

Report to: DMT, Children's Services Department

Date of meeting: 3rd February 2025

By: Mark Hendriks, Head of Partnerships

Title: Crisis and Resilience Fund – East Sussex Delivery Plan Framework

Purpose: To seek DMT steer on the proposed use of the Crisis and Resilience Fund in East Sussex, prior to CMT and Lead Member approval

RECOMMENDATIONS

DMT is recommended to:

- A) Note the background to CRF and the work that is completed and ongoing to develop our local East Sussex CRF Delivery Plan**
 - B) Agree in principle to the overall approach and high-level Delivery Plan Framework, noting that detail will be further developed and appropriate approvals sought for specific elements of the scheme**
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1 Background

- 1.1 The Crisis Resilience Fund (CRF) is a new national funding programme for local authorities in England, launching on 1 April 2026 and running to 31 March 2029. It was announced as part of the June 2025 Spending Review and formally confirmed in Department for Work and Pensions (DWP) guidance published in January 2026. The CRF provides £1 billion per year to councils on a multi-year, ring-fenced basis.
- 1.2 The CRF replaces the Household Support Fund (HSF) and incorporates elements of Discretionary Housing Payments, with the explicit intention of moving from short-term crisis mitigation towards prevention, financial resilience, and reduced reliance on emergency support such as food banks.
- 1.3 The expected allocation to East Sussex is £6.7m in 2026/27 and in 2027/28, excluding CRF Housing Payments which will go straight to District & Borough Councils in these years. An additional £852,286 will be added to the main Fund in 2028/29 when Housing Payments are merged with the main Fund.
- 1.4 Significant planning and engagement has taken place in East Sussex to develop a set of high-levels proposals for the use of CRF. This development work has included all key stakeholders and will be ongoing throughout the course of the development and implementation.
- 1.5 This paper sets out the expectations of the CRF and requests approval for a Delivery Plan Framework for Year 1 2026/27, which will go on to form the basis of the formal Delivery Plan which will be submitted to the Department of Work and Pensions on 01 July 2026.

2 Supporting information

2.1 Key Objectives of the Crisis Resilience Fund

The primary objective of The Fund is to both provide a safety net for those on low incomes who encounter a financial shock and to invest in building local financial resilience to enable individuals and communities to better deal with crises in the long-term, reducing crisis need.

National guidance identifies three main outcomes that all local schemes are expected to address:

- **Provision of effective crisis support**
Rapid, dignified assistance for households facing a financial shock (for example sudden loss of income, unexpected essential costs, or housing pressures).
- **Improving individual's financial resilience**

Activity that helps people stabilise their finances and better withstand future shocks, including advice, income maximisation, and debt support.

- **Bolstering local level support landscape**

Strengthening the wider local support landscape, including partnership working with voluntary and community organisations, to provide joined-up and preventative responses.

2.2 Key Beneficiaries

The primary beneficiaries of the CRF are low-income households experiencing, or at 2.2.1 immediate risk of, financial crisis, *including individuals with disabilities, substance dependency, those experiencing homelessness, care leavers, single-person households, unpaid carers, families with children and Pension age households.*

Local authorities retain discretion to determine eligibility and targeting, within national expectations and reporting requirements.

2.3 Key Expectations of Local Authorities

Under the CRF, councils are expected to:

- Deliver a Crisis Payment scheme that operates all year round
- Adopt a “cash-first” approach, prioritising direct financial assistance over vouchers or in-kind support wherever appropriate
- Develop a local support landscape which ensures that people accessing crisis support are linked to resilience services and that links between these services are more joined up.
- Design schemes that balance immediate crisis response with preventative and resilience-building activity
- Work in partnership with district and borough councils, the VCSE sector, and advice providers
- Develop and submit a formal three-year Delivery Plan to DWP (required by 1 July 2026)
- Collect and submit management information and outcomes data across crisis, housing, resilience, and community coordination activity

2.4 Relationship to the Household Support Fund (HSF)

2.4.1 HSF was introduced in 2021 as a temporary response to the pandemic and cost-of-living crisis and was delivered through a series of short-term extensions, typically 6 or 12 months at a time. It was primarily focused on meeting immediate needs (food, energy, water, essential items) and offered limited ability for councils to plan strategically or invest in long-term prevention. Support was primarily delivered through cash, vouchers or in-kind direct support to households.

2.4.2 In contrast, the CRF is a multi-year (3-year) settlement, providing stability and planning certainty. There is an explicit shift towards prevention and resilience, not solely crisis mitigation, and a stronger emphasis on cash-first support and reducing dependency on emergency food parcels (including through food banks.) There is a revised national framework for outcomes, monitoring, and data collection and CRF incorporates elements of housing-related crisis support, enabling more joined-up responses. It will incorporate CRF Housing Payments (previously Discretionary Housing Payments or DHPs) in Year 3.

2.5 Potential Contribution to ESCC Strategic Priorities

The CRF presents significant opportunities to support key ESCC priorities, including:

- Preventative approaches in Adult Social Care by addressing financial stressors that exacerbate health, care, and safeguarding needs
- Children and families' objectives, particularly in relation to Earlier Intervention and Family Help
- Cost-of-living resilience for residents, maximising resident income, reducing escalation into statutory services

- VCSE sustainability and partnership working, supporting local organisations within a strategic, longer-term funding framework
- Place-based and system working, aligning with district and borough councils and system partners

2.6 Local Engagement with Stakeholders

To develop our proposals for the use of CRF, significant stakeholder engagement has taken place and continues. This includes:

- ESCC participated in **DWP policy development sessions** in summer 2025, for which the Partnerships Team gathered local stakeholder feedback to inform the development of CRF
- Workshop activities with all partners at the **Multi-agency Financial Inclusion Steering Group** - October and November 2025
- Scoping discussions with **Adult Social Care, Public Health, Children's Services and District & Borough Councils** - November – December 2025
- **CRF Reference Group** with internal departments and external stakeholders represented

The CRF Reference Group has endorsed the proposals set out in this report.

