clearly an indication of the challenges facing families on the lowest incomes and the support has undoubtedly made a big difference for some. This pattern of spending has also developed because local authorities find FSM holiday support and other targeted support for specific groups relatively easy to administer in comparison to application-based support schemes. Being able to spend HSF allocations quickly, with little time for planning or set-up has been necessary due to the short-term funding rounds and short-notice extensions, but has sometimes meant prioritising administrative ease over identifying the most effective way to use the funding.¹⁸

Distinct delivery patterns cluster geographically

Beyond differences in who and what is supported, local authorities also differ in how they structure their delivery, with clear patterns emerging from cluster analysis of HSF spending across household types, categories of spend, support channels and delivery routes. Three broad approaches stand out, each associated with different household priorities and degrees of proactivity (**figure 8**):

¹⁷ Preston et al., *A New Hope for Crisis Support*.

¹⁸ Preston et al., *A New Hope for Crisis Support*.

- **Cluster 1: Children-FSM, voucher-led, moderately proactive**

This group of local authorities directs a large share of funding towards holiday FSM support and other food provision for families. Support is mainly delivered through vouchers, with a moderate level of proactive outreach alongside application-based support.

- **Cluster 2: Children-FSM + energy, voucher-led, strongly proactive**

Councils in this group follow a similar voucher-based model but combine it with strong proactive delivery, reaching out directly to eligible families and allocating a slightly higher share to energy support.

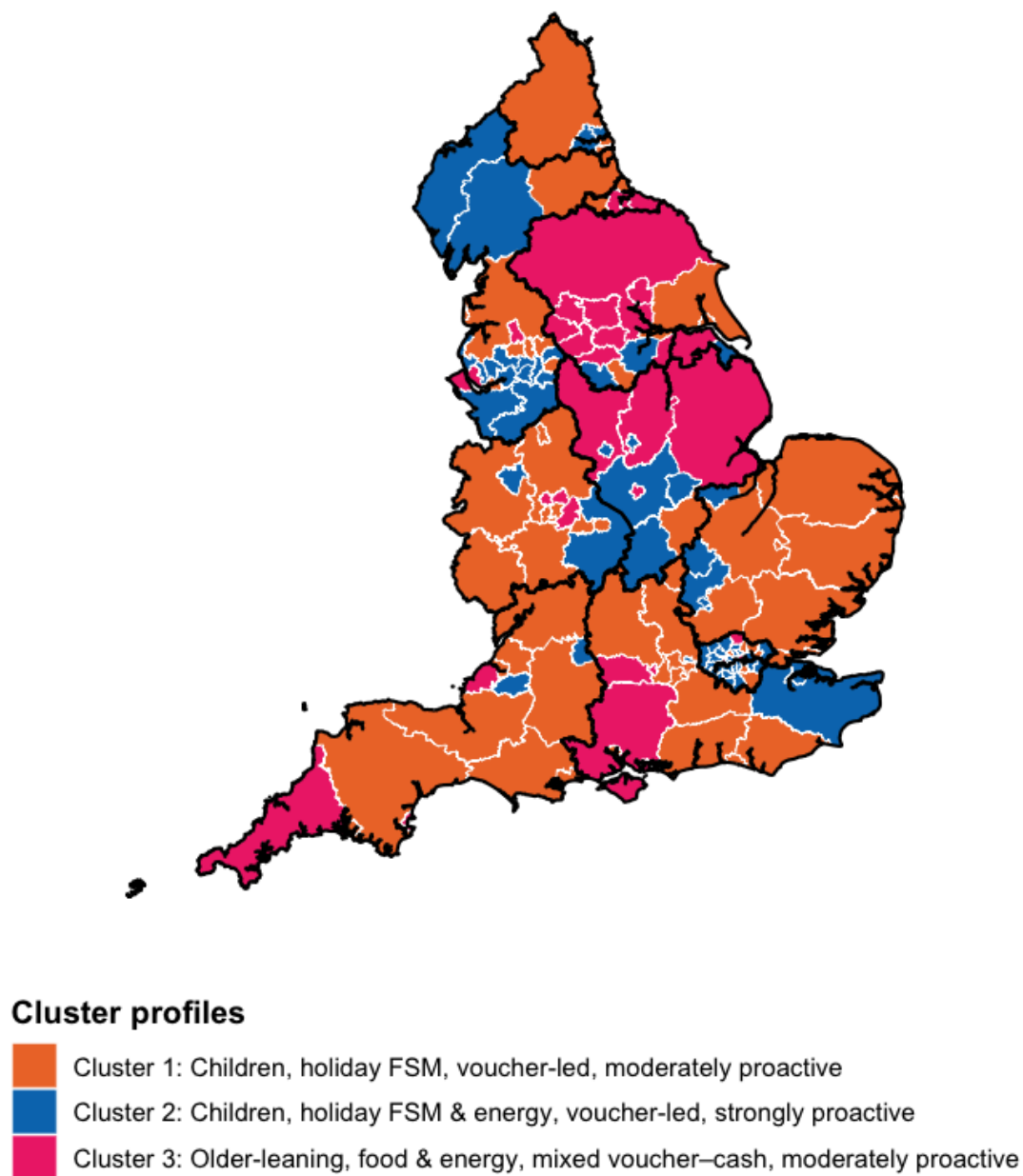
- **Cluster 3: Older-leaning, food and energy, mixed voucher-cash, moderately proactive**

This cluster focuses more on supporting older households, with higher spending on energy and food costs, and uses a more mixed approach combining vouchers and cash awards.

These clusters have clear geographical patterns. Cluster 3, the most mixed and cash-inclusive model, is more common across the South West, parts of the Midlands, and pockets of the North. Cluster 2, the strongly proactive, voucher-led model, is concentrated in clusters of councils in the North East, North West, and Midlands. By contrast, Cluster 1, the moderately proactive, voucher-led model, dominates much of the South and East of England.

This spatial variation highlights how local context and institutional practice play a major role in shaping delivery approaches. It also reinforces the importance of improving the consistency of support under the CRF, while allowing some flexibility to meet the specific needs of local populations.

Figure 8: Profiles of HSF spend by Unitary Authority



Source: Policy in Practice analysis based on HSF4 management information and ONS 2023 County and Unitary Authority boundaries.

Use of vouchers under the HSF is widespread, although some councils are already prioritising cash

While HSF guidance has evolved since the first round of funding was launched in October 2021, the guidance has always recommended prioritising vouchers over cash citing fraud risks, even though this risk is not supported by research evidence.¹⁹ There is a major opportunity under the CRF to shift

¹⁹ Farnworth-Mayers and Orchard, *Cash or Food? Exploring Effective Responses to Destitution*.

to a cash-first approach to delivery as part of resetting and improving the effectiveness of local crisis support in England.

When comparing voucher and cash spending from HSF4 most councils are clearly voucher-leaning, with only a smaller group prioritising cash awards (**figure 9**). Councils in Clusters 1 (orange) and 2 (blue) are concentrated in the bottom-right quadrant, indicating high voucher spend and low cash spend. By contrast, councils in Cluster 3 (pink) appear more frequently in the top-left quadrant, showing a greater reliance on cash awards.

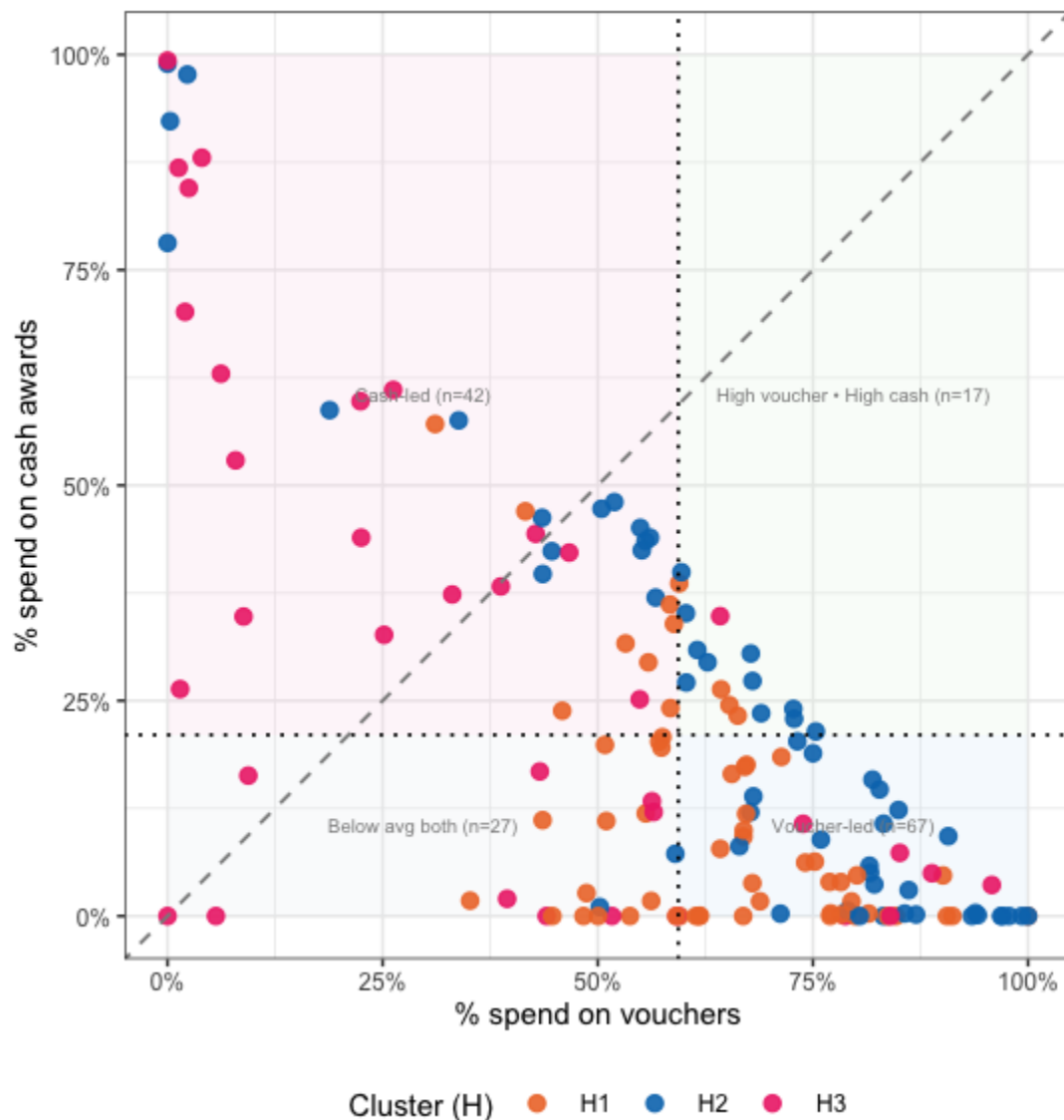
A small number of councils sit in the bottom-left quadrant, with low levels of both voucher and cash spending. In these cases, support is typically channelled through third-party organisations, or in-kind provision (e.g. furniture or food parcels) that are not easily classified as direct awards in the monitoring data. In addition, some councils might still have a local welfare assistance scheme, separate to HSF provision, providing cash awards or furniture and white goods to people in financial difficulty who apply for support. However, there are an increasing number of councils with no local welfare assistance scheme and two-thirds (66%) of all funding for such schemes comes directly from the HSF suggesting there is very limited discretionary crisis support provided outside of the HSF.²⁰

