

# Shaping the Future of Local Welfare and Crisis Support in England

Inquiry Report  
2025

**The  
Children's  
Society**



**CARERS  
TRUST**



On behalf of the **Save our Local Safety Net** campaign

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## Executive summary

Local crisis support is a vital safety net for individuals and families experiencing financial hardship. However, the current system in England is fragmented, underfunded, and inconsistent, leaving many without the support they need. The Save Our Local Safety Net inquiry examined the future of local welfare and crisis support in England, gathering evidence from local authorities, voluntary and community sector (VCS) organisations, and individuals with lived experience of using local crisis support and/or financial hardship. The findings highlight the urgent need for permanent, ring-fenced funding and a simplified, unified system to replace the Household Support Fund (HSF) and other discretionary support mechanisms.

Local authorities reported significant financial strain, with crisis support often competing with rising demands in social care and homelessness services. Many councils emphasised that the short-term nature of HSF funding has hindered strategic planning and service sustainability. VCS organisations described growing demand for their services due to the erosion of the welfare safety net, with food banks and emergency aid struggling to meet the needs of communities. Individuals with lived experience outlined barriers to accessing support, including complex application processes and inconsistent provision across different local authorities, reinforcing the postcode lottery effect.

The inquiry findings make it clear: crisis support must be embedded within the welfare system as a permanent feature, not a reactive emergency measure. Key recommendations include:

- Establishing a permanent "Financial Crisis and Resilience Fund" with at least £1.25 billion in annual, upfront investment to replace the patchwork of temporary schemes. This would ensure financial security for local authorities, in England allowing them to plan and deliver effective support.
- Introducing a statutory duty for Local Welfare Assistance (LWA), backed by upfront ring-fenced funding, to guarantee minimum support standards across England. Any minimum standard/statutory duty for LWA should include the provision of furniture and white goods. This makes up 37% of current LWA budgets and we wish to ensure a support offering continues.<sup>1</sup>
- Standardising Free School Meal (FSM) holiday support through a national scheme, removing reliance on local crisis support funding and eliminating geographic disparities.
- Enhancing crisis support through a "cash-first" approach, prioritising direct financial assistance with access to wrap-around services to help build financial resilience such as benefits advice, debt advice and mental health support.
- Developing a national data platform to track trends in need, identify at-risk groups, and guide early interventions, ensuring crisis support is both effective and preventative.

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<sup>1</sup> End Furniture Poverty (2024), "[A Bleak Future for Crisis Support](#)", 36.

- Ensuring transparency and accountability through annual DWP-led audits and public reporting, with independent oversight to monitor progress and improve service delivery.

With major cuts to social security planned from next year, it is crucial that funding for local crisis support continues. However, discretionary, local support should not simply be used to prop up an inadequate social security system.

A well-funded and well-designed local crisis support system is essential to prevent a financial crisis from escalating into more sustained hardship. The UK Government must act now to create a permanent, fair, and effective local welfare safety net—one that provides timely support, helps prevent deep financial hardship, and builds financial resilience for the future. Embedding this system of local crisis and resilience support in England is also key to achieving the UK government's aims to tackle high levels of child poverty and need for emergency food parcels, and raise living standards for all.

# Abbreviations and Acronyms

<b>CTR</b>	Council Tax Relief
<b>DHP</b>	Discretionary Housing Payment
<b>DWP</b>	Department for Work and Pensions
<b>DfE</b>	Department for Education
<b>FRS</b>	Family Resources Survey
<b>FSM</b>	Free School Meals
<b>HSF</b>	Household Support Fund
<b>IFAN</b>	Independent Food Aid Network
<b>LA</b>	Local Authority
<b>LGA</b>	Local Government Association
<b>LWA</b>	Local Welfare Assistance
<b>NECPC</b>	North East Child Poverty Commission
<b>NHS</b>	National Health Service
<b>NRPF</b>	No Recourse to Public Funds
<b>VCS</b>	Voluntary and Community Sector

# Introduction

This joint report, presented by The Children’s Society, End Furniture Poverty, Carers Trust, the Independent Food Aid Network (IFAN), Trussell, and Resolve Poverty on behalf of the Crisis Support Working Group leading the Save Our Local Safety Net campaign, reflects the outcomes of a comprehensive inquiry into the future of local crisis support.

The inquiry sought to evaluate the current landscape of local crisis support and envision the framework for permanent, ring-fenced funding essential to its sustainability. Drawing on the perspectives of local authorities, VCS organisations, and individuals with lived experience, the report offers actionable recommendations to establish a robust and equitable local crisis support system capable of addressing both immediate needs and fostering resilience.

## Defining crisis support: Cash-first and wrap-around approaches

Crisis support aims to provide immediate, discretionary assistance that can be accessed without delay. Effective crisis support must be both responsive and dignified, incorporating a ‘cash-first’ or income-focused approach that allows recipients the autonomy to address their most pressing needs. People may require crisis support to meet essential needs such as food, energy, clothing, and household items, ensuring they can maintain a basic standard of living. This support may also cover discretionary housing payments (DHPs), also used in crisis situations when someone is unable to meet their housing costs. Individuals often seek crisis support due to unexpected costs, such as replacing a broken bed or car, or sudden income shocks, like job loss or illness, which leave them unable to cover essential expenses.

Providing cash grants, rather than in-kind donations, empowers individuals and families to make informed choices that best suit their circumstances. A ‘cash-first’ approach does not exclude the direct provision of furniture or white goods in certain instances where this may be preferable. Additionally, the connection with “wrap-around” support—comprising warm referrals to complementary services such as debt advice, housing, mental health, or employment assistance—is crucial to ensure that short-term financial relief contributes to longer-term stability.<sup>2</sup>

## Historical context of local welfare schemes

Local Welfare Assistance (LWA) emerged following the abolition of the Social Fund in 2013, with the intention of decentralising crisis support and enabling local authorities to tailor services more effectively to the needs of their communities. Initially, funding for LWA was ring-fenced, allowing local authorities to use allocated grants specifically for LWA. However, as austerity took hold and local authority budgets were subjected to increasing reductions, this funding eroded, resulting in a fragmented system with significant regional disparities. In August 2024, End Furniture Poverty reported that 36 local authorities in England offered no LWA at all in 2023/24, leaving approximately 14.1 million people without access to crucial

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<sup>2</sup> Daniel Peake, Claire Donovan (End Furniture Poverty 2024), “[A Bleak Future for Crisis Support](#)”, 15-17.

support.<sup>3</sup>LWA schemes, often referred to as 'Crisis Support Scheme,' 'Local Welfare Provision,' 'Help in a Crisis,' or other similar names, operate with distinct budgets (often now deriving from HSF allocations). These schemes provide direct financial support—either in cash or in-kind—to those in need, typically through a structured application process accessible via local authorities' websites.<sup>4</sup>

The depletion of funding for LWA has had profound consequences for the capacity of local authorities to provide consistent, equitable support. The initial establishment of the Social Fund aimed to provide a cohesive national safety net for those in immediate financial crisis. However, the shift towards localised control—exacerbated by austerity—severely undermined the consistency of discretionary crisis support across the country. While decentralisation aimed to foster a community-focused approach, the resultant disparity between regions has grown increasingly stark. In areas where local authority budgets have faced the harshest cuts, LWA was frequently among the first services to be curtailed or eliminated.

The COVID-19 pandemic underscored the acute necessity for robust local crisis support and additional funding was provided to local authorities to support people struggling to afford essential items during the pandemic and subsequently during the cost-of-living crisis via the HSF.<sup>5</sup>

## **The current state of local crisis support in England**

In October 2024, the UK Government extended the HSF until March 2026 within the Autumn Budget. Since its inception in 2021, the HSF has emerged as a vital component of local welfare provision. The extension of the HSF marks a critical step in maintaining support for those in crisis in England.

However, the reliance on temporary funding mechanisms such as the HSF continues to place local authorities in a precarious position. Without the certainty of permanent funding, councils face the persistent risk of abrupt discontinuities that threaten the stability and viability of local crisis support schemes. Feedback from the LGA in July 2024 emphasised the pressing need for a successor scheme, advocating for longer-term funding settlements, a greater focus on crisis prevention and reducing dependency, and enhanced flexibility for authorities to allocate funding according to local needs.<sup>6</sup>

Crucially, 98% of HSF4 recipients reported at least one positive benefit from their award, including help with food and groceries (78%), assistance with energy bills (60%), and reduced need for borrowing (61%). The fund also had wider benefits, such as strengthening the VCS, improving collaboration between local authorities and service providers, and embedding financial resilience support alongside direct aid. These findings underscore the necessity of making crisis support a permanent feature of the social security system rather than a reactive, time-limited intervention.<sup>7</sup>

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<sup>3</sup> Daniel Peake, Claire Donovan (End Furniture Poverty 2024), "[A Bleak Future for Crisis Support](#)", 4, 11-14.