2.7 Local Draft Delivery Plan Framework

2.7.1 Our outline proposals for CRF are set out in Appendix 1. These are organised into the following CRF components, which will be required by the DWP for our formal Delivery Plan:

- Crisis Payments: Providing support to those in crisis
- Resilience Services: Funding for services delivered by Authorities or external providers to improve financial resilience
- Community Coordination: Investment in activities that connect and enhance the local support landscape

2.7.2 We have also estimated some of the likely costs of Scheme Management and Development.

2.7.3 The level of detail underpinning these overall proposals varies, with some elements being based on existing or well-known service models that we will seek to continue or enhance, and others requiring detailed scoping to specify.

2.7.4 Initial conversations have been held with procurement to explore the options and requirements to secure services from external partners. However, our local market of provision in this area is well-developed, supported by existing commissioning and funding arrangements and established partnership working approaches. Our overall intention will be to prioritise local delivery, collaboration, support 'what works' and follow the best practices developed through the VCSE Commissioning Excellence Programme.

2.7.5 The framework of investment from HSF to CRF does represent a significant shift from crisis support to prevention, resilience and infrastructure – but this is required by the guidance and is supported by local stakeholders.

2.7.6 For illustration, approximately 90% of HSF was allocated to direct support to households (in cash, vouchers or in-kind support), whereas in CRF our investment in crisis support is expected to be just under 60% in Year 1. However, our evidence suggests that this is manageable and appropriate because:

- o Not all 'demand' for direct support through HSF represents a clear assessed need for crisis support. For example, Huggg vouchers are currently issued with standard eligibility criteria, and District & Borough HSF payments have limited eligibility thresholds and no individual assessment. It is very likely that not all recipients of HSF will come forward for CRF crisis payments, which will have more structured criteria and eligibility requirements.
- o Most elements of HSF are delivered without prevention, resilience building and income maximisation. With CRF, the support infrastructure will be significantly increased. This will increase the capacity of local organisations to help households

deal with the root causes of their vulnerability and should reduce the need for crisis payments.

- o In some areas, HSF is not fully spent at the end of January 2026. Whilst we do expect to use the current round of HSF fully, there is some evidence of a reduction in need/demand for this type of support, but with ongoing high demand for advice and other resilience-building support.
- o We anticipate retaining local discretion at an East Sussex level and a scheme management level to monitor, evaluate and adjust funding levels to different parts of the local scheme within Year 1 and particularly between years. This will be important in order to continually assess and respond to changing need and learning from our interventions and delivery partners.

2.7.7 A key opportunity with CRF is to maximise the opportunity to take a one Council approach to supporting households who are financially vulnerable, whether they are families with children or adult households. This means retaining some investment in interventions that support specific household types but also ensuring that all partners are better connected and better understand the range of support that is available to support our households and communities.

2.8 **Key Risks, Opportunities and Considerations – these will be managed through programme and project management arrangements within the Partnerships Team**

Key Risks

- Demand exceeds available funding, given rising need and static national allocations
- Transition risk from HSF to CRF, particularly service and staff continuity in the VCSE
- Procurement and mobilisation timescales to establish new services
- Inconsistent access if eligibility criteria or referral routes are unclear
- Recording infrastructure to record crisis payment recipients/ track household-level outcomes required for DWP reporting
- Data and reporting requirement particularly across multiple service interventions
- Smooth integration of CRF housing payments from D&Bs to unitary Authority in year 3 of the fund, managed in the context of Local Government Reorganisation

Key Opportunities

- Ability to move from reactive to preventative support
- Greater financial dignity and choice for residents through cash-first approaches and greater resilience
- Improved strategic alignment across welfare, care, housing, advice, employments/skills and community support sectors and between ESCC departments
- Stronger evidence bases to inform future local and national policy
- Long-term investment in crisis and resilience infrastructure to positively impact the lives of East Sussex residents

3 Conclusion and recommendations

- 3.1 The Crisis and Resilience Fund provides a significant opportunity to support residents and households in East Sussex and support a number of objectives of ESCC and system partners.
- 3.2 This report is for information/steer from DMTs (and CMT) prior to decision by Lead Members for Adult Social Care & Health and Children & Families.
- 3.3 The decision on the overall use of CRF in East Sussex is a key decision.
- 3.4 The Lead Member reports will request that decisions on the detailed use of CRF is delegated to the Director for Adult Social Care & Health, in consultation with the Director for Children's Services.
- 3.5 DMT are recommended to note the background to CRF and the work that is completed and ongoing to develop our local East Sussex CRF Delivery Plan and agree in principle to the overall approach and high-level Delivery Plan Framework, noting that detail will be further developed and appropriate approvals sought for specific elements of the scheme.

Mark Hendriks

Head of Partnerships

Tel. No: Mark Hendriks

Email: mark.hendriks@eastsussex.gov.uk

Appendix 1:

East Sussex CRF Delivery Plan Framework - Final Draft