Very few councils are in the top-right quadrant, where both voucher and cash spending are high. A council in this position would be running large-scale voucher-based schemes (e.g. holiday FSM) *alongside* offering substantial support via cash grants, essentially combining targeted group provision with flexible, individualised crisis support. The scarcity of councils in this quadrant shows that most authorities have used their HSF allocation to specialise in one channel, rather than scaling both simultaneously.

The dashed line marks equal spending between vouchers and cash, and the dotted lines show national means, dividing the space into quadrants. This clear voucher dominance, following HSF guidance, underscores the scale of the shift needed to move to a cash-first CRF. While some councils have relied on voucher-based models of support under the HSF, the CRF guidance has the potential to guide and inspire local authorities to change practice to best support the people in their communities and deliver value for money using cash-first delivery. Furthermore, the top-left quadrant councils (mostly Cluster 3) show that cash-leaning approaches already exist and can provide a foundation for wider adoption.

²⁰ Preston et al., *A New Hope for Crisis Support*.

Figure 9: Voucher- vs cash-orientation by authority; quadrants set at national means; colours = clusters



Source: Policy in Practice analysis based on HSF4 management information.

Delivery routes differ between proactive and application-based approaches

Alongside differences in funding channels, councils also vary in how households access support under the HSF. Broadly, two main routes are used:

- **Proactive delivery:** where councils identify and reach out directly to eligible households.
- **Application-based delivery:** where households apply for support themselves.

Across England, proactive delivery accounts for roughly two-thirds of total support, with application-based routes making up the remaining third. Because these two shares usually sum to around 100%, most councils cluster near the dashed complement line in **figure 10**. Using national means to divide the space into quadrants, we can distinguish four groups:

- **Proactive-heavy councils** (top-left quadrant): 72 councils, many from Clusters 1 and 2.
- **Application-heavy councils** (bottom-right quadrant): 62 councils, including several from Cluster 3.
- **High-high councils** (top-right quadrant): 9 councils with large-scale use of both routes.
- **Low-low councils** (bottom-left quadrant): 10 councils with relatively limited use of either route.

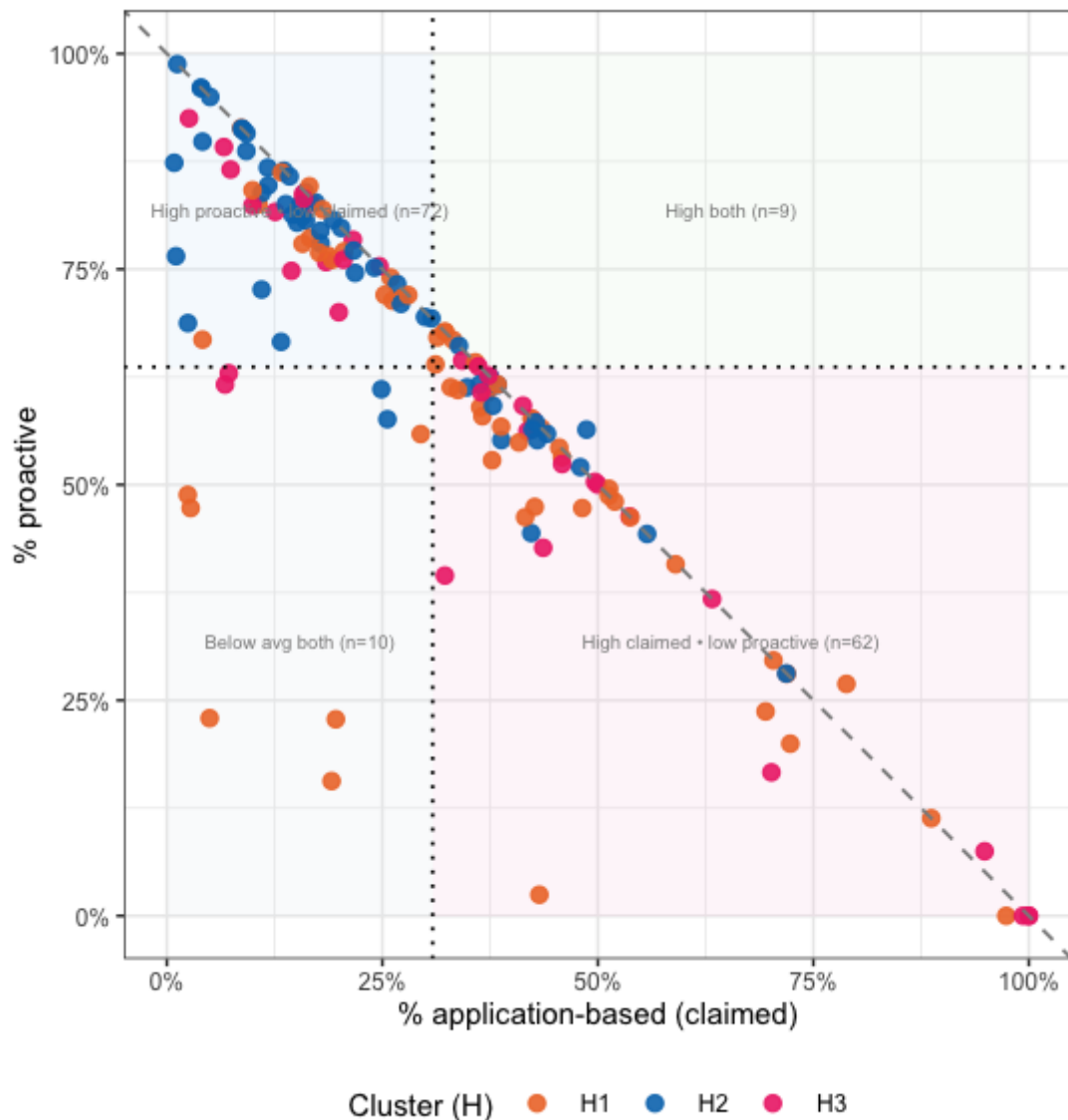
This variation shows that both proactive and application-based delivery remain significant. Proactive-heavy models are often linked to voucher-led approaches, particularly holiday FSM, where eligibility is straightforward and councils can target known groups directly. By contrast, application-heavy models are more common in cash-leaning councils, where households can receive more flexible support at the point they need it most.

For CRF design, this means:

1. **Councils need clear, accessible application routes for cash-first support**, so households experiencing financial crises can access help when they need it.
2. **Proactive delivery remains important**, especially for reaching people who may not apply independently, but it should **complement rather than replace** application-based routes to support.

The CRF guidance should not only direct and guide local authorities to deliver cash-first support, but it should also guide councils on the importance of an application-based route, alongside carefully targeted proactive delivery, particularly for groups most likely to be financially vulnerable, including older people, disabled people, carers, and lone parent households.

Figure 10: Proactive vs application-based; most councils sit near the complement line; quadrants set at national means



Source: Policy in Practice analysis based on HSF4 management information.

