

Report to: DMT (ASC&H and CSD)

Date of meeting: 4th November 2025

By: Mark Hendriks, Head of Partnerships

Title: Crisis and Resilience Fund: what we know so far

Purpose: To set out the expected direction of the forthcoming Crisis Resilience Fund

RECOMMENDATIONS

- 1) DMT are recommended to note the forthcoming end of Household Support Fund and introduction of a new Crisis & Resilience Fund, and:
 - a. Note the opportunities and risks set out in this report.
 - b. Support and comment on the direction of travel and next steps.
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1 Background

- 1.1 In the [June 2025 Spending Review](#) the Government announced plans for a new Crisis Resilience Fund (CRF), which would replace the current Household Support Fund (HSF) and would incorporate funding for Discretionary Housing Payments (DHPs).
- 1.2 The CRF will be a multi-year settlement and is expected to have a value of £1 billion including £842 million for England. The [value of HSF in 2025/26](#) is £742 million for England.
- 1.3 The stated vision of CRF is to *“provide a safety net for those on low incomes who experience a financial shock, whilst also investing in local financial resilience to enable communities to better deal with crises in the long-term, reducing dependency and repeat need. This includes contributing towards the Government’s ambition to reduce the mass dependence on emergency food parcels, as set out in the Government’s manifesto.”*
- 1.4 The fund will focus on three main areas:
 1. Provision and access to effective crisis support.
 2. Improving individuals’ and local communities’ financial resilience
 3. Bolstering community level support
- 1.5 Specific outcomes are still to be finalised, but initial assumptions are the fund can contribute to a reduction in use in emergency food parcels, levels of homelessness, child poverty and problem debt.
- 1.6 During summer 2025, ESCC was one of twelve local authorities who participated in DWP co-design workshops for the new CRF (2 Upper Tier, 3 Lower Tier and 7 Unitary.) This participation has given us early indications of the policy direction of CRF and the opportunity to start scoping options ahead of the issuing of local allocations and guidance (expected by January 2026).
- 1.7 In addition, the well-developed partnership of the East Sussex Multi-Agency Financial Inclusion Steering Group (MAFISG) and associated partner arrangements has enabled us to develop a good local understanding of need, local service capacity, and to discuss, test and evaluate a number of approaches to support resident financial wellbeing, including addressing crisis and building resilience.
- 1.8 The nature of CRF, as a multi-year fund with an increased focus on prevention and resilience, presents a significant opportunity to invest in interventions that are better targeted at the root causes of financial insecurity than support that is being delivered through HSF.

- 1.9 However, this would involve risks around reducing or stopping support that has been in place through HSF that appear to be meeting an ongoing need and may have created an expectancy and dependency. This includes, for example, the provision of HUGGG food vouchers for children eligible for free school meals in the school holidays. The DWP have indicated that a large-scale voucher scheme targeting this cohort will not be eligible under the new guidance.
- 1.10 It is expected that the allocations and guidance for CRF will be available in December 2025 or January 2026. It is also now expected that DHPs will not be fully integrated into the new CRF until 2028.

2 Supporting information.

- 2.1 Since October 2021 the Government have provided local authorities with the Household Support Fund to help households struggling with the cost of living. Local delivery of HSF in East Sussex has been through multiple partners, including directly through Children's Services, D&Bs, the VCSE, and Food Partnerships and Food Banks.
- 2.2 In 2025/26, the allocation of HSF is:

Delivery Partner	Type of support	Value
CSD	School holiday vouchers for families eligible for Free School Meals and targeted support to families in need that social care teams are working with	£3,559,400
D&Bs	Financial assistance for energy food and water costs and 'wider essentials'	£1,375,601
VCSE	Food vouchers, energy and water vouchers, cash awards for essentials linked to energy and water, cash awards for wider essentials, financial assistance for exceptional housing costs.	£1,140,120
VCSE	Advice Services	£242,000
Food Partnerships	Food sustainability projects	£160,000
Food Banks	Food supplies for food bank service users	£246,500
British Red Cross	Hospital Discharge emergency food parcels	£3,000
Citizens Advice 1066 (Public Health Energy Programme)	Warmer Homes project	£50,000

- 2.3 Whilst our delivery of HSF has been successful and has reached over 36,000 households each year, HSF does have limitations which are recognised locally and by the DWP:

HSF Strengths	HSF Weaknesses
Rapid and Targeted Response Councils can act swiftly to meet urgent local need delivering essential support to households facing financial hardship.	Variation of support provided Variation in approaches and level of spend by LAs signals different priorities and focus of their schemes.
Strong Local Partnerships: Collaboration with voluntary sector organisations, housing providers, and advice services enhance reach and effectiveness.	Providing more preventative support Greater emphasis on preventative support that was brought in during HSF6, but this remains a limited part of HSF.
Efficient Use of Resources: High levels of fund utilisation demonstrated councils' ability to manage and distribute discretionary funding effectively.	Funding term and planning Short notice of HSF extensions and guidance hindered ability of LAs and delivery partners to plan strategically.
Adapted to Evolving Needs Councils refined delivery approaches across funding rounds, responding to changing pressures and feedback.	Funding could be simpler There are different funding streams LAs draw on for crisis support and they have different rules, which can hamper efficiency of delivery and administration
Positive Resident Outcomes: Support helped residents stay housed, warm, and fed, with many reporting reduced stress and improved financial stability.	Need for shared learning There was not enough evidence of what worked well for HSF and limited sharing of best practice