<sup>4</sup> Daniel Peake, Claire Donovan (End Furniture Poverty 2023), "[On the Cliff Edge: Crisis Support 2022/23](#)", 19-20.

<sup>5</sup> Ibid, 11.

<sup>6</sup> Local Government Association (2024), "[Household Support Fund: Research Report](#)", 1-2.

<sup>7</sup> Department for Work & Pensions (2025), "[Evaluation of the Household Support Fund 4](#)".

As a local authority officer explained: ***"The lack of certainty around future HSF funding makes it impossible for us to plan permanent support. We are constantly firefighting."*** The frequent extensions of the HSF have resulted in a disjointed and unpredictable system that fails to provide effective support at the right time for people who need it.

Addressing these systemic issues with permanent, ring-fenced funding is essential to empower local authorities to move beyond short-term interventions, enabling them to develop resilient crisis support systems that foster economic security and social equity.

# 1. Importance of permanent funding

Permanent funding is essential to provide local authorities with the certainty needed to plan and sustain their LWA provision. It would also allow VCS organisations to effectively coordinate and deliver support to financially vulnerable individuals. In May 2024, the Work and Pensions Committee recommended integrating the HSF into the social security system, stating: *“The Household Support Fund should be made a permanent feature of the social security system.”* The Committee further argued that *“This would enable local authorities to plan their provision of discretionary support to households better.”*<sup>8</sup>

The End Furniture Poverty report, *A Bleak Future for Crisis Support*, underscored the vital role that the HSF plays in sustaining LWA. The report found that in 2023/24:<sup>9</sup>

- 65% of LWA budgets were funded by the HSF, amounting to £51.5 million.
- It also highlighted that if the HSF were discontinued, eight additional local authorities would be forced to close their LWA schemes, leaving 44 local authority areas—representing 29% of England—without any crisis support, cutting off 17.8 million people from essential financial assistance.

Responses to the Inquiry from local authorities and VCS organisations made it clear that permanent funding for LWA is crucial.

## 1.1. Impact of loss of funding

A significant concern raised was the potential impact of losing HSF funding altogether. Many councils indicated that without replacement funding from central government, they would have no choice but to wind down their current support provisions entirely. One local authority reported that HSF funding was being used to support 14 advice organisations and fund employment for an additional nine full-time staff members dedicated to coordinating welfare support, information, guidance, and casework, including complex cases in housing, debt, social security benefits, energy, and mental health. The loss of this funding would result in either a significant reduction or a complete cessation of these services.

The potential loss of HSF funding would also have a profound knock-on effect on other services. Councils and VCS organisations highlighted the role of HSF in enabling essential signposting and referrals to wider support.

One local authority explained: ***“We use the process of individuals and households applying for help with financial hardship and fuel voucher provision, both funded via HSF, to signpost applicants to other advice and support. The removal of HSF, and by extension those application-based funds, would therefore close off an important avenue for signposting people to the advice and information that they could benefit from (including benefits maximisation support).”***

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<sup>8</sup> Work and Pensions Committee (2024), [“Benefit levels in the UK: Government’s response to the Committee’s Second Report”](#), 12.

<sup>9</sup> Daniel Peake, Claire Donovan (End Furniture Poverty 2024), [“A Bleak Future for Crisis Support”](#), 4.

Without continued funding, support risks becoming one-dimensional, with local authorities and VCS organisations unable to provide the holistic assistance that individuals and families require.

The impact of budget restraints on LWA have been seen in recent years as some local authorities have closed their LWA scheme, and others have removed their provision for essential furniture and white goods. This exacerbates inequalities in support offerings between authorities and prevents individuals from accessing assistance with the most expensive items they may need to acquire.

## 1.2. Benefits of permanent, ring-fenced funding

Permanent, ring-fenced funding would benefit individuals and families in need of local crisis support, strengthen local authorities and the VCS sector, and improve both local and national support systems. Sustained funding would enable a more strategic approach, leading to more sustainable and longer-term positive outcomes. With secure and predictable funding, local authorities could work collaboratively with local partners to design and develop systems that effectively support people facing immediate financial hardship.

The financial year 2023/24 saw local authority budgets for LWA schemes drop significantly compared to previous years. Funding was only 19% of the amount allocated for discretionary support in 2010/11.<sup>10</sup> Without sufficient investment, councils are struggling to provide adequate support to vulnerable individuals facing financial crises. A recent analysis from End Furniture Poverty estimates that if the 2010/11 discretionary Social Fund budget were adjusted for inflation, it would have amounted to approximately £409 million for LWA in 2023/24, representing a 400% increase over the actual £79 million spent last year.<sup>11</sup> This stark contrast highlights the urgent need for increased funding to ensure that local authorities can meet the growing demand for crisis support. The shortfall in resources risks pushing more low-income households into severe financial distress, exacerbating existing inequalities and straining other welfare services.

Local authorities emphasised that guaranteed permanent funding would also enable them to develop more robust systems aimed at addressing the root causes of hardship. Beyond providing immediate financial relief, LWA schemes could be designed to maximise household incomes, offer employment support, and improve financial resilience. By investing in preventative measures alongside emergency assistance, local authorities would be able to develop more comprehensive welfare strategies in partnership with VCS organisations. This would allow for the delivery of wrap-around support that meets the complex needs of individuals and families.

Additionally, the 2024 LGA study indicates that over half of the feedback from local authorities emphasised the need for long-term, guaranteed funding, as the current six-month settlements under the HSF hinder effective strategic planning.<sup>12</sup> Without financial certainty, local authorities struggle to develop sustainable crisis support

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<sup>10</sup> Ibid; Holly Clarkson, Beatrice Orchard, Lucy Bence-Wilkins, Sarah Fullick and Keir Vincent-Harris (Trussell Trust 2025) "[Evidence review: What does effective local crisis support look like?](#)", 8.

<sup>11</sup> Ibid

<sup>12</sup> Ibid, 18

schemes, instead being forced to make reactive, short-term decisions that fail to address long-term local needs.

Permanent, ring-fenced funding would also facilitate a more integrated, whole-system approach. Instead of relying on piecemeal, temporary funding allocations, councils would have the confidence to develop cross-sector partnerships and integrate services across local government and the VCS sector. With consistent funding, local authorities could harness data-driven approaches to develop robust, locally tailored support that effectively meets community needs.

Additionally, research has demonstrated the wider benefits of structured crisis support. In 2016, the National Audit Office found that every £0.5 million spent on LWA resulted in a £4.8 million saving for public services due to preventing homelessness in Milton Keynes,<sup>13</sup> reducing reliance on emergency healthcare, and lowering social service interventions. However, without a statutory framework and an adequate sustainable funding model, many local authorities cannot maintain these schemes effectively. An analysis conducted by End Furniture Poverty also revealed that for every £1 allocated to LWA, local authorities save over £9 due to decreased demand for homelessness and social services support. Additionally, the wider public sector benefits from savings exceeding £14, as reduced reliance on public services—including healthcare (NHS), the criminal justice system, and social security support—alleviates financial pressure on these essential services.<sup>14</sup>

Ultimately, ensuring the sustainability of permanent, ring-fenced funding would empower both local authorities and VCS organisations to better support those most in need. It would allow them to plan, invest, and implement services that not only address immediate financial crises but also work towards permanent solutions that improve financial stability and reduce future reliance on crisis support.

### **1.3. What funding should look like: Central control versus local flexibility**

Currently, local authorities have full discretion over which households to support through the HSF and how funds are allocated, whether distributed directly or through local charities. While this local flexibility is important, national guidance should provide stronger oversight to ensure consistency and fairness in provision. The UK Government has issued some guidance, stating: *“It is important to stress that The Fund is intended to cover a wide range of low-income households in need, including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people, larger families, single-person households, and those struggling with one-off financial shocks or unforeseen events.”*<sup>15</sup>

Local areas should work collaboratively to establish clear criteria for identifying financially vulnerable households. While national data indicates broad patterns of financial vulnerability, local authorities should be supported in collecting and analysing data to identify specific at-risk households within their communities.

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<sup>13</sup> National Audit Office (2016), [“Local Welfare Provision”](#).

<sup>14</sup> End Furniture Poverty (2024), [“Cost Benefit Analysis of Local Welfare Assistance and Furnished Tenancies”](#), 7-8.

<sup>15</sup> Department for Work & Pensions (2024), [“1 April 2024 to 30 September 2024: Household Support Fund guidance for county councils and unitary authorities in England”](#).

Effective collaboration between local authorities and VCS organisations is crucial in ensuring that those in need can access timely and appropriate support.