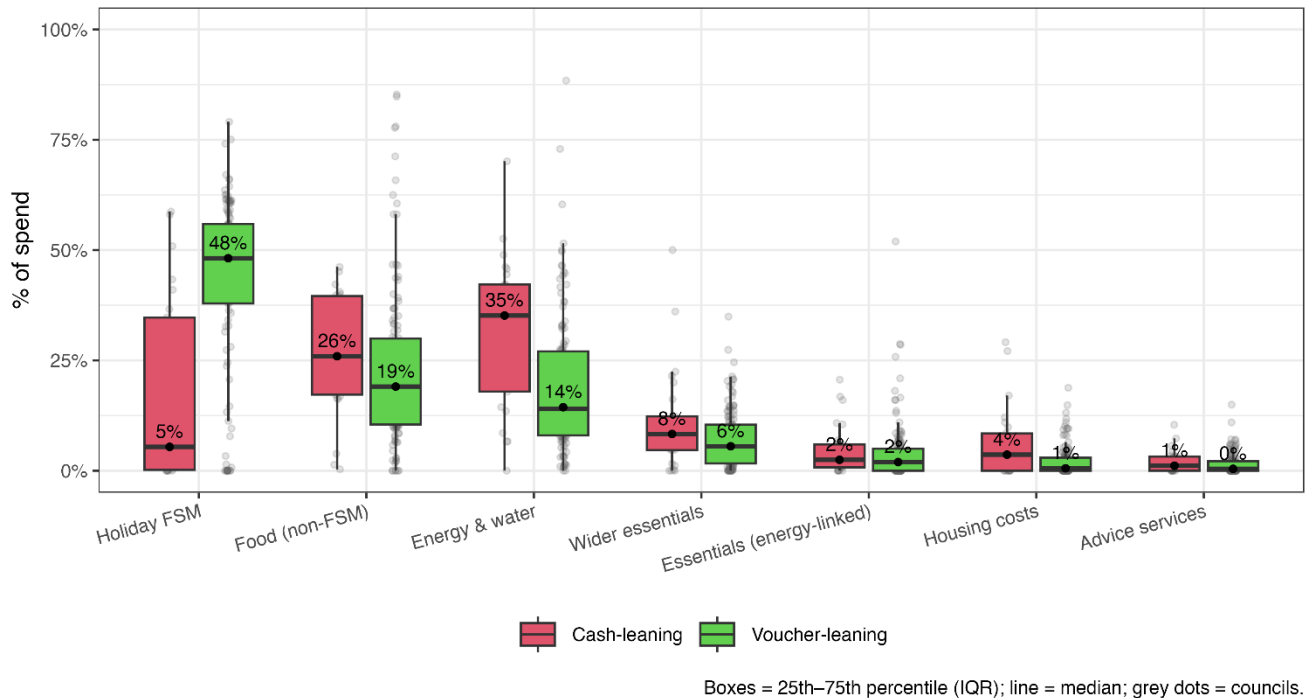
Voucher- and cash-oriented councils differ in what they fund

Voucher-leaning and cash-leaning councils also show marked differences in the types of support they prioritise (figure 11). Here, councils are classified as voucher-leaning or cash-leaning based on which channel represents the larger share of their total spend.

- **Voucher-leaning councils** allocate nearly half of their spend to holiday FSM support (median 48%), with comparatively little to energy or housing costs.
- **Cash-leaning councils**, by contrast, direct a much larger share of support to energy and water (median 35%) and food outside holiday FSM support (26%), and allocate more to wider essentials and housing support.

This highlights a functional divide between approaches. Voucher routes are well suited to predictable, group-based provision — for example, issuing supermarket vouchers during school holidays to families eligible for FSMs. By contrast, cash awards give councils the flexibility to respond to diverse and often urgent financial needs.

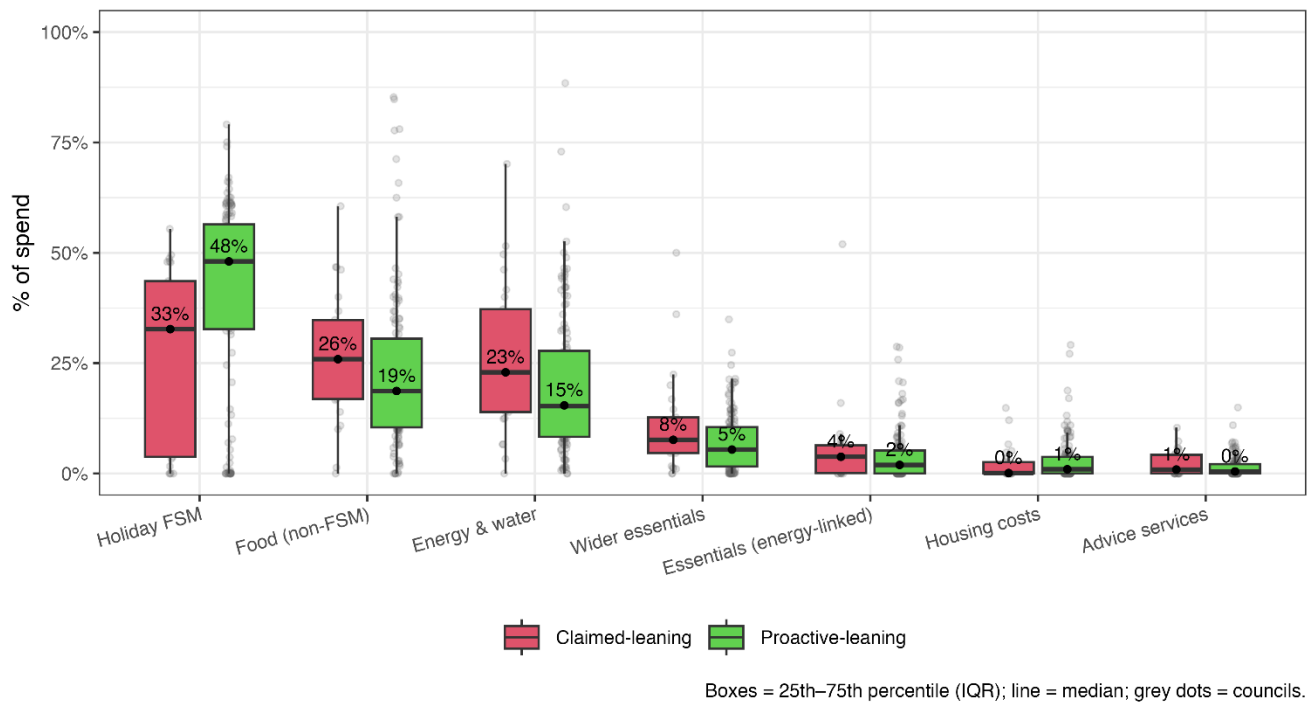
Figure 11: Purpose of spend by channel orientation (voucher-leaning n=128; cash leaning n=25)



Source: Policy in Practice analysis based on HSF4 management information.

A similar pattern emerges when comparing proactive- and application-leaning councils (**figure 12**). Again, councils are classified as proactive- or application-leaning based on which route represents the larger share of their delivery.

- **Proactive-leaning councils** devote a larger share of spend to **holiday FSM support (median 48%)**, closely tied to pre-identified eligible groups.
- **Application-leaning councils** allocate more to **energy and water (23%)** and **food outside FSM holiday support (26%)**, supporting households experiencing acute financial hardship who come forward for help.

Figure 12. Purpose of spend by delivery orientation (proactive-leaning n=128; application-leaning n=25)

Source: Policy in Practice analysis based on HSF4 management information.

Looking at channel and delivery together provides a fuller picture of local practice. The majority of councils are voucher-leaning and proactive (110 of 153), typically focusing on holiday FSM and other food support for families with children. Smaller groups are voucher-leaning and application-based (18), cash-leaning and proactive (18), or cash-leaning and application-based (7).

The presence of cash support accessed via application routes as well as proactive outreach under HSF provision is significant. It shows that needs-led, cash-first delivery is already in place in some areas, providing practical examples for how councils could transition towards a cash-first model under the CRF. These councils demonstrate how targeted proactive delivery can complement application-based support to reach different groups effectively.

Taken together, the evidence shows that voucher-led approaches tend to target a narrower set of needs (mostly supporting families with children with food), while approaches prioritising cash payments enable councils to offer flexible support to help an individual or family through a financial crisis, regardless of the specific cost pressure e.g. energy, housing, or other essentials. These findings reinforce the need for the CRF to shift local crisis support towards cash payments as the default, while ensuring vouchers or goods can be provided where this offers clear value (e.g. white goods), and to move on from blanket approaches to providing voucher support to all families eligible for FSMs during the school holidays.

Beyond food provision: building effective and dignified crisis support

Providing support with food should not be a priority for the CRF if it is to reduce the need for emergency food and other charitable food provision

The government has been clear in its intention that the CRF will play a key role in fulfilling its manifesto commitment to end 'mass dependence on emergency food parcels'. We agree an effective, locally delivered, cash-first crisis support system, connected to advice and wider support to build financial resilience, is part of what is needed to end the need for food banks and wider charitable food provision. We are clear, however, that the CRF is not the primary way in which we will end the need for emergency food, and are keen it is not framed in this way. This is a position we share with other organisations in the anti-poverty sector, including IFAN.²¹

If the CRF is to reduce the need for food banks and other charitable food providers to fill the gap in a crisis, local authorities must be guided away from using the funding for the provision of free and low-cost food. As outlined in the previous chapter, cash payments are key to the delivery of effective discretionary crisis support and should be prioritised over the provision of food.

Supporting people by providing food is not an effective or dignified crisis support mechanism, nor a way to build longer term financial resilience. It should, therefore, not be a priority for the CRF.