- 2.4 CRF seeks to address some of these learning points and create a Fund that can help residents cope with the impact of financial shocks whilst investing in the infrastructure and resilience-building interventions that can reduce the impact of financial insecurity in the longer term.
- 2.5 In principle, the expected focus and flexibility of the CRF and the multi-year award, presents significant opportunities to do things differently and invest in interventions that change people's longer-term outcomes. However, it is also true that shifting investments from crisis response to prevention/resilience is challenging when many services continue to report demand outstripping the support available and when many residents have come to rely on the direct financial support which has been provided by HSF.
- 2.6 Early discussions in East Sussex suggest that there are real opportunities to use CRF to:
- Prioritise investment in services and projects that maximise people's income through benefits and entitlements – helping more people onto a more sustainable financial footing.
 - Invest in front-line services that can work with at-risk households and families in a holistic way that wraps service delivery around people, seeks to address crisis and tackle root causes of financial hardship – with crisis support as 'needs -based' and always a pathway to resilience building.
 - Focus on working with the VCSE to harness their strengths in knowing the need within communities and having established access points and trusted relationships.
 - Invest in roles that support residents within a community infrastructure which enables financial wellbeing and resilience.

- Target support at seldom heard, hard to reach or excluded groups (including digitally excluded)
- Refocus support on interventions that help people manage and reduce their costs in terms of food, energy and wider essentials, rather than just cope with the costs.
- Streamline service delivery through fewer partners, making access to support clearer and more accessible whilst also reducing the risk of duplicating support.
- Strengthen and make more consistent our approach to conditionality – ensuring support is delivered to people with an expectation of taking steps towards greater resilience.
- More clearly join up the delivery of CRF with other known priority needs that are known to intersect with financial hardship e.g. employability, housing insecurity, poor mental and physical health
- Apply the delivery of CRF in ways which directly and indirectly support Council-wide and Departmental priorities e.g. Helping People to Help Themselves, Prevention (in Adult Social Care & Health) and Early Intervention & Prevention (in Children's Services).

2.7 In order to realise these opportunities, there may need to be a reprioritisation of some of the features of current HSF service delivery:

- Move away from a Children/Adults split to the CRF and establish a more holistic understanding of who is in most need in East Sussex
- Move away from working through multiple partners and establish a smaller group of strategic delivery partners who can coordinate and cascade the fund as required.
- Reduce investment in repeated direct awards which do not address underlying need, including reducing or stopping school holiday vouchers for families eligible for Free School Meals

Each of the above potential shifts carry inherent risks which need to be understood and mitigated to build a consensus around different ways of working and delivery models.

2.8 The work to build a consensus on “what works” has begun through internal discussions and MAFISG which held a successful event in October, which generated several outline delivery models for crisis and resilience support. These will be worked up and tested through the MAFISG partnership, in anticipation of the CRF allocation and guidance this winter.

2.9 In addition, a specific workshop will be held with key leads in Children's Services to explore the alternative ways of supporting families in food poverty to support the move away from the current holiday voucher scheme. Alternative proposals will consider:

- How to support families most in need
- How to provide crisis support with an associated resilience offer
- How to communicate and engage with families and stakeholders to manage the transition to a different model of support.

2.10 The transition from HSF presents opportunities as well as risks. The risks can be mitigated through stakeholder engagement and a clear communication strategy for the public, introducing service models that are clearly evidence-based and support good outcomes for residents, and by considering a phased transition from existing to new service delivery models where feasible.

2.11 **Next steps will include:**

- Developing outline service delivery models with key stakeholders
- Specifically develop alternative delivery models to replace school holiday food vouchers for children
- Schedule papers for DMTs, CMT and Lead Members in early 2026, in line with the publication timescales of allocations and guidance
- Implementation of CRF from April 2026, with some aspects likely to be phased in

2.12 Development of proposals for CRF and coordination of the Fund deliver will be led by the Partnerships Team, as part of the Financial Inclusion programme, but with ongoing close collaboration with Children's Services and other Council departments.

3. Conclusion and reasons for recommendations

- 3.1 With the knowledge that the Household Support Fund is coming to an end and will be replaced by the Crisis & Resilience Fund from April 2026, ESCC have been engaging closely with the DWP and other stakeholders to develop thinking for the new fund.
- 3.2 This paper sets out what we know to date and describes a general direction of travel and next steps. DMT are asked to note this and:
 - a. Note the opportunities and risks set out in this report.
 - b. Support and comment on the direction of travel and next steps.

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