Although local flexibility is valuable, respondents to the Inquiry highlighted that complete local autonomy has led to significant variations in support. As one VCS respondent highlighted: ***“The main challenge... is balancing local authority freedom to administer the funds according to local needs with the need to avoid a postcode lottery of rules and regulations. Local autonomy is not a panacea. There are as many examples nationally of poor practice as there are of good practice. Nationally agreed, consistently delivered policy design combined with effective monitoring, review and (public) reporting are vital to make the most of available funds.”***

This inconsistency could be mitigated by stronger national guidance on minimum standards expected in the delivery of local crisis support schemes, and a new statutory duty on local authorities to provide local crisis support could also help ensure there are no areas without a scheme in operation. This stronger national framework could still allow councils to tailor provisions to local needs.

Importantly, local crisis support should be an effective safety net for those facing financial crisis rather than a mechanism for covering gaps left by an inadequate national social security system. It should be part of a well-integrated system that helps provide financial stability for households facing financial precarity.

As one VCS representative stated: ***“Lack of clear future planning in this area, and late announcements for extended limited period funding, makes it difficult for councils to have a long-term strategy. This results in short-term solutions that stifle innovation and limit the impact on those receiving support. Additionally, HSF guidelines can sometimes be at odds with local authority priorities, restricting flexibility in addressing local needs.”***

## 2. A needed shift from reliance on the voluntary and community sector

As the demand for crisis support grows, the burden has increasingly shifted onto charities and voluntary organisations, which were never designed to function as a substitute for a properly funded social security system. Many charities are now operating beyond capacity, struggling to meet demand, leading to closures, volunteer burnout, and service reductions due to financial constraints.<sup>16</sup> The expectation that VCS organisations can continue to absorb this pressure is unsustainable.

One VCS provider expressed concern: ***“We are seeing volunteer burnout at unprecedented levels. The government cannot keep expecting charities to do the work of a functioning welfare system.”***

Food banks and other charitable food aid providers in particular are struggling alongside the advice sector and other frontline local charities.<sup>17</sup>

One provider highlighted the growing reliance on crisis support: ***“We use the HSF to support families in food crisis. In our area, which ranks in the second decile for multiple deprivation indicators, families rely on this fund to purchase food and basic supplies with dignity rather than feeling forced to rely on food banks.”***

### 2.1. The postcode lottery of crisis support

Reliance on VCS organisations exacerbates regional disparities in crisis support. Unlike statutory social security provision, charitable services vary significantly depending on location, funding availability, and organisational capacity. This creates an inconsistent and inequitable system where access to financial assistance is determined by postcode rather than need. A more sustainable approach would involve integrating crisis support into a statutory framework, ensuring uniform access to assistance across all regions.

The lack of a statutory duty to provide crisis support has left LWA schemes vulnerable to cuts, further exacerbating financial hardship. Scotland’s statutory Scottish Welfare Fund ensures consistent emergency assistance, yet in England crisis support remains inconsistent, unreliable, and underfunded.

A local authority official warned: ***“We simply do not have the resources to continue providing crisis support at current levels if additional funding is not secured.”***

As local authorities face severe budget constraints, many have been forced to divert resources from essential services or reduce crisis support altogether. A 2024 LGA survey found that 59% of local authorities would be unable to maintain crisis support if HSF funding were withdrawn.<sup>18</sup>

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<sup>16</sup> Charities Aid Foundation (2024), [“CAF Charity Resilience Index: How the cost-of-living crisis is affecting the sector”](#), 4.

<sup>17</sup> IFAN (2024), [“Eradicating food insecurity while ending the need for food banks and other forms of charitable food aid in the UK – November 2024”](#).

<sup>18</sup> Local Government Association (2024), [“Household Support Fund Survey Report”](#).

Currently, 18 local authorities operate LWA schemes using zero core funding, relying entirely on temporary funds like HSF<sup>19</sup>. Once these allocations end, councils will have to either reallocate funds from already stretched budgets or drastically cut crisis support, leaving thousands without lifeline assistance.

The financial strain on local government is severe, with one in five local authorities at risk of issuing a Section 114 notice—effectively declaring bankruptcy. Since 2020, seven councils have already reached this point, meaning they can only fund legally required services. Since LWA is not a statutory duty, it is among the first to be cut when councils face budget pressures.<sup>20</sup>

This creates a postcode lottery, where access to crisis support is determined not by need, but by the financial health of an individual's local council.

## 2.2. The future of crisis support: A sustainable, integrated approach

Close partnership working between local authorities and the VCS will be essential in delivering a new system of local crisis and resilience support. However, schemes should be delivered by local authorities to ensure more consistent provision of support and to enable effective coordination with preventative advice and support services.

Ensuring crisis support is also be used to connect people with preventative services will help to address the root causes of an individual or family's financial crisis and prevent the need for repeat crisis support applications. Examples of preventative support include:

- Debt advice and income maximisation support to ensure households are financially stable beyond immediate relief.
- Employment support programmes to help individuals achieve long-term financial security.
- Better integration with housing services to prevent crisis situations from recurring.

A properly funded crisis support system should act as both a safety net and a stepping stone to financial resilience. However, without systemic reform, crisis support will remain fragmented, unreliable, and insufficient to meet the needs of those who rely on it.

One local authority respondent emphasised the need for reform: ***“Longer-term consistency would mean investment could be planned and maintained over time. Data could be used to inform and shape how the service is developed to effectively target need.”***

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<sup>19</sup> *ibid* 17.

<sup>20</sup> Daniel Peake, Claire Donovan (End Furniture Poverty 2024), [“End Furniture Poverty 2024”](#), [“A Bleak Future for Crisis Support”](#), 17.

### 3. The role of crisis support in a sustainable social security system

Crisis support has become an essential safety net for individuals and families facing financial hardship. While intended to support people back on their feet following a short-term crisis, it has evolved into a structural necessity due to persistent gaps in the wider social security system.

As the cost-of-living crisis continues, the number of households struggling to afford essentials such as food, rent, and utilities remains persistently high.<sup>21</sup>

A lived experience survey respondent highlighted this growing dependence: ***“I would struggle to pay for basic needs (like food, rent, or bills) if local financial crisis support was not available.”***

However, while crisis support remains vital, the current situation raises concerns about normalising emergency aid as a permanent solution for supporting people on low incomes to meet day to day essential costs. Respondents to the inquiry stressed that while crisis support is necessary, it must be accompanied by improvements to the wider social security system.

#### 3.1. How crisis support fits into the wider social security system

Local crisis support is not intended to act as the primary safety net; instead, it should function as a temporary emergency measure and an opportunity to connect people to advice and wider support to help build financial resilience. However, due to systemic failures, local welfare has now become the de facto safety net for many individuals and families. Since the 2010s, social security cuts and freezes, wider austerity measures and the cost-of-living crisis have eroded the national system’s effectiveness,<sup>22</sup> shifting a growing burden onto local crisis support systems—where they exist.<sup>23</sup>

At the same time, cuts to essential housing support have placed further strain on local crisis assistance. For instance, Discretionary Housing Payments (DHPs)—intended to provide temporary relief for individuals struggling with housing costs in England and Wales—have fallen from £179.5 million in 2020/21 to £100 million in 2024/25.<sup>24</sup> This reduction in funding has happened despite steep rent increases, Local Housing Allowance freezes and higher homelessness.<sup>25</sup> All of which have added to the pressure on local authorities to support people in crisis situations. Similarly, policies such as the five-week wait for Universal Credit have exacerbated

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<sup>21</sup> Joseph Rowntree Foundation (2024) [“No end in sight for living standards crisis: JRF’s cost of living tracker, winter 2024”](#)

<sup>22</sup> Lyle Barker, Koldo Casla (The University of Essex 2024), [“Deflation of Rights Amidst the Cost-of-Living Crisis in England: Submission to the European Committee of Social Rights”](#), 14-24.

<sup>23</sup> Daniel Peake, Claire Donovan (End Furniture Poverty 2024), [“A Bleak Future for Crisis Support”](#), 9-14.

<sup>24</sup> The Department for Work & Pensions (2024), [“Use of Discretionary Housing Payments: analysis of Mid-Year Returns from local authorities, data from April to September 2024”](#).

<sup>25</sup> Crisis (2025), [“Fewer than three in every 100 privately rented properties listed in England are affordable for people on housing benefit”](#)

financial instability, forcing many into debt or dependence on food banks while waiting for their first payment.<sup>26</sup>

The UK's social safety net extends beyond national programmes like Universal Credit and disability benefits, involving crucial services delivered by local authorities and supported by the VCS. These services include LWA for discretionary crisis support, DHPs, and Council Tax Reduction (CTR). Collectively, these form an essential—yet often underappreciated—element of the welfare state, providing timely, targeted support to individuals and families at the local level, precisely when they need it most.