The CRF is an opportunity to move away from practices established under the HSF which have involved the widespread use of funding to support households through the provision of food, or voucher support that is restricted to food. Examples include local authorities giving funding straight to food banks or other organisations to provide emergency food parcels or other free and low-cost food, and the provision of supermarket vouchers for families eligible for FSMs as discussed in the previous chapter.

The CRF should focus on the drivers of financial crisis, not the symptom of food insecurity

The key driver of food bank need in the UK is low incomes. An inability to afford food is a symptom of struggling to afford all essentials, including housing costs, suitable clothing, essential travel costs, utility bills, internet access and toiletries as well as food. One-off or short periods of financial crisis are generally unrelated to food e.g. eviction, job loss, separation, short-term illness, bereavement or domestic abuse. Therefore, crisis support should recognise the issues pushing people or

²¹ Trussell and Independent Food Aid Network, *The Crisis and Resilience Fund and charitable food provision*.

households to a point where they are unable to cover the cost of both food and other essentials, rather than focusing on the symptom of food insecurity.

Given the case for embedding a cash-first approach to crisis support, allowing individuals and households the flexibility to pay for the essentials they need at the point of crisis, we are clear there should be no defined 'appropriate' level of spend on food (or other items) within CRF guidance. Direct spend on food, vouchers restricted to food, or funding for organisations to provide free or subsidised food is not an effective use of crisis support funding. It is not in the interests of people in crisis nor local authorities to determine or advise on an appropriate level of spend on food.

A new approach to local crisis and financial resilience support in England should also recognise that most people experiencing food insecurity in the UK do not receive support from any form of charitable food provision, whether food banks or other models like social supermarkets or pantries. In 2024, 6 in 10 people (61%) who experienced food insecurity did not turn to any charitable food provider; the proportion was similar in 2022.²²

Increasing access to effective support for people facing financial crisis should be a priority for the CRF. This is support that needs to be in place on a permanent basis as the need for discretionary crisis support to help people respond to unexpected events will never be fully eliminated. Given this long-term need and the importance of increasing the visibility and predictability of support, responsibility for delivery should sit with statutory and public services.

There is clearly an important role for local community and civil society organisations in connecting people to support and increasing engagement, particularly people who are less likely to turn to more official bodies, however, funding community organisations to provide food is not an effective approach to crisis support nor a means of building financial resilience.

Low-cost charitable food provision is not a meaningful step away from emergency food and does not deliver financial resilience

Food banks are only part of the picture when it comes to charitable food support in local communities. The number and variety of food pantries, social supermarkets, affordable food clubs and many more has increased a great deal in recent years. There is no standardised definition or model for these projects, and as such they vary widely in what they offer, how they are accessed and run, and what they aim to achieve. Some are focused on sustainability by redistributing surplus food. Others maintain a focus on the community aspect, aiming to bring people together and tackle isolation. Almost all aim to support people on low incomes by providing access to free or low-cost food.

These initiatives, and the dedicated people who work and volunteer in them, often provide valuable help for people in their communities. Many of the organisations involved are well connected in their local communities and can act as a gateway to other services and support. Some, like food banks and food pantries, also go beyond food provision and offer advice and other preventative services

²² Trussell, *Hunger in the UK Wave 2*.

that can help build financial resilience. It is, therefore, important for them to be integrated into the local systems of joined up crisis and resilience support which local authorities should be creating in each area, aided by the CRF.

However, the existing evidence suggests that low-cost charitable food provision does not, in itself, enable people to move out of poverty or protect them from hunger and hardship. For example, people using support such as food clubs continue to have a high risk of food insecurity and of having to turn to a food bank.²³

There is a wide range of charitable food provision, and while some models seek to maximise choice and dignity for people, not all set out to do so, and even if they do not all are able to sustain the quality and approach required. For many people receiving support from food banks, even the nominal 'membership' fees that are integral to some models of support are out of reach (particularly if this is a recurring cost, because they are unable to move out of severe hardship through low-cost charitable food provision alone). Keeping the food insecurity and food waste problems distinct is also vital to tackle the root causes of both and taking a cash first approach to food insecurity epitomises this differentiation.

Where charitable food providers go beyond food provision and help to connect people to cash-first crisis support, advice and other preventative services the results can be extremely positive. This wider support can contribute to financial resilience, in a similar way to other local services which do not include food as part of their offer, but it is these wider services, rather than free or low-cost food, that can help to deliver the desired outcomes and outlast the need for charitable food provision.

The CRF should avoid embedding approaches to building financial resilience that are contingent on accessing free or low-cost food

CRF funding will be most effective where it is directed towards services which can be a permanent part of the community support landscape without the need for charitable food provision, which is something that should be reduced rather than embedded.

If the CRF is used by local authorities to support community organisations that have a food offer alongside services focused on building financial resilience, it should avoid embedding approaches to preventative support that are contingent on accessing free or subsidised food.

This should mean explicitly stating through guidance that funding charitable food provision in itself is not a means to building financial resilience or reducing the need for food banks, and that preventative support needs to outlast the need for charitable food provision.

Making this distinction between models of support which can outlast an end to the need for charitable food provision and those which would become redundant is necessary if the UK government is to achieve its commitment and sustainably reduce the need for charitable food provision, including emergency food parcels.

²³ Lopez et al., *Feeding Community: The Role of Affordable Food Clubs in Building Resilient Communities*.

Support with food during the school holidays should fall in line with the principles of effective crisis support

The widespread use of the HSF to support families eligible for FSMs during the school holidays is a clear indication of the financial challenges facing families on the lowest incomes. However, the level of expenditure on FSM holiday support reduces the funds available to help all households facing financial crisis.

As Trussell and other organisations behind the Save Our Local Safety Net campaign have previously argued, this support meets a different need to discretionary crisis support for unexpected events and funding would ideally be separated.²⁴

If the DWP keeps additional support during school holidays within the scope of the CRF, it is important to ensure the approach is flexible, needs-led and cash-first in line with the principles of effective crisis support. This may mean that local authorities are attentive to families with children during longer holiday periods but have the flexibility to determine how they respond. In practice, this means guidance should ensure any reference to school holiday support encourages and explains the need for:

- **Cash-first support:** It isn't only the additional cost of food families struggle with during the school holidays, but other costs too. Prioritising cash-first support is therefore a more effective mechanism for additional holiday support than direct provision of food (through community organisations or shopping vouchers).
- **Flexibility:** Lessons from the early rounds of the HSF shows effective crisis support rests on avoiding any ring-fencing of funds for particular groups. The same must be true of families eligible for FSMs. Local authorities will also want to consider what any proactive offer of support looks like when eligibility for FSMs is expanded from September next year. Therefore, the guidance should allow flexibility to respond to financial crisis and the needs of all households requiring support.
- **Avoiding duplication:** Ensuring guidance is not prescriptive in stipulating the level of support local authorities must offer during school holidays will also ensure value for money by not duplicating provision. Some local authorities may have adequate additional provision through other schemes, and now funding for the Holiday Activities and Food (HAF) programme has been confirmed, also for three years, there is even more grounds to keep the CRF focused on crisis needs in the round rather than specifically including holiday meals for children as part of the CRF remit.

²⁴ The Children's Society et al., *Shaping the Future of Local Welfare and Crisis Support in England*.

How the CRF can help build financial resilience

The intention to use the new CRF to build financial resilience and prevent financial crisis is welcome. A new, more effective approach to discretionary crisis support should focus both on addressing people's immediate financial crisis and improving their financial situation in the longer term, to reduce repeated crises.

An evaluation of local welfare assistance schemes in London by Policy in Practice in 2023 found that offering additional support alongside direct financial assistance, including benefits, budgeting, debt and housing advice, is valued by residents and improves their situation, preventing future financial crisis and repeat applications.²⁵

Since April 2023, local authorities have been able to use some of their HSF allocation on advice services. Evidence from the Save Our Local Safety Net campaign inquiry into the future of local welfare and crisis support in England found local authorities have used the HSF in various ways to increase residents' access to advice and support on money matters e.g. debt and benefits advice. Approaches include incorporating signposting to advice services into the crisis support application process, using HSF to fund advice services delivered by local advice agencies, one-stop shop advice hubs, and casework support for more complex cases.²⁶

The multi-year funding for the CRF is a major opportunity to ensure effective crisis support includes consistent and proactive connections to key local advice and support services, and to increase access to more preventative support before someone reaches crisis point. However, it is important to recognise that advice services are under considerable strain and the CRF can't match the scale of funding needed by the local advice sector.²⁷ This is something the UK government should look to address to help deliver the intended outcomes of the CRF and many other government priorities.

That said, CRF is a real opportunity to kickstart the creation of local systems of integrated support that can tackle deep financial hardship and help build financial resilience in every local authority area in England. The remainder of this chapter will draw on evidence from the Trussell food bank community and Policy in Practice's work with local authorities to set out effective models of support to build longer-term financial resilience for people facing, or most at risk of, financial crisis.

Using warm referrals instead of signposting

The Trussell community of food banks has built up robust evidence of the positive impact of warm referrals to advice and support that can tackle the underlying reasons someone is facing a financial crisis, and the benefits of this approach over simply signposting to other services. We understand these different approaches as follows:

- **Warm referral or handover:** when someone is referred by one organisation or service to another with a focus on ensuring a smooth transition. The emphasis is often on the

²⁵ Charlesworth et al., *Evaluation of Local Welfare Assistance: Final Framework and Research Findings*.