A reliable local safety net is always needed to ensure that individuals facing an immediate crisis—such as an unexpected cost from replacing essential household items, a sudden job loss, or illness—receive swift support. However, it should not be used as a substitute for a comprehensive and functional national system. Instead, local crisis support should complement—not replace—comprehensive national provision. Ideally, these schemes should focus on short-term interventions that stabilise households, while linking individuals to longer-term support mechanisms, ensuring sustained financial stability through a robust national social security system.

This issue is particularly relevant in the context of the upcoming Child Poverty Strategy.<sup>27</sup> A well-resourced local crisis support system should be a key facet of national policy action to reduce child poverty, ensuring that families facing financial crisis can access immediate assistance without being forced into deeper deprivation. The Child Poverty Strategy framework—focused on increasing incomes, reducing essential costs, increasing financial resilience, and improving local support—must explicitly incorporate local crisis support as a priority mechanism to prevent families from falling into destitution.

A well-designed crisis support system can play a vital role in preventing severe hardship, but it cannot and should not replace a functioning welfare state. Without deeper reforms to social security and housing systems, advice, health and employment support services, crisis support will remain a sticking plaster on a fundamentally broken system. The Government must take a strategic, long-term approach that ensures crisis support functions as an emergency safety net, while continuing to address the root causes of financial insecurity through a comprehensive, well-funded welfare state. Ultimately, the need for crisis support should reduce over time if these other systems and services are also updated and working well.

### **3.2. The opportunity to reform crisis support amid ongoing challenges**

Rising costs of housing, food, and energy are not being matched by adequate increases in social security rates, leaving more people reliant on crisis support as a financial lifeline.<sup>28</sup> Without systemic reforms, these short-term interventions will remain necessary but ultimately insufficient in addressing financial insecurity. The

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<sup>26</sup> Policy in Practice (2024), "[Financial Resilience and the Transition to Universal Credit](#)".

<sup>27</sup> Cabinet Office (2024), "[Tackling Child Poverty: Developing Our Strategy](#)".

<sup>28</sup> Joseph Rowntree Foundation (2025), "[Guarantee our Essentials: reforming Universal Credit to ensure we can all afford the essentials in hard times](#)".

reliance on crisis support as an ongoing financial crutch signals a fundamental failure of social security to provide meaningful protection.

A Local Authority representative underscored this reality: ***"If HSF was discontinued, many local organisations that support vulnerable people would struggle to operate, leaving more people without access to food and heating."***

The impact is especially severe for disabled individuals, carers, single parents, and those in precarious housing. Disabled people face disproportionately high living costs, including increased energy usage for medical equipment, transport expenses, and the need for specialist household goods.<sup>29</sup> Yet, existing social security payments currently fail to cover these additional costs, leaving many disabled individuals reliant on crisis support.

As one Lived Experience Survey respondent shared: ***"The additional costs of disability—higher energy bills, specialist equipment, transport—are not taken into account. Crisis support is the only thing keeping us afloat."***

It is deeply concerning, therefore, that the UK government is planning extensive cuts to disabled people's social security from April 2026 pushing hundreds of thousands more people into poverty.

It is crucial that funding for local crisis support continues given this challenging context. As without the HSF, or an equivalent funding stream, the evidence clearly shows local crisis support in England will be further eroded, leaving millions without access to discretionary support in times of financial crisis despite the anticipated rise in need.<sup>30</sup> At the same time, the commitment to funding for HSF for the duration of 2025/26 allows time to design and commit to a new, permanent approach to effective local crisis support, building on the lessons from HSF and Local Welfare Assistance.

### **3.3. Balancing local crisis support with social security reform**

While there is a clear case for making crisis support permanent, it must not become an excuse for inaction on wider welfare reform. The goal should be to create a system where fewer people require crisis support, not one that normalises emergency assistance as a routine part of financial survival.

At present, many individuals seek crisis support not due to sudden emergencies but because the wider social security system fails to cover their essential living costs. Policies such as the benefit cap, the two-child limit, the five-week wait for Universal Credit, the inadequacy of social security payments, which are further reduced by caps and deductions, and rising housing costs have all contributed to a growing reliance on LWA. A respondent noted: ***"Food banks will see more referrals as people slip through the gaps in provision."*** Without addressing these underlying structural issues, crisis support risks becoming a sticking plaster rather than an effective solution to help people through financial crisis and emergency situations.

To strike the right balance, a dual approach is needed:

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<sup>29</sup> Scope (2024), "[Disability Price Tag](#)".

<sup>30</sup> Daniel Peak, Claire Donovan (End Furniture Poverty 2024) "[A Bleak Future for Crisis Support](#)"

- A permanent crisis support system to provide immediate financial assistance to people in acute distress connected to advice and wider support to help address the underlying causes of their financial crisis and build resilience.
- Structural reforms to the welfare state to ensure that individuals have sufficient income in times of need to avoid falling into crisis in the first place.

This means that while local crisis support should be maintained as a necessary intervention, the UK Government must also work to reduce demand for it through policies that ensure fair wages, affordable housing, and an adequate social security system.

### **3.4. A system that prevents crisis and builds resilience**

The case for permanent, ring-fenced crisis support funding is clear. With ongoing economic pressures, rising living costs, and reductions in public services, crisis support has become an essential pillar of the UK's social safety net. However, it must be designed as a safeguard rather than a substitute for a well-functioning social security system. A sustainable approach must integrate crisis support into a broader strategy that strengthens the entire welfare system, ensuring it protects against severe financial hardship while addressing underlying causes of economic insecurity.

To avoid a cycle where crisis support merely compensates for an inadequate welfare state, the UK Government has an opportunity to take a strategic, long-term approach. This includes embedding crisis support as a core feature of social security, alongside reforms that ensure the social security, health, and housing systems work effectively to prevent financial distress. While local crisis support should always be available as an emergency safety net, it must also serve as a gateway to further assistance—helping individuals access income maximisation services, debt advice, and support for longer-term financial stability.

The Child Poverty Strategy framework—focused on increasing incomes, reducing essential costs, and improving local support—must prioritise crisis support as a key element of early intervention and prevention. Investing in long-term, stable funding is crucial to ensure that local authorities can plan strategically, deliver sustainable services, and reduce reliance on emergency interventions. A properly funded local welfare system would allow local authorities to move away from short-term, reactive measures and towards a proactive, coordinated approach that prevents financial hardship before it escalates into crisis.

VCS organisations play a crucial role in supporting local authorities by identifying those in need, providing referrals, and delivering complementary services such as income maximisation advice, mental health support, and assistance for carers. Rather than being relied upon to plug gaps in crisis support, VCS organisations should be integrated into a structured system that allows local authorities to lead on financial provision while VCS partners focus on outreach, advice, and specialist support.

## 4. How local crisis support is best designed locally

Local crisis support should be designed to provide immediate assistance while ensuring long-term stability for individuals facing financial hardship. A well-functioning system must balance rapid response with comprehensive support, ensuring that those in crisis receive timely help without unnecessary barriers or delays. Flexibility is essential, allowing local authorities to tailor assistance to meet specific needs while maintaining a core structure that guarantees consistency and fairness across different areas. Effective crisis support should not operate in isolation but be embedded within a broader framework of financial advice, housing support, and community services. By integrating crisis assistance with other forms of local and national support, individuals can be helped to move beyond immediate hardship and build financial resilience, reducing their reliance on emergency aid over time. The development of local crisis and resilience schemes must prioritise accessibility, simplicity, and responsiveness, ensuring that people can navigate the system easily and receive the support they need when they need it most.

### 4.1. Ensuring rapid and effective crisis support delivery

#### 4.1.1. The cash-first approach

The inquiry responses consistently emphasised the importance of taking a cash-first or income-focused approach when addressing financial hardship through LWA schemes. This perspective was particularly strong among individuals with lived experience of financial hardship. When asked about the most effective forms of crisis support, the overwhelming majority of respondents favoured direct financial assistance for essential expenses such as food and housing over emergency food provision or vouchers. One respondent highlighted the limitations of the current system, explaining that **"HSF [in their area] is only paid in vouchers, but they're not accepted by the shop I use."** This illustrates how restrictive support mechanisms can fail to meet the needs of those they are intended to help.

VCS organisations also pointed to the effectiveness of a cash-first approach in reducing demand for their services. One food bank reported that its data showed a clear correlation between one-off cost-of-living payments administered by the DWP in 2023 and a reduction in the number of people seeking emergency food aid. Other frontline workers reaffirmed the importance of direct financial support, with one stating that **"a cash-first approach is key to supporting people, and it is what a lot of people need."** This evidence suggests that direct financial assistance is not only more dignified and flexible but also helps alleviate pressure on food banks and other crisis services by allowing individuals to make choices that best suit their circumstances.