²⁶ The Children's Society et al., *Shaping the Future of Local Welfare and Crisis Support in England*.

²⁷ Advice UK, *Advice Saves Lives: The Social and Economic Impact of Independent Advice Services*.

organisation or service receiving the referral to ensure they make contact with the person needing support. Sufficient and accurate information is also provided as part of the referral to prevent people from having to explain their circumstances and needs on multiple occasions.

- **Signposting:** when someone is directed by one organisation or service to another. This may involve providing a leaflet, website address or phone number to call and requires a proactive approach by the individual seeking support.

Evidence from an evaluation of five local pilots in Scotland focused on improving access to cash and advice to help reduce the need for people to turn to food banks revealed the limitations of signposting. Where people were given the names of organisations and had to contact them themselves or were told a referral would be made and then received no further contact, they struggled to successfully find support.²⁸

If strong connections between local services are lacking, support can be fragmented and uncoordinated. This can make it very difficult for people to navigate local services and access the help they need and result in people having to repeat their story many times. Instead, an effective referral process between relevant local services, including those delivered by local authorities and VCS organisations can help ensure people access the support they need as early as possible.

Local authorities should be guided to prioritise warm referrals over signposting when connecting people seeking crisis support to advice and other preventative services such as employment support and health services. Where these local services are struggling to meet demand and are concerned about an increase in referrals, a focus on ensuring people at highest risk of repeated financial crisis and severe hardship are prioritised is key. In some circumstances, it may be appropriate for local services to temporarily decline or switch-off referrals if capacity is a serious concern. Local authorities should also be encouraged to involve people with experience of financial crisis to co-design referral processes to ensure their perspective is used to shape decisions taken in this situation.

Good practice example 1

Perth and Kinross: FORT (Fast Online Referral Tracking) system

As part of its strategy to end the need for food banks, Trussell funded five test and learn pilots in different locations in Scotland for a two-year period starting in early 2023. Each pilot had a different operating model, but all were designed to improve access to and engagement with cash and advice for local residents. Collectively the five pilots were known as the Pathways to Advice and Cash Scotland project.

In Perth and Kinross the funding was used to develop a shared referral system to allow people struggling financially to access a wide range of services through a single-entry point. The FORT (Fast Online Referral Tracking) system - building on a system already in use in several local authority areas in Scotland - has over 40 organisations and services signed up, including Perth and Kinross Council teams, organisations offering mental health

²⁸ Rocket Science, *Trussell Pathways to Advice and Cash Scotland (PACS): Evaluation and Learning*.

and wellbeing support, employability services, cost of living support, money advice and debt support, drug and alcohol support, assistance for carers and more.

The system allows referrals to be made between a wide range of organisations. This means staff can review the outcomes of their referrals, tracking a person's journey beyond the support scope of any one single organisation. The central record of support also reduces the need for people to have to repeat their story, enabling a more holistic and person-centred approach.

The project has included activities to build partnerships between the services and organisations involved, including monthly partner meetings, shared learning sessions, a programme of 'FORT champions' and 'train the trainer' sessions.

The evaluation found that it was vital to ensure robust data sharing practices are shared and agreed at the start of the work. This project resolved the initial challenges, and there has been significant support from local third sector organisations as well as council departments as can be seen from the large number of organisations now using the system to make and receive referrals.²⁹

In time, it will be possible to use data from the FORT system to identify trends in need, monitor the journey for individuals in need of support from the different services involved and track outcomes.

Good practice example 2

Policy in Practice and Pocket Power: Better Off Calculator integration

To help social housing providers support residents facing financial hardship, Policy in Practice partnered with Pocket Power to connect income maximisation with cost of living support. The goal was to help residents access help more swiftly, strengthen their financial wellbeing, and enable providers to better manage rent arrears.

The partnership involved a software integration linking Policy in Practice's Better Off Calculator (BOC) directly with Pocket Power's phone-based savings service. This enables housing advisors to make a warm referral directly from the BOC platform, creating a single, seamless pathway for residents to both identify unclaimed benefits and reduce their everyday costs.

A key feature of the integration is that, with residents' consent, data entered into the BOC is securely pre-populated into Pocket Power's system. This avoids the need for residents to repeat their information, saving time and reducing stress. The phone-based model is particularly valuable for people who are digitally excluded or lack confidence using online tools, helping ensure that savings opportunities are accessible to everyone.

The project has shown strong results. To date, Pocket Power has helped 6,000 people save a total of £1.5 million, an average of £250 per person. Among users, 88% report

²⁹ Rocket Science, Trussell Pathways to Advice and Cash Scotland (PACS): Evaluation and Learning.

feeling less stressed about their finances and 90% feel more able to manage their bills. The benefits are illustrated by the case of Matthew, a resident referred via the BOC who saved £540 per year after a single call, describing the process as “simple and quick.”

This model offers a practical, person-centred approach to supporting households in financial distress. By increasing disposable income through both income maximisation and cost of living support, it helps reduce the immediate pressures of financial crisis while building a more stable foundation for long-term resilience.

Sample sections of the Better Off Calculator (BOC), a tool used by individuals and support organisations to check benefit eligibility and connect to wider financial support

Better Off Calculator

Current situation

+ Duplicate scenario

Household details

Health and caring

Property details

Income and earnings

Results

Budget

Your average monthly income is

£ 0.00

Total current
including any benefits and wages

£ 400.14

Total potential
including £ 400.14 unclaimed benefits

The information you have entered indicates that you are eligible to apply for Universal Credit.

Please note there is no postcode entered, this may affect your results.

This amount does not show any deductions from your benefits as sanctions, as repayment of overpayments or loans, or as payment to your landlord.

Apply now ¹

Book a call with Pocket Power

Pocket Power will support residents to lower their bills and connect them to lots of support. Click to schedule a 30-minute call for the resident.

Book now



Co-locating services

Co-location of services can bring many benefits, including giving people easier and quicker access to support, and building stronger relationships and more joined-up working between partners.

An 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 delivering advice and support on money matters in a place that people already came to, where they felt welcome and safe, was a successful way of reaching people not accessing advice and support elsewhere which resulted in positive financial outcomes for these individuals.³⁰

Based on the experience of food banks in the Trussell community, there are some key considerations to ensure that bringing multiple services under one roof meets the aims of increasing access to more holistic support for people facing, or at risk of financial crisis. These include:

- Using data, and consultation with people with lived experience of hardship, to carefully identify which services best meet local needs and not overwhelming people with too many different services
- mapping existing provision to avoid duplication
- ensuring co-located partners have vision and values that are well aligned
- setting clear agreements and processes to support effective, safe delivery e.g. that support workers or advisers from each service are proactive at engaging people and understanding where there is overlap in the support each service can offer

Regardless of the services that are co-located, maintaining a deliberate focus on making people feel welcome and building trust is key to delivering effective and accessible support. This is crucial to breaking down barriers to support due to the stigma and shame that is commonly experienced by people facing severe hardship, often exacerbated by previous negative interactions with services.³¹

Co-location can also work well in rural locations where accessing holistic support can be harder. Bringing relevant local services together in existing community spaces such as village halls and being persistent about raising awareness of the support available can be effective approaches to engaging more people in support to build financial resilience.

Good practice example 3

Advice Cafés in Surrey

Good Company, a local charity supporting people in Surrey, has set up a network of Advice Cafés within established community hubs, where advisers from different organisations are present in the same venue.

The aim of the Advice Cafés is to facilitate more collaborative working between local agencies, to ensure people at risk of hunger and hardship are able to access holistic support from the services they need before they reach a point of crisis.

³⁰ Finney et al., *Evaluating the Advice and Support Services Provided through Food Banks*.

³¹ Turn2us, *From Stigma to Support*.

Advisers complete monitoring forms to enable Good Company to track who is using the Advice Cafés, how they access the service and the type of support they receive. Between April 2024 and April 2025, people visiting the Advice Cafés have been supported with a wide range of specific issues including benefit checks, budgeting, Council Tax, energy top ups, housing repairs, school uniform, carer respite and immigration issues.

In 4 in 10 cases, advisers made a referral to another agency for additional support. Most of these (nearly 7 in 10) were verbal referrals to other advisers in the Advice Café, showing the benefits of co-location.³²

Helping people to navigate local advice services and support

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 ten (10%) had received crisis support from a local authority or devolved government in the three months prior to using a food bank.³³ This problem is also evidenced by the estimated £24.1 billion in income-related benefits and social tariffs expected to go unclaimed across Great Britain in 2025/26, largely because awareness is low and claiming processes are unclear, complex, or not designed around people's needs.³⁴

There are many existing examples of roles that are focused on helping people to navigate systems and services. These roles can involve helping someone make a phone call, explaining a letter or attending appointments and support sessions alongside people as they connect with different services.

The value of providing longer-term, relational support was evident in the evaluation of advice services provided within food bank settings. Advisers being able to spend more time with people who needed it, often fulfilling a support worker role, was a key factor in the positive outcomes achieved for individuals, including financial gains and improved wellbeing.³⁵ It is crucial that this approach is not only used by food banks and other charitable food providers, and that people are supported before they need to turn to crisis support of any kind.