Local authority representatives at the NECPC roundtable discussion reached a consensus that every local authority in England should be operating a scheme that prioritises cash-first support alongside wrap-around advice. However, due to the discretionary nature of HSF and the inconsistent provision of LWA schemes, this is not currently the case. The need for flexibility in how people are supported was also a key theme in the inquiry responses. One local authority respondent noted the

positive impact of providing essential household items, explaining that **"white goods have had a positive impact on helping people manage health issues—i.e., to chill medicine."** This underscores the importance of allowing local authorities some discretion in tailoring support to individual needs.

A 'cash-first' approach should not prevent local authorities from providing 'in kind' support in instances where this is more appropriate. This includes where direct provision of an item of furniture or white good may be preferable. This may, for example, include situations in which a recipient will find it easier for a local authority to order and organise delivery of a specific item, or where savings can be made through negotiated deals.

This combination of financial support and additional services is referred to as 'cash first'. Local crisis support payments should be integrated with a broader package of assistance, including social security advice and debt support, to help individuals address the root causes of their financial difficulties. Without this, crisis payments risk becoming a short-term fix rather than a stepping stone towards long-term financial stability.

While cash-first support is a crucial component of crisis assistance, it is important to reiterate that it cannot and should not be expected to compensate for systemic failures in the national social security system.

#### 4.1.2. The role of advice services in crisis support

Local crisis support schemes provide a key opportunity for local authorities to connect applicants with additional advice and support to help maximise their incomes, such as debt and benefits advice. An evaluation of LWA schemes in London from Policy in Practice in 2023 found that offering holistic support alongside emergency aid helps individuals manage their finances more effectively and reduces repeat crisis applications. The report highlights that financial hardship is often complex, and short-term assistance alone is insufficient—coordinated support is essential to prevent ongoing crises and improve long-term stability.<sup>31</sup>

Inquiry responses consistently underscored the importance of integrating crisis support with financial advice services. Whether in the form of cash payments, vouchers, or goods, crisis support should not be treated as a standalone intervention but rather as part of a broader strategy to address the root causes of financial hardship. One respondent summarised this need succinctly: **"Giving a one-off food voucher or £100 grant will never solve it."**

There was also some divergence in opinion regarding the value of providing direct cash assistance without additional support. While the majority of respondents endorsed a 'cash-first' approach, a small number of local authority representatives expressed concerns that unconditional payments could lead to **"abuse"** or **"entitlement behaviour."** These respondents advocated for a greater focus on **"tackling issues rather than supporting with food and other goods."** However, existing evidence suggests that embedding financial advice within crisis support systems is a more effective approach than simply restricting access to cash or goods. Studies indicate that individuals facing financial hardship are more likely to

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<sup>31</sup> Zoe Charlesworth, Alex Clegg, Abigail Everett, Policy in Practice (Policy in Practice 2023), "[Evaluation of Local Welfare Assistance Final framework and research findings](#)", 13, 41.

engage with financial planning and income maximisation services when they are delivered in a trusted and supportive environment.<sup>32</sup>

Several local authorities reported using HSF funding to support financial advice initiatives. Some councils incorporated signposting into their crisis support application processes, while others allocated HSF resources to fund advice services. One local authority representative noted: **"HSF funds our community living rooms programme, which is a one-stop shop for advice and resources."** Another reported using HSF funding to provide casework support, including assistance with complex financial situations. While some local authorities did not use HSF for advice provision, the overarching concern was that without continued funding, the availability of essential financial advice services would be significantly diminished, leaving many vulnerable households without access to crucial support.<sup>33</sup>

#### 4.1.3. Raising awareness of crisis support

Public awareness of available crisis support must be significantly improved to ensure that those in need can access help. This issue was highlighted across all three respondent groups in the inquiry. Individuals with lived experience emphasised the need for better promotion of support options through community organisations, local councils, and targeted outreach efforts. One respondent remarked: **"Help is hidden a lot. For decades, I needed help and never knew about the support available."** Many respondents noted that public awareness of local financial assistance remains poor, with some individuals unaware that the HSF even exists. This suggests a substantial gap in communication that must be addressed to improve access to financial support.

Representatives from VCS organisations echoed these concerns, calling for targeted awareness campaigns aimed at vulnerable groups such as low-income households and individuals with disabilities. In addition to general outreach and publicity efforts, one VCS organisation stressed the importance of clarifying that people with No Recourse to Public Funds (NRPF) are eligible to apply for certain types of assistance. The overwhelming consensus was that current promotional efforts are insufficient, leaving many of the most vulnerable individuals unaware of the resources available to them. Improved awareness initiatives are essential to ensure that crisis support reaches people who need it most.

#### 4.1.4. Access to crisis support

A 2022 End Furniture Poverty report found that many unsuccessful LWA applications are due to strict eligibility rules aimed at managing demand rather than a lack of genuine need.<sup>34</sup> In England, most local authorities only accept applications from

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<sup>32</sup> Andrea Finney, Sara Davies, David Collings Katie Cross, Jamie Evans (Personal Finance Research Centre, University of Bristol 2024), "[Evaluating the advice and support services provided through food banks](#)".

<sup>33</sup> Andrea Finney, Sara Davies, David Collings Katie Cross, Jamie Evans (Personal Finance Research Centre, University of Bristol 2024), "[Evaluating the advice and support services provided through food banks](#)".

<sup>34</sup> Adam Nichols and Claire Donovan (End Furniture Poverty), "[The State of Crisis Support: Local Welfare Assistance through Covid and Beyond](#)", 42.

those receiving means-tested benefits, excluding many individuals in crisis.<sup>35</sup> Restrictive application processes limit access to crisis support, particularly for vulnerable groups. One recent study found that nearly 30% of LWA schemes require online-only applications, excluding people without internet access, with older people, disabled people and people experiencing homelessness particularly likely to be impacted.<sup>36</sup> Excessive bureaucracy further delays support, with high documentation requirements and unclear processes creating unnecessary barriers. Additionally, in 2022, End Furniture Poverty reported that 58% of local welfare schemes lack translation services, making applications inaccessible to non-English speakers.<sup>37</sup> Expanding application methods (phone, in-person, postal) and simplifying procedures would improve accessibility and ensure timely assistance for people in need of support.

Ensuring that crisis support is easily accessible is essential in preventing individuals and families from falling deeper into financial hardship. However, responses to the inquiry highlighted significant barriers that make it difficult for some claimants to access the support they need. While some individuals reported finding it straightforward to secure assistance, others encountered unnecessary bureaucratic hurdles. One respondent with lived experience recounted their frustration, stating: **"The first time I applied, I was turned down. I had proof of energy debt, but they would only accept proof from key meter users."** This illustrates how rigid eligibility requirements can exclude people in genuine need, ultimately undermining the effectiveness of crisis support schemes.

This concern was echoed by several local authority representatives, who emphasised the need for future crisis support schemes to be as simple and accessible as possible. The roundtable discussion highlighted that people experiencing financial distress often require urgent support, and **"they should not have to navigate a complex process at what can be an overwhelming time."** However, some local authorities have resorted to implementing restrictive "application windows" to manage demand, meaning that crisis support is not always available when individuals need it most. This creates additional barriers for those in immediate hardship and increases the risk of financial distress escalating into more severe issues, such as homelessness or food insecurity.

VCS organisations also reported similar challenges in supporting service users through the crisis support application process. One organisation described how **"unnecessary layers... put people off,"** while another stressed that crisis support **"should be designed to be easy to access and user-friendly."** In some cases, overly restrictive eligibility criteria further compound these access issues, preventing people from receiving the assistance they need. A VCS organisation responding to the inquiry argued that **"expanded eligibility for anyone experiencing destitution"** would ensure a more inclusive and effective crisis support system. Others recommended broadening eligibility to include individuals experiencing in-work poverty, recognising that financial hardship is not limited to those out of work. Across all three respondent groups, there was a strong consensus on the need to

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<sup>35</sup> Holly Clarkson, Beatrice Orchard, Lucy Bence-Wilkins, Sarah Fullick and Keir Vincent-Harris (Trussell Trust 2025) ["Evidence review: What does effective local crisis support look like?"](#), 16-17.

<sup>36</sup> Holly Clarkson, Beatrice Orchard, Lucy Bence-Wilkins, Sarah Fullick and Keir Vincent-Harris (Trussell Trust 2025) ["Evidence review: What does effective local crisis support look like?"](#)

<sup>37</sup> Adam Nichols and Claire Donovan (End Furniture Poverty), ["The State of Crisis Support: Local Welfare Assistance through Covid and Beyond"](#), 46.

simplify and streamline crisis support processes, ensuring that assistance is readily available to those in need without unnecessary delays or administrative burdens.