It is also important that local authorities find ways to share information to help people access advice and support to maximise income at the earliest opportunity and long before they reach crisis point. This preventative approach is key to ensuring people are able to build the financial resilience needed to avoid falling into hardship.

³² Good Company, *Advice Café Impact Report 2024-25*.

³³ Trussell, *Hunger in the UK Wave 2*.

³⁴ Policy in Practice, *Missing Out 2025: £24 Billion of Support Is Unclaimed*.

³⁵ Finney et al., *Evaluating the Advice and Support Services Provided through Food Banks*.

Good practice example 4

Independent Food Aid Network: 'Worrying About Money?' resources

Since June 2020, the Independent Food Aid Network (IFAN) has collaborated with local authority teams, advice providers, and local frontline services to co-produce localised 'Worrying About Money?' resources in over 135 local authorities in Scotland, England, Wales, and Northern Ireland.

The cash-first, step-by-step guides are for people facing money worries as well as support workers and frontline volunteers. The resources include leaflets, as well as online interactive, poster, translated, easy read, BSL, and audio versions, all identifying which local agencies are best placed to help people find immediate financial support options and maximise their income. The dissemination of the resources is tailored to the needs of individual communities and leaflets can, for example, be distributed via Council Tax bills, libraries, schools, GP surgeries, health visitors, social prescribers as well as police and fire and rescue services.

IFAN also works with local partners to co-run online or in-person Money Counts training to help frontline support workers and volunteers gain confidence in using their local 'Worrying About Money?' resources and sharing their contents with people they support.

Good practice example 5

Dundee Community Guiders

The Dundee Community Guiders project, led by Faith in Community Dundee, is another of the pilots supported by the Trussell Pathways to Advice and Cash Scotland project. The project is focused on training volunteers and staff in community organisations in Dundee to signpost and refer people experiencing financial insecurity to relevant services.

The Community Guiders help people to navigate services, providing personalised support and guidance with the aim of building financial resilience and reducing financial crisis. The approach has required building knowledge and confidence among staff and volunteers most likely to be in contact with people facing a financial crisis to have sensitive conversations and help successfully connect them with relevant services.

Faith in Community Dundee have delivered community guiders training to staff and volunteers in a wide range of local services, including charitable food providers, local NHS services, community centres and the council housing department. The evaluation found that embedding Community Guiders in organisations where they can become a familiar and trusted source for support and signposting has led to people facing financial crisis engaging with a wider range of support services.

Proactive use of data to increase access to cash and advice

Local authorities hold substantial data on low-income households, which can be used to proactively identify individuals and families most at risk of financial crisis and to effectively target support. As discussed in earlier chapters, the application route to crisis support is essential to ensure a needs-led approach that prioritises people facing financial crisis. However, careful, proactive targeting of support can ensure groups most likely to be financially vulnerable know about and can access the support available. This includes older people, disabled people, carers, and lone parent households. By proactively offering tailored financial assistance and advice focused on maximising incomes, local authorities can help prevent financial crisis and build the financial resilience needed to avoid more sustained hardship.

Good practice example 6

South Norfolk and Broadland: Preventing financial crises through early intervention

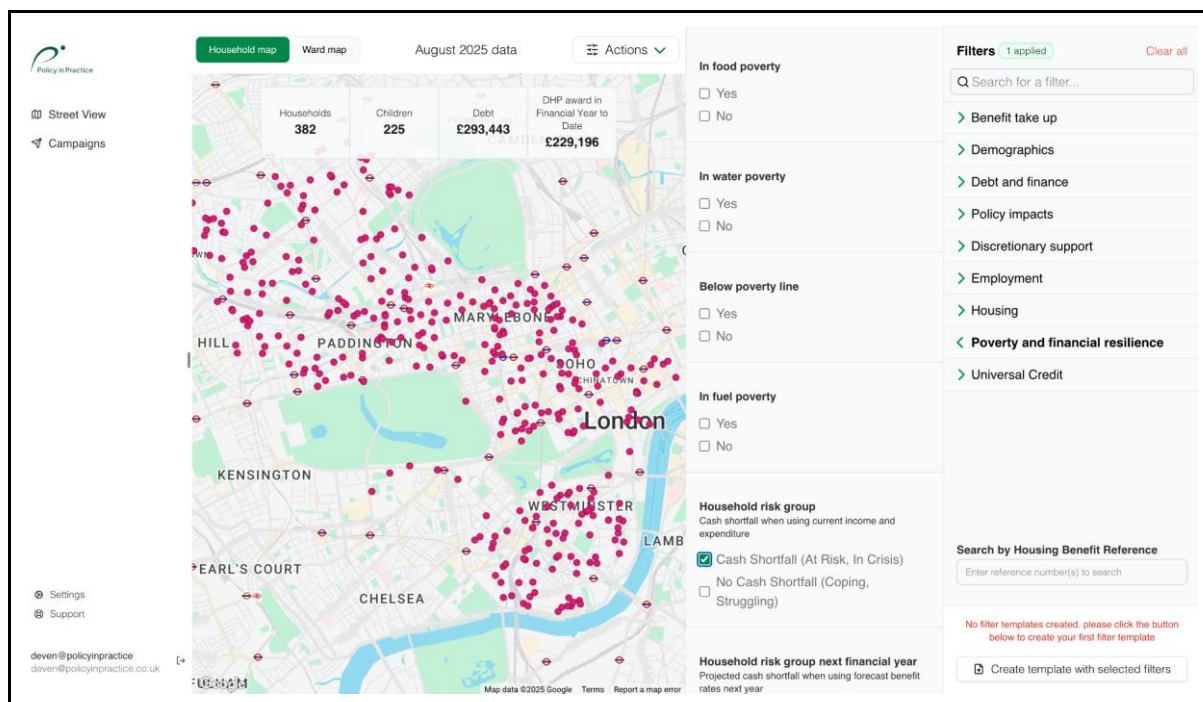
South Norfolk and Broadland councils had discretionary funds to support families facing financial crisis. Without data-led targeting, support risked being reactive, reaching households only once problems had escalated.

The councils used their data to proactively identify households in arrears and at high risk of financial crisis, focusing on those with low repayment capacity. Officers engaged residents early to provide tailored financial support and income maximisation advice, ensuring cash help reached those who needed it most.

As a result, the councils recovered £11,000 in arrears across nine households, alongside the provision of targeted financial assistance. This helped prevent further crises for families in vulnerable situations and ensured discretionary funds were deployed strategically, avoiding higher downstream costs.

This is a clear example of how councils can use existing data to target discretionary support, using a cash-first approach to help households at high risk of financial crisis avoid severe financial hardship and build longer-term financial resilience.

Sample view of the Low-Income Family Tracker (LIFT), the analytics tool councils employ to target and support households



The need to track and monitor outcomes

If we are to deliver a reset in local crisis support and ensure the Crisis and Resilience Fund (CRF) is delivered effectively, we need to track and monitor outcomes systematically. To date, there has been little evaluation of the impact of local crisis support to inform practice. Local authorities need to understand what works, for whom, and in what circumstances, if they are to deliver the CRF well.

Councils play a central role in crisis and other forms of financial support, administering a wide range of schemes including the HSF, Discretionary Housing Payments, the Holiday Activities and Food programme, Council Tax Support, Local Welfare Assistance, hardship payments and, going forward, the new CRF. Yet there is no consistent framework for monitoring impact or comparing delivery models, making it difficult to assess effectiveness, share learning, or improve practice over time.

In 2022, Policy in Practice, commissioned by London Councils, worked with seven London boroughs to design and trial an evaluation framework for Local Welfare Assistance. This work identified the key information councils should collect through the application process, as well as the datasets required for ongoing monitoring and evaluation. The resulting framework provides a practical starting point to develop a consistent approach to evaluating crisis and resilience support at the local level.³⁶

We have updated this framework to reflect the three core objectives of the CRF and to take account of new developments in data capture and application management, such as *Apply Once*, which allows residents to apply for multiple types of support through a single form.³⁷

Capturing information as part of the application process

Supporting people with their application

All councils should offer alternatives to online forms to ensure support is accessible, for example, telephone applications, assisted self-serve, or applications administered by trusted third-party organisations (all of whom would capture the customer information in the online form).

In addition, councils should systematically record and review the accessibility barriers encountered by applicants. This is crucial to understand whether crisis and resilience support is genuinely equitable and accessible to the people who need it most. People facing a financial crisis often experience compounding barriers, such as limited English proficiency, low digital access,

³⁶ Charlesworth et al., *Evaluation of Local Welfare Assistance: Final Framework and Research Findings*.

³⁷ Apply Once, developed by Policy in Practice, tackles a key barrier to financial support: the need to complete multiple, overlapping applications across different schemes. By unifying eligibility checks, evidence submission and decision logic for national, local and discretionary support, it reduces administrative burden and improves consistency in access. The platform operationalises a “no wrong door” approach, enabling households to secure all the help they qualify for through a single, streamlined application.

disabilities, or mental health conditions, that make it harder to complete applications or provide evidence.

Capturing this information enables councils to identify exclusion patterns, adapt processes and measure improvements in accessibility over time. While there is no single national framework for doing so in England, several existing standards can guide good practice:

- The Equality Act 2010 requires public bodies to monitor and address barriers faced by people with protected characteristics.
- The Local Government Association's Equality Framework for Local Government (2021) encourages councils to collect and analyse data on accessibility to improve service design.
- The Design Council's Inclusive Design principles and the Scottish Government's Social Security Charter both recommend tracking accessibility and user experience data to ensure fair and inclusive delivery.

Together, these principles provide a practical basis for the CRF to embed accessibility monitoring as part of its outcomes framework, ensuring that local crisis support can be improved continuously and designed around the needs of all residents.

Personally Identifiable Information (PII)

PII data is required to assess and award a claim, verify identity and circumstances, and make the award. When anonymised, these data also enable robust evaluation by supporting linkage with other datasets, building a fuller picture of household demographics, the support received and outcomes over time.

Each application should capture PII for all household members, not only the main applicant. While the Household Support Fund (HSF) collects data at the household level, capturing individual-level details goes further by improving the precision of matching, the reliability of aggregation, and the ability to evaluate reach and outcomes across demographic groups. It also helps councils identify overlapping applications and understand the composition of households accessing support.

For each household member, the following information should be recorded:

- First name
- Last name
- Date of Birth
- Relationship to the main applicant

For the main applicant, additional details such as postcode, address, and unique identifiers (e.g. National Insurance number, where available) are required to support verification and matching. Contact details (email address, telephone number, bank details) are used primarily for communication and payment administration.

Collecting PII at this level moves beyond current HSF monitoring, allowing the CRF to generate higher-quality management data and to evaluate impact over time, linking individual circumstances with patterns of access, award decisions, and subsequent outcomes.

Household information

Household-level data is essential to understand who accesses crisis support, how needs differ across groups, and what outcomes follow. While HSF monitoring focuses on broad household categories (for example, those with children, pensioners or disabled people), the CRF should capture individual-level household information to enable deeper analysis of equity and impact.

Information should be collected for each household member, including adults, children and non-dependents, to build an accurate picture of household composition and vulnerability. This approach supports fair and consistent decision-making, improves aggregation, and enables councils to evaluate whether particular groups (such as disabled people, lone parents, or private renters) are more likely to need or miss out on support.

Recommended household information fields include:

- Household composition (number of adults, children and non-dependents, with details for each member)
- Age, disability and health status
- Employment and earnings status
- Tenure type (e.g. social rent, private rent, owner-occupier, temporary accommodation)
- Ethnicity

Capturing this richer level of information goes beyond current HSF reporting and aligns with best practice from the Evaluation of Local Welfare Assistance by Policy in Practice.³⁸ It enables local authorities to move from basic spend and volume monitoring towards meaningful evaluation of how crisis support affects financial stability, vulnerability and longer-term outcomes.

Reason for application

Applications should capture both the presenting need (what support is being requested) and the underlying cause of financial crisis (why support is needed). Distinguishing these helps councils understand not only the type of support provided, but also the drivers of financial hardship, critical to evaluate prevention and resilience.

- **Presenting need (reason for application):** A standardised list capturing the immediate purpose of the application, with the ability to select multiple options. Examples include:
 - Emergency (fire, flood, domestic violence)
 - Food
 - Utility bills or fuel costs
 - Housing costs (rent, deposits, temporary accommodation)
 - White goods (new/replacement)

³⁸ Charlesworth et al., *Evaluation of Local Welfare Assistance: Final Framework and Research Findings*.

- Furniture or household repairs
- Clothing
- Travel (e.g. hospital visiting, essential journeys)
- Setting up a new home (furnishings, carpets)
- Other (with room for a free text explanation)
- **Underlying cause (reason for financial crisis):** A separate list capturing the circumstances that led to the crisis or inability to meet essential costs, also allowing multiple selections. Examples include:
 - Job loss or reduced income
 - Ill health or disability
 - Benefit delays or sanctions
 - Deductions from benefits to repay debt reducing disposable income
 - Persistently low income or inadequate benefit levels to cover essentials
 - Relationship breakdown or separation
 - Bereavement
 - Caring responsibilities
 - Unexpected expense or emergency event
 - Domestic abuse or safeguarding concern

Additional markers can be included to show:

- Whether this is a new or repeat application; and
- Whether the applicant sought help elsewhere first (e.g. DWP, Citizens Advice, local charities).

Application outcome

To track awards and enable evaluation against local authority objectives, understand need and trends in need and to monitor outcome success rates for different applicant cohorts.

For successful awards, the council would capture broad categories of support, with the ability to select multiple entries, e.g.:

- Cash (amount)
- Vouchers (amount, purpose)
- Loan (amount, terms)
- Debt relief (amount, debtor)
- Household goods (what, value, provider)
- Application refused (refusal reason)

Some councils provide only one type of support with one delivery mechanism and so do not record these. For unsuccessful applications, the council would record the refusal reason, and the reasons could be a list e.g.

- Income too high
- Capital available to claimant
- Other relief provided (e.g. S13a Council Tax support)
- Signposted or referred to other organisation
- Insufficient form completion/evidence

- Claim withdrawn
- Multiple applications beyond threshold deemed appropriate

Application and award dates

To monitor service delivery and responsiveness, e.g. the wait time for support, and to allow for evaluation and assessment over particular periods, or by particular advisors.

- Date of application
- Date of delivery of support or refusal decision
- Assessor

Connecting people to wider support

Benefit eligibility and referrals to advice and wider support

To help residents move from crisis response toward financial stability, councils should use the CRF application process to identify eligibility for ongoing support and capture structural drivers of financial crisis. A benefit calculator can be integrated into existing application forms (such as [Policy in Practice's Better Off Calculator](#); see good practice example 2), which allows applicants to see what national and local benefits they are eligible for and to address gaps caused by exclusions such as No Recourse to Public Funds or student status.

Applications should also record signposting and referrals to wider advice and support services, including income maximisation, debt advice, housing advice, employment support and social care. This information helps evaluate how crisis assistance links to prevention, measures the extent of coordinated local support, and reduces the likelihood of repeat applications.

Integration into wider local authority data systems

Councils should consider how CRF applications integrate with existing case management, benefits, and data platforms. Linking CRF data with administrative datasets such as Universal Credit, Council Tax Support, and Housing Benefit can support verification of circumstances and offer insight on shortcomings in the wider social security system e.g. where it is not providing sufficient protection against financial crisis.

Integration with local data systems also provides a foundation for evaluating impact by tracking changes in income, benefit eligibility, housing tenure, arrears and employment (including earnings and status) over time. This approach moves beyond transactional reporting toward understanding how crisis support interacts with the wider welfare system and household outcomes.

Post-support survey

To ensure the CRF process meets residents' needs and supports continuous improvement, councils should collect structured feedback from applicants. A short post-support survey can capture:

- Residents' views of the application process and overall experience
- Perceptions of the adequacy and timeliness of support received
- Suggestions for improving accessibility and communication
- Optional follow-up questions to assess whether referred support was accessed
- Short testimonies or case stories describing the experience of getting support, including how residents were made aware of available support, and its impact on their situation

These qualitative accounts can illustrate how crisis support contributes to financial stability, wellbeing, or reduced repeat need, and can be anonymised for reporting or shared (with consent) as part of local learning and good practice examples.

Contact with residents requires consent and appropriate data protection measures, including the secure use of PII and permission for using survey data in evaluation. It is also crucial that councils make clear that support is not conditional on completing a survey or participating in other research.

Conclusion

The Crisis and Resilience Fund is a welcome step forward for local crisis support in England. The opportunity to provide a more consistent, effective and dignified approach to the provision of crisis support in every local authority area must not be missed. The CRF alone will not solve the persistent hardship and precarious financial situations experienced by so many families and individuals in our country, but we hope the recommendations in this report will help ensure it is as effective as possible at providing a lifeline to people facing financial crisis and helping reduce the need for repeated crisis support. This is essential if we are to achieve our shared goal of ending the need for food banks.

Appendix 1

Recommended minimum data capture for CRF applications

Category	Field / Data items	Level of detail / who for	Purpose / rationale
1. Personally Identifiable Information (PII)	First name, last name, date of birth, relationship to main applicant	All household members	Enables accurate verification, aggregation, and matching for evaluation; captures household composition and reach
	Address, postcode, unique identifiers (e.g. NI number), contact details (email, phone, bank details)	Main applicant	Required for verification, communication, and payments
2. Household information	Number of adults, children, non-dependents	Household level	Identifies household composition for equity and outcome analysis
	Age, disability or health status, employment and earnings status, ethnicity, tenure type	Each household member	Enables analysis of access and outcomes across demographic groups
3. Financial circumstances	Income sources, benefit receipt (UC, Pension Credit, etc.), arrears indicators, cash shortfall/surplus	Main applicant	Assesses financial vulnerability and links support to income adequacy
	Existing debts, rent arrears, Council Tax arrears, utilities arrears	Main applicant	Supports assessment of crisis severity and prevention impact
4. Accessibility and support with application	Assisted application flag; channel used (self-serve, phone, in-person, via partner); support provider name	Main applicant	Captures access route and delivery channel

	Accessibility barriers (language, digital exclusion, literacy, disability, mental health, caring responsibilities)	Main applicant	Enables monitoring of who faces barriers and informs inclusive service design
5. Reason for application	Presenting need: Emergency (fire, flood, DV); food; utilities/fuel; housing costs; white goods; furniture; clothing; travel; setting up new home	Multi-select (application level)	Identifies what support is being requested
	Underlying cause: Job loss/reduced income; ill health/disability; benefit delay/sanction; relationship breakdown; bereavement; caring responsibilities; unexpected expense/emergency; domestic abuse	Multi-select (application level)	Identifies why support is needed; supports analysis of crisis drivers
	New or repeat application flag; previous attempt to access support elsewhere	Application level	Tracks repeat demand and referral pathways
6. Award details	Date of application; date of decision; type of support (cash, voucher, in-kind); award amount/value	Main applicant	Enables tracking of timeliness, spend and intervention type
	Decision outcome (approved/refused/partial); reason for refusal	Application level	Supports transparency, consistency, and evaluation of access barriers
7. Outcomes and follow-up	Subsequent application indicator (Y/N); linked referrals to other services (e.g. advice, mental health, employment)	Household level	Allows tracking of repeat crises and prevention links
	Follow-up check or survey outcome (where applicable)	Household or case level	Enables longitudinal outcome evaluation (e.g. stability, reduced reapplications)

Appendix 2

Cash shortfall analysis

Data

This analysis uses household-level administrative data from 36 local authorities covering seven months, from December 2024 to June 2025. The dataset includes households receiving locally administered benefits such as Housing Benefit, Council Tax Support, or Universal Credit, and who have indicated that they would like to claim Council Tax Support. Across these months, the sample contains over 3.2 million household records.