## 4.2. Embedding crisis support within holistic welfare and advice services

### 4.2.1. Crisis support as part of a wider ecosystem of local services

Beyond financial advice, there was widespread recognition that crisis support should be embedded within a broader ecosystem of local services that work together to build financial resilience. One respondent described crisis support as ***"a small but key cog helping the rest of the system work for all."*** This perspective was echoed by individuals with lived experience, including one who stated: ***"Services need to work together to reduce the causes behind financial crises where possible and improve resilience."*** Many respondents also highlighted the need for crisis support to be linked with mental health and counselling services, as emotional and psychological challenges often accompany financial distress.

The potential for permanent, ring-fenced funding to enable a more holistic approach to crisis support was also a recurring theme. One local authority argued that such funding would provide ***"very real opportunities to develop a holistic response to individuals and households that provided a 'one-stop shop' approach to responding to individual circumstances."*** Various models of joined-up support were described in the responses, including community hubs that bring together multiple services under one roof, caseworker-led interventions, and system coordination roles. Others called for local authorities to take on a leadership role in coordinating crisis support services and ensuring that the work of VCS organisations is not duplicated but rather integrated into a cohesive LWA strategy.

Respondents also stressed the importance of embedding VCS organisations within local support systems. Doing so not only enhances service delivery but also fosters trust between organisations and the communities they serve. Many VCS organisations operate in community settings, making them well-positioned to reach individuals who might not otherwise engage with formal local authority services. One respondent explained: ***"Incorporating the lived experience of people who have experienced food or fuel insecurity can provide valuable insight as to how systems can be designed that are easy to navigate and affect change in the areas that those who are experiencing hardship find most helpful."***

Some existing partnerships between local authorities and VCS organisations demonstrate the potential for more effective collaboration under a system of permanent, ring-fenced funding. One respondent argued that such funding would ***"enhance the capabilities of what these existing partnerships can achieve."*** Another added: ***"Long-term ring-fenced funding would allow for more effective collaboration and coordination between local authorities and community organisations, leading to a more integrated and user-friendly welfare system. Local authorities could take on a stronger leadership role, facilitating partnerships, improving data sharing, and ensuring strategic oversight."***

A small number of respondents also highlighted the role of social supermarkets and other low-cost community food support initiatives in improving food affordability and reducing social isolation. These initiatives, when integrated into a broader local

support system, can serve as effective touchpoints for engaging individuals with financial advice and crisis support services but cannot replace the provision of direct cash support.

Collaborations between councils and local service providers play a crucial role in strengthening crisis support schemes. A 2021 joint briefing recommended that any individual experiencing financial hardship should be informed of available LWA schemes through their interactions with other support services, such as credit unions.<sup>38</sup> Similarly, a 2019 study on the Scottish Welfare Fund found that direct referrals to advisory services were far more effective than merely providing information, significantly increasing engagement with additional support networks.<sup>39</sup> LWA schemes work best when they are designed and developed through a multi agency approach working with VCS and the local community directly. Local authorities should use locally derived data where it is available and national data where it is not to identify financially vulnerable groups. They should then work with the local VCS and people with lived experience to develop and design a system which is easy to access, navigate and utilise, and which enables local authorities to identify people most likely to need support.

#### 4.2.2. Crisis support and other financial assistance

The inquiry also examined how crisis support interacts with other forms of financial assistance provided by local authorities, such as DHPs and CTR. While some respondents argued that national social security payments should be increased to reduce the need for local discretionary assistance, others supported a more coordinated local approach to financial support. Many local authorities already manage crisis support, DHPs, and CTR within the same teams, increasing the potential for streamlined service delivery. However, it is important to recognise that for some authorities—particularly in areas with two-tier local government structures—achieving this level of integration may present additional challenges, requiring closer coordination and collaboration between different tiers.

One local authority described their approach to integrating different financial support mechanisms, stating that they had combined their LWA provision, DHPs, CTR, and charitable funds **"to deliver good outcomes for residents."** However, respondents cautioned that without ring-fenced funding for crisis support, there is a risk that resources will be diverted towards statutory obligations such as housing costs, limiting the availability of broader financial assistance. Some local authorities also suggested that streamlining application processes could reduce administrative burdens and improve access for residents in need.

Overall, there was strong support for a more holistic, joined-up approach to financial support that prioritises accessibility, sustainability, and early intervention. One local authority respondent summarised this perspective by stating: **"There is potential to better join up various help for residents by capturing information in a more sophisticated way that allows the assessment for multiple services/awards at once."**

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<sup>38</sup> Turn2Us (2021), "[Briefing: Strengthening Local Welfare Assistance](#)", 5.

<sup>39</sup> Hilber, D. and Macleod, M.A. (2019), "[The Scottish Welfare Fund: Strengthening the Safety Net-A Study of Best Practice](#)", 18.

### 4.2.3. Preventing the need for repeat crisis support applications

Inquiry responses highlighted the limitations of short-term crisis support, particularly in the context of systemic challenges such as the shortage of affordable housing and the inadequacy of the social security system. One respondent acknowledged the shortcomings of existing provision, stating: ***"Neither HSF nor our own cost of living fund are changing lives, simply providing a short-term relief from the worst of it."*** While immediate financial assistance is vital in addressing urgent hardship, it does not resolve the underlying issues that lead individuals and families to seek support repeatedly.

Despite these challenges, there is an opportunity for local crisis support schemes to adopt a more preventative approach, integrating financial assistance with advice services and broader support networks. By focusing on early intervention, crisis support can play a role in reducing financial instability over the long term and preventing individuals from requiring repeated applications for emergency assistance. Local authorities responding to the inquiry recognised that when delivered effectively, discretionary crisis support can help avoid more severe financial distress and reduce the demand on other public services. This includes preventing homelessness and delaying or reducing the need for social care interventions.

With this prevention-focused approach in mind, permanent, sustainable funding and clear guidance can enable local authorities to use data more effectively to measure success in reducing repeat applications. By identifying households at risk of recurrent financial crises, local authorities can provide targeted support that extends beyond one-off financial assistance and includes measures such as benefits maximisation, employment support, and financial resilience programmes. Ensuring early intervention is embedded within local crisis support systems would allow for a more strategic and proactive response, ultimately reducing demand for crisis assistance over time.

### 4.2.4. Free School Meals holiday provision

The extensive use of the HSF to fund vouchers for families eligible for Free School Meals (FSM) during the school holidays was another recurring concern. In 2023/24, 44% of the HSF allocation—equivalent to £370 million—was used to fund FSM holiday support.<sup>40</sup> One local authority highlighted that in Devon, 43% of HSF4 was allocated to FSM assistance during school holidays. This level of expenditure significantly reduces the capacity of the HSF to support households experiencing financial crises, diverting funds from their intended purpose. Ensuring that children from low-income families receive adequate nutrition during school holidays is a fundamental issue that requires a sustainable and long-term solution.<sup>41</sup> FSM voucher provision during school holidays should be treated as a separate scheme from local crisis support, operating as a standalone, standardised national programme.

Many respondents argued that a dedicated national FSM holiday scheme would free up HSF resources, allowing local authorities to support a broader range of vulnerable

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<sup>40</sup> Daniel Peake, Claire Donovan (End Furniture Poverty 2024), ["A Bleak Future for Crisis Support"](#), 5.

<sup>41</sup> Margaret Anne Defeyter et al. (2022), ["Understanding the implementation of the holiday activities and food programme in the North East of England using normalization process theory"](#).

individuals facing acute financial hardship. A national scheme would also introduce much-needed stability, enabling long-term planning rather than relying on uncertain and temporary funding allocations. One VCS organisation stated that a permanent scheme would provide **"peace of mind"** to families who depend on this assistance during school breaks. Responses to the inquiry made it clear that the FSM holiday provision is essential but that relying on the HSF for this purpose is an inadequate and temporary fix. One respondent from a VCS organisation emphasised the scale of the problem, stating: **"School holiday hunger is a critical problem and is effectively resolved with holiday payments to parents/carers. Implementation of payments into the national FSM would be most helpful and offer peace of mind to families."** During a roundtable discussion convened by the NECPC, a local authority representative noted that FSM holiday support had a measurable impact in reducing the number of families accessing food banks and experiencing financial crises during school breaks.

The inconsistent delivery of FSM holiday support across different local authorities further reinforces the need for a national programme. Several local authorities reported a postcode lottery effect, with significant variations in the level of support offered to families depending on where they lived. One local authority explained: **"Currently... there are some issues of equity where our residents attend an out-of-borough school where the local authority does not have the same approach as we do, specifically in relation to half-term food provision."** Another local authority raised concerns about disparities in support offered for families in receipt of FSM between councils, noting: **"There is inconsistency on FSM values between councils, meaning that schools in LA borders may have pupils receiving different levels of support depending on where the pupils live."** This inconsistency leads to confusion and distress for families who are left unsure about the support they are eligible for. A centralised national scheme would eliminate these inequities and ensure that all children in need receive equal support regardless of their geographic location.