The households in this dataset are not representative of the working-age population as a whole, nor of all benefit recipients. They represent the lowest-income households receiving locally administered benefits, who are most at risk of financial hardship or crisis. Results should therefore be interpreted as illustrative of conditions among this low-income cohort, rather than generalisable to the wider population.

The 36 local authorities included in this analysis are broadly representative of local authority types and regions but should be treated as an indicative rather than statistically representative sample of Great Britain as a whole.

Method

Household costs are estimated using the latest Office for National Statistics (ONS) Family Spending workbook. Average household spending is taken from the 30th percentile of spending to reflect patterns typical of lower-income households and uprated to the current year using inflation rates. Costs are then equivalised by household size and composition using the OECD equivalisation scale.

Additional costs related to disability are taken into account indirectly, by disregarding any income from disability benefits, though this approach may underestimate the true additional costs faced by disabled households. These costs are averages and should be treated as indicative estimates of essential household expenditure.

Household income is taken directly from administrative data and reflects the income received during each reference month. Comparing these incomes with estimated essential costs allows us to identify households in a negative budget (those whose income is insufficient to cover essential living costs). The analysis focuses on the prevalence of negative budgets within different household groups, meaning the share of households in each group whose income falls below essential costs, rather than the composition of those in deficit.

The same household-level administrative data was used to analyse the impact of the Local Housing Allowance (LHA) freeze. Data from private renters in this sample was used to determine whether rents exceeded current LHA rates. The shadow rents produced by the VOA were then analysed to estimate what the LHA rates would have been in 2025/26 had they been uprated to the 30th

percentile of local rents. This increase was then compared against the household level data to see how many households would no longer face a shortfall between LHA rates and actual rents. The average LHA per region was calculated both for the current frozen LHA rates and the estimated 2025/26 rates (uprated to the 30th percentile of local rents) by averaging the rate across all bedroom sizes in a BRMA, and then all BRMAs in a local region were averaged again. The two regional figures were then compared to understand the average LHA shortfall per region due to the freeze.

Analysis of HSF4

Data

We use local authorities' Household Support Fund (HSF) monitoring returns for England for the period 1 April 2023 to 31 March 2024, published by the Department for Work and Pensions (DWP).³⁹ These returns consist of four tables covering different aspects of expenditure. We merged the tables to create a single dataset at the local authority level, containing information on who was supported, what funding was spent on, and how support was delivered:

Description	Source
Authority	Tables 1–4
Total HSF awarded, total LA spend, number of awards, % award spent	Table 1
% Expenditure on households with children, pensioners, disabled people, and other households	Table 1
% Spend on administration	Table 1
% Spend on food (non-FSM holiday support), FSM holiday support, energy and water, essentials linked to energy/water, wider essentials, housing costs, advice services	Table 2
% Spend on vouchers, cash awards, third-party organisations, tangible items	Table 3
% Spend on application-based support vs proactive support	Table 4

- **Table 1** reports grant allocation and total spend by authority, as well as the breakdown of expenditure by household group (children, pensioners, disabled people, other) and

³⁹ Department for Work and Pensions, 'Household Support Fund 4 Management Information for 1 April 2023 to 31 March 2024'.

administration costs.

- **Table 2** reports the percentage breakdown of spend by category of eligible expenditure (e.g. food, including FSM support in school holidays and food not tied to FSM support in the holidays; utilities; items needed to make use of utilities such as cookers, fridges, heaters; wider essentials not tied to utilities such as clothing, bedding, furniture; housing; and advice).
- **Table 3** reports the percentage of spend by type of support: vouchers, cash awards, third-party organisations, and tangible items.
- **Table 4** reports the percentage of spend delivered proactively vs via application.

We cleaned local authority names and codes and linked all records to 2023 county/unitary boundaries for mapping.⁴⁰ Administrative expenditure is excluded from the cluster analysis. All analyses use unweighted averages and medians of council-reported percentages to describe the typical council's emphasis. Percentages are as reported by councils and categories can overlap (e.g. a council may record spend in both 'food (non-FSM holiday support)' and 'FSM holiday support'), so values do not necessarily sum to 100%.

Clustering and descriptives

We conducted a cluster analysis to identify patterns in councils' HSF spending across household groups, categories of spend, payment channels, and delivery routes. All variables were placed on a common scale using z-scores, ensuring that no single percentage dominated the clustering.

We applied hierarchical clustering using Ward's minimum variance method to group councils with similar spending profiles. Silhouette diagnostics indicate that a two-cluster solution provides the best statistical fit (figure A1), broadly reflecting voucher-led vs cash-leaning approaches. However, inspection of the hierarchical dendrogram (figure A2) shows that one of these clusters consistently divides into two coherent subgroups, distinguished by strongly vs moderately proactive delivery. These two subgroups are geographically and substantively distinct, making the three-cluster solution more useful for interpretation and policy analysis.

As a robustness check, we also applied k-means clustering to the same dataset and aligned its labels to the hierarchical solution. The two methods produced largely consistent groupings, giving confidence in the stability of the three-cluster structure.

⁴⁰ Office for National Statistics, 'Counties and Unitary Authorities (May 2023) Boundaries UK BGC'.

Figure A1. Silhouette method (scaled features) plot

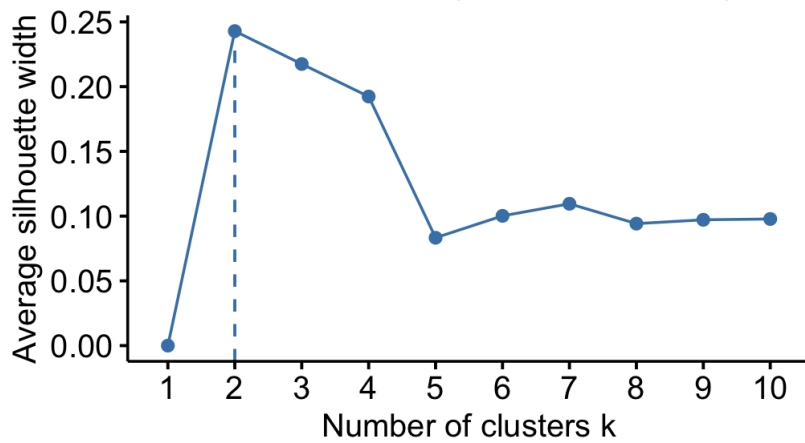
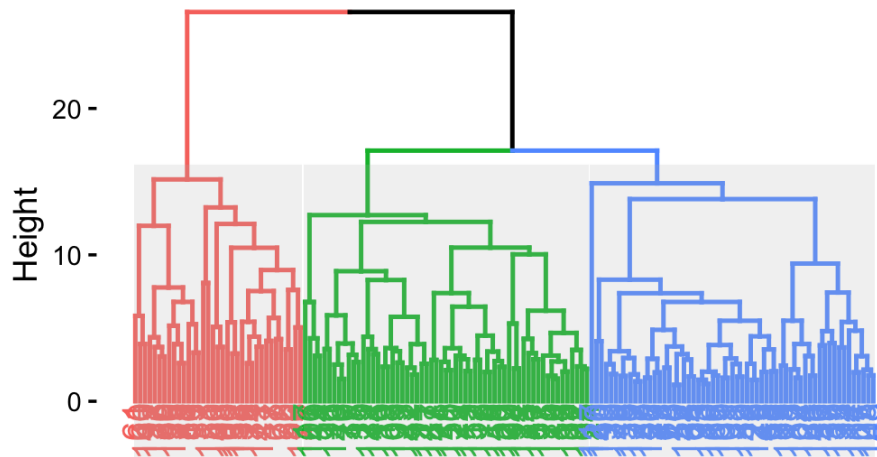


Figure A2. Hierarchical clustering dendrogram



For the quadrant charts, we draw the vertical and horizontal lines at the national averages (unweighted means). The dashed reference line shows parity ($y=x$ for vouchers vs cash) or complementarity ($y=1-x$ for proactive vs claimed). Boxplots show medians and the middle 50% of councils (interquartile range).

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Unit 9, Ashfield Trading Estate,
Ashfield Road, Salisbury SP2 7HL

enquiries@trussell.org.uk

trussell.org.uk

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