In addition to concerns about inconsistency, respondents raised issues with the current FSM eligibility criteria. The income threshold for FSM eligibility under Universal Credit is capped at £7,400 per year, an amount widely criticised as being unrealistically low.<sup>42</sup> One VCS organisation described the threshold as **"ridiculously low"**, highlighting that many struggling families do not qualify for FSM support despite experiencing significant financial hardship. Inquiry respondents frequently reported that **"too many families [are] missing out on the benefits of FSM"** due to this restrictive criterion. Several organisations called for FSM holiday support to be delivered on a cash-first basis, while others advocated for automatic enrolment to simplify the application process and ensure that all eligible children receive assistance. One local authority representative suggested increasing payments through the child element of Universal Credit during school holidays, rather than relying on vouchers, as a more effective alternative.

A permanent, standardised, national FSM holiday support scheme is essential to address these issues. Crucially, improvements in social security payments and wages are needed to provide better protection against financial hardship, ensuring that families can afford food and other essential costs throughout the year without having to rely on emergency FSM provisions. Until these structural reforms take

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<sup>42</sup> Food Foundation (2024), ["Why the Government must extend Free School Meals to more children"](#).

place, a dedicated national scheme should be implemented to ensure that children from low-income households receive consistent and adequate support to help protect them from going without the essentials.

## 5. Conclusion and recommendations

The findings of this report highlight the urgent need for a robust, sustainable, and well-integrated system of local welfare crisis support. The evidence demonstrates significant pressure on local systems of discretionary support for people facing financial hardship. While initiatives such as the HSF have played a crucial role in bridging gaps, their short-term nature has led to instability, inefficiencies, and disparities in local provision. Without permanent, ring-fenced funding, the current system will remain fragmented and unreliable, failing to provide the security and dignity that people in crisis need.

A well-functioning crisis support system must be embedded within a broader strategy to prevent financial hardship rather than simply respond to it. This means moving beyond emergency relief towards a model that integrates cash-first assistance with wrap-around support services, ensuring that those in financial distress can access advice, employment support, and long-term financial stability. Without these structural changes, local crisis support will continue to be a sticking plaster for deeper systemic failures in the welfare state.

Local authorities, voluntary organisations, and individuals with lived experience have made it clear that without secure funding, millions will remain vulnerable to financial shocks, with growing reliance on food banks and charitable assistance. The postcode lottery of LWA provision exacerbates inequalities, leaving those in some areas with little or no access to crisis support. Establishing a permanent “Financial Crisis and Resilience Fund” would address these disparities, providing a reliable foundation for local authorities and the voluntary sector to develop sustainable support systems.

Beyond its immediate impact, a well-funded and properly integrated crisis support system aligns with wider government objectives, particularly on child poverty, food bank need and living standards. Preventing financial distress not only protects individuals but also alleviates pressure on public services such as healthcare, housing, and social care.

The case for reform is clear. Crisis support must be seen as a fundamental component of the welfare state, ensuring that no one is left without the means to afford life’s essentials. By committing to permanent funding, strengthening local delivery, and embedding crisis support within a wider financial resilience strategy, the government has an opportunity to create a system that is fair, effective, and future-proofed. The recommendations outlined in this report provide a clear roadmap to achieving that goal.

### 5.2. Primary recommendations for the UK Government

#### 5.2.1. Introduce permanent, ring-fenced Funding for Local Welfare Assistance in England

The UK Government should provide an annual upfront investment of at least £1.25 billion in the forthcoming Spending Review to establish a new, permanent system of local crisis support in England. This funding should be allocated in advance rather than in arrears, ensuring local authorities have the financial certainty needed to plan and deliver effective crisis support without delays. This is equivalent to the funding

provided for the HSF and DHPs in 2024/25, the current level of funding for local welfare assistance drawn from the Revenue Support Grant, plus 10% for new burdens funding. This should be called the “Financial Crisis and Resilience Fund.”

The current two-tier system, with fragmented funding like HSF and DHPs, is inefficient and overly bureaucratic, creating delays for vulnerable households and administrative burdens for local authorities. Replacing it with a simplified, unified, and ring-fenced system would streamline processes, reduce inefficiencies, and ensure faster, fairer access to support.

Funding should be allocated based on local deprivation levels, population size, and regional cost-of-living variations to target the areas most in need. While tied to the Spending Review period initially, the system must be permanent to end the ‘postcode lottery’ and provide local authorities with the certainty to deliver sustainable crisis support. Regular reviews should ensure funding adapts to changing needs, while local authorities should be resourced to manage and report on funds transparently.

### 5.2.2. Co-design and integration of crisis support systems

Crisis support systems should be integrated into broader social security to streamline access and align with national goals. Co-designed frameworks involving local authorities, the VCS, and communities, and drawing on learning from discretionary crisis support schemes in Scotland, Wales and Northern Ireland, can ensure effective, tailored and holistic support.

#### ***Design of Integrated Crisis Support Systems***

Local authorities should work collaboratively with VCS representatives, local Jobcentres, and people with lived experience to ensure there are holistic crisis support systems. These systems should provide support by combining financial assistance with essential services such as advice and support to maximise incomes, housing advice—taking into account specific local needs. Co-design efforts should involve workshops, surveys, and input from service users.

#### ***Integrate Crisis Support into the Broader Social Security System***

The UK Government should ensure that crisis support works effectively alongside the broader social security system to provide timely help during financial emergencies. This includes mechanisms for immediate financial assistance to address urgent needs, such as during benefit delays, through automatic referrals and simplified access processes.

By ensuring that crisis support complements an adequate and effective wider social security system, the UK Government can reduce inefficiencies, better address benefit delays, and tackle the underlying drivers of hardship.

#### ***Statutory Duty for Local Welfare Assistance***

A statutory duty for LWA could ensure consistency and equity in crisis support across England, establishing minimum standards for eligibility, processing times, and levels of support.

To make this duty effective, it must be supported by permanent, ring-fenced funding to avoid placing additional financial burdens on local authorities. By embedding LWA

as a statutory responsibility, the UK Government can close gaps in the safety net and provide a reliable foundation for crisis support nationwide.

### 5.2.3. Establish a standalone national FSM holiday voucher scheme

The Department for Education (DfE) must establish and operationalise a standalone, national FSM holiday scheme before any reliance on the HSF is phased out. This ensures there is no gap in provision for children at risk of food insecurity during school breaks. This must be in addition to the permanent “Financial Crisis and Resilience Fund” and must not lead to any reduction to the separate funding allocated for this fund.

The inconsistent delivery of FSM holiday support across local authorities creates a postcode lottery, leaving families with unequal access to financial support based on where they live. Variations in eligibility, voucher values, and coverage of holiday periods cause confusion and distress, particularly where neighbouring local authorities take different approaches. A national FSM holiday scheme would eliminate these disparities, ensuring all eligible children receive equal support regardless of where they live.

The scheme should standardise support through cash payments rather than vouchers, in line with broader advocacy for cash-first approaches. This method reduces administrative burdens and empowers families to address their unique needs. Automation of enrolment for eligible families is essential to streamline access and minimise barriers to uptake. Additionally, consideration should be given to existing campaigns to widen FSM eligibility.

## 5.3. Principles for local welfare systems

The key principles for LWA systems aim to ensure equitable, accessible, and effective crisis support across all of England. They focus on establishing minimum standards, simplifying application processes, prioritising cash-first approaches, and delivering wrap-around support to address root causes of financial hardship or crisis. Collaborative partnerships, public awareness, robust data utilisation, and regular evaluations underpin these principles, ensuring transparency, accountability, and continuous improvement in meeting community needs and reducing the need for charitable food aid, and people living without essential furniture.

### 5.3.1. Establish minimum standards for local crisis support

The UK Government and local authorities should work together to set minimum standards for local crisis support to ensure fair and consistent access nationwide. These standards should address gaps, such as eligibility for in-work poverty, while allowing flexibility for local adaptation. A national framework, supported by the DWP, should include success metrics, regular evaluations, and good practice guidance, with clear communication to ensure consistency for both administrators and recipients.

### 5.3.2. Prioritise a cash-first approach

A cash-first approach should be prioritised, meaning direct cash payments should take precedence over vouchers, food parcels, or other in-kind items. This approach provides recipients with dignity, autonomy, and the ability to address their specific needs more effectively. Evidence shows that cash-first policies are more efficient and flexible, reducing administrative burdens and ensuring quicker, more tailored support for individuals facing hardship.

While cash-first should be the default, there should still be flexibility for in-kind support (e.g., white goods and essential furniture) in cases where cash may not be practical or preferred. Clear guidance should help local authorities understand these exceptions. Training for staff must ensure consistent application of the cash-first policy across regions, and the approach's effectiveness should be monitored regularly through recipient feedback and impact assessments.

### 5.3.3. Provide wrap-around support services

Local authorities should ensure the effective coordination of crisis support and embed it within an integrated system of local services. Local authorities and their VCS partners should work together on delivering wrap-around services, connecting crisis payments with broader support such as social security advice, debt management, and employment assistance to tackle the root causes of financial hardship and prevent recurring crises.

These services should be tailored to individual needs through partnerships with specialised providers, including housing support, mental health services, and skills training programmes, creating a comprehensive and cohesive approach. Local authorities should oversee regular collaboration meetings to evaluate partnerships, share insights, and adapt services to evolving community needs. Outreach initiatives must prioritise engaging marginalised groups and groups who face barriers to accessing services, ensuring services are inclusive, accessible, and effectively coordinated as part of a unified local support system.

### 5.3.4. Collaborative solutions and stakeholder roles

#### ***Increase public awareness of crisis support options***

The DWP should coordinate public awareness campaigns to increase understanding of available crisis support schemes. Targeted outreach should focus on vulnerable groups, including low-income households and individuals with disabilities, ensuring that those most in need are informed. Campaigns should utilise multiple channels, including social media, community events, and partnerships with local organisations. Beyond outreach, health, social care and schools should be part of the referral pathways if they identify households in crisis.

#### ***Improve accessibility and access to local crisis support***

The UK government and local authorities should implement measures to ensure that local crisis support schemes are accessible, inclusive, and effectively meet the needs of all individuals experiencing financial hardship. A standardised application process with multiple submission methods—online, phone, in-person, and postal—should be established to remove barriers faced by those with limited digital access.

Local authorities must actively promote awareness of available support through public campaigns, collaboration with community organisations, and clear, multilingual communication.

***Develop a national data platform for crisis support***

The DWP should develop a national data platform for crisis support to track trends in need, identify at-risk groups, and guide early interventions. Local authorities should incorporate food insecurity questions aligned with the DWP Family Resources Survey (FRS) to capture trends, particularly as many severely food insecure households do not access food aid. Predictive analytics should be employed to reduce repeat crises and optimise resource allocation. Data-sharing agreements between local authorities and service providers should ensure comprehensive and timely insights, while the platform should track the impact of advice and income-maximisation support to measure effectiveness. Real-time updates should be integrated to enable more responsive and evidence-based decision-making.

### 5.3.5. Implementation safeguards

***Ensure transparency through annual audits***

The DWP should oversee annual audits and public reporting on LWA usage and outcomes, ensuring transparency and accountability. To drive continuous improvement, the DWP should also implement a robust monitoring and evaluation framework, assessing effectiveness and identifying areas for reform. An independent oversight body, or Local Crisis Support Commissioner,<sup>43</sup> should review these systems, ensuring that recommendations from audits are promptly acted upon to address inefficiencies and enhance performance. Findings should be shared publicly to build trust and demonstrate the impact of the “Financial Crisis and Resilience Fund” while supporting evidence-based improvements

***Conduct periodic evaluations of crisis support systems***

The National Audit Office should conduct periodic evaluations of crisis support systems, adapting funding formulas and delivery models based on findings. These reviews will ensure that support systems remain effective, equitable, and responsive to changing needs. Evaluation results should be published to maintain accountability and foster public trust. Any review process should include input from service users to ensure that systems are meeting their needs effectively.

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<sup>43</sup> Ali Cooper and Ivy Mullen (Barnardo’s 2024) [No crib for a bed: A closer look at bed poverty and the Household Support Fund crisis](#)

## Annex: About the inquiry

The Save Our Local Safety Net inquiry on the future of local welfare and crisis support in England gathered responses from a range of stakeholders, including local authorities, VCS organisations, and individuals with lived experience of using local crisis support and/or financial insecurity. These insights have provided a comprehensive understanding of the current challenges and opportunities within local welfare provision.

The inquiry incorporated insights from a roundtable on local crisis and welfare support beyond the HSF, held online on 24<sup>th</sup> October 2024. This event, co-hosted by the North East Child Poverty Commission (NECPC) and The Children’s Society, brought together 39 participants from local authorities, housing associations, Citizens Advice offices, family hubs, food banks, baby banks, and other charitable organisations based on the North East. Discussions centred on the future of crisis support, emphasising the need for permanent, upfront ring-fenced funding, cash-first support, and holistic, wrap-around services. The roundtable highlighted the strengths and limitations of the HSF, including its transformative impact on local welfare provision and the persistent challenges posed by short-term funding and inconsistent administration.

The inquiry also considered insights from an event hosted by the Local Government Association (LGA) titled “What’s Next for the Household Support Fund,” held on 2nd December 2024. This session examined the broader implications of the HSF’s discontinuation, with local authority stakeholders strongly advocating for longer-term funding settlements, greater flexibility in allocation, and a strategic shift toward crisis prevention and reducing dependency.

These discussions reinforced the urgent need for sustainable local crisis support, ensuring that future policy recommendations are informed by the experiences of those delivering and being supported by these essential services.

### Local Authorities

Responses from nine local authorities in England highlighted significant budgetary pressures, particularly related to temporary accommodation and social care costs. Many councils reported that the high expenses of managing homelessness and social care severely restricted their ability to sustain or expand LWA schemes. The inquiry's findings indicate that without statutory, ring-fenced funding, local welfare services remain vulnerable to cuts and inconsistencies, exacerbating the postcode lottery effect inherent in the current system.

Key themes that emerged include:

- **Budget pressures:** The high costs of social services such as social care and temporary accommodation reduce the financial resources available for LWA schemes, limiting the ability of local authorities to consistently allocate funding to welfare assistance.
- **Ring-fenced funding:** Local authorities voiced strong support for permanent ring-fencing of LWA funding. Such measures would guarantee reliable support for individuals in crisis, while also allowing councils the flexibility to adapt their services to meet community-specific needs.

- **Streamlining and coordination:** Several councils recommended simplifying welfare processes to reduce administrative complexity and eliminate duplicated efforts. Effective collaboration with related schemes, such as DHPs and Council Tax Relief, was seen as essential to improve resource utilisation and streamline access for those in need.

### **Voluntary and Charity Sector (VCS)**

The VCS responses, gathered from 40 organisations, focused on the importance of sustaining support mechanisms like the HSF amid rising poverty and hardship . These organisations emphasised that economic pressures—including rising living costs and inadequate social security —have increased reliance on charitable support such as food banks.

Key findings include:

- **Rising demand for services:** Economic stressors are anticipated to lead to a considerable increase in demand for community services. This includes not only food and housing support but also more comprehensive services, such as debt counselling, mental health support, and employment assistance.
- **Impact of HSF withdrawal:** Many VCS organisations expressed concerns that without continued HSF funding, they would struggle to meet the rising demand for crisis support. The uncertainty surrounding HSF funding also hampers their ability to engage in ongoing strategic planning, thus limiting their capacity to develop sustainable support programmes.
- **Awareness and outreach:** A significant gap in public awareness about crisis support options was identified. Respondents suggested targeted awareness campaigns, in partnership with local media, schools, and healthcare providers, to inform vulnerable groups about available support.
- **FSM voucher provision:** VCS organisations advocated for national, standardised support for families eligible for FSMs during school holidays, separated from discretionary, local crisis support schemes. They highlighted the additional burden on families' food budgets during school breaks, making consistent FSM support essential for family stability.

### **Lived experience**

Feedback from 23 individuals with lived experience provided personal insights into the accessibility and efficacy of crisis support.

- **Mixed accessibility:** While some individuals found it relatively easy to access support, others reported encountering significant barriers, such as limited awareness of available services and bureaucratic hurdles. Improving access points and enhancing the visibility of resources emerged as key areas for improvement.
- **Impact of missing crisis support:** Respondents indicated that in the absence of crisis support, they struggled to meet basic needs, such as food, housing and energy, often resorting to borrowing money or relying on informal networks of friends and family. The need for accessible support in a financial crisis to prevent escalating debt was emphasised.
- **Suggestions for improvement:** Respondents called for enhanced promotion of available support through community organisations, local councils, and

targeted outreach initiatives. Direct financial assistance for essential expenses, such as food and housing, was identified as the most beneficial form of support.

We need to save our local safety net. Without permanent national funding, most local crisis support schemes are at risk of disappearing, leaving individuals and families in crisis with nowhere to turn.

**The Save Our Local Safety Net campaign is supported by:**

The Children's Society  
Barnardo's  
Carers Trust  
The Trussell Trust  
End Furniture Poverty  
Turn2Us  
Islington Council  
Save the Children  
Food Matters  
Resolve Poverty  
Independent Food Aid Network  
Step Change  
Sustain  
Lloyds Bank Foundation  
North East Child Poverty Commission

**The  
Children's  
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