

Children's Services Departmental Management Team Report

Title of Report:	Crisis Resilience Fund: CSD proposals
Type of Report	DMT meeting
Date of meeting OR date to be circulated virtually	Tuesday, 13 January 2026
Virtual Reports only (response required by)	Click or tap to enter a date.
Report is for:	Decision
Author of Report:	
DMT Member:	Lou Carter

1. Purpose of Report

- 1.1 To provide an update following the release of the Department of Work and Pensions (DWP) guidance on the Crisis Resilience Fund (currently embargoed).
- 1.2 To share draft CSD proposals for the use of the fund to support families and children.

2. Recommendations and Conclusion

- 2.1 Note the opportunities and risks set out below.
- 2.2 Discuss the proposals and agree which should be included in CMT/Lead Member reports and whether there are any additional proposals to include.
- 2.3 To agree that the lead for the Crisis Resilience Fund in CSD moves from Jessica Stubbings to Atiya Gourlay given the change in focus of this new fund.
- 2.4 To agree that ASCH's Partnership Team are the lead for the Crisis Resilience Fund for the Council with decision making through their Lead Member.
- 2.5 To discuss how best to achieve a balance of crisis payments and effective investment in prevention services particularly in year 1.

3. Background

- 3.1 In the [June 2025 Spending Review](#) the Government announced plans for a new Crisis Resilience Fund (CRF) which replaces the current Household Support Fund (HSF) and incorporates funding for Discretionary Housing Payments (DHPs) and introduces a consolidated grant distributed via the Local Government Finance Settlement.
- 3.2 On 19 December 2025 the DWP released CRF guidance for local authorities and the [provisional allocations](#). The grant period runs from 1 April 2026 until 31 March 2029, and the funding allocation is:

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Year	National CRF Allocation	East Sussex CRF Allocation
2026/27	£831 million	£6.7 million
2027/28	£830.6 million	£6.7 million
2028/29	£831.2 million	£7.7 million
Over 3 years	£2,492.8 million	£21.1 million

3.3 The purpose of CRF is twofold:

Immediate Crisis Support - to assist low-income households facing financial shocks through cash-first Crisis Payments and Housing Payments.

Building Financial Resilience - to invest in services and community coordination to reduce future crisis need.

The Fund objectives are:

Outcome 1: Deliver effective crisis support to prevent escalation of hardship.

Outcome 2: Improve individuals' financial resilience (income maximisation, debt reduction, savings).

Outcome 3: Strengthen local support networks through coordination and referral pathways.

3.4 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 the support that is being delivered through HSF.

3.5 The CRF guidance states that local authorities should adopt a cash-first approach to awarding Crisis Payments. This cash-first approach prioritises cash payments (including physical and digital methods such as physical cash, bank transfer and cash-out vouchers). Whilst significantly different from the HSF, crucially, cash-first does not mean cash-only. By adopting a person-centred approach, authorities are expected to use professional judgement to identify where a cash payment does not meet the needs of the applicant and other provision (such as vouchers or good in-kind) is more appropriate. This will require strong governance and robust process are in place to manage the ongoing application process.

3.6 The CRF guidance also states:

“Authorities should use their discretion to prioritise funding efficiently within their own CRF schemes, including when considering how best to support families in crisis to ensure the poorest children do not go hungry in the school holidays. This may not be through the blanket provision of vouchers to those on free-school meals, as we recognise that some Free School Meal eligible families may not routinely need crisis support during every school holiday. Authorities should consider how best to support the poorest and most in need households.

Authorities should also consider how the needs of affected families will continue to be met through the CRF's Resilience Services and Authorities' wider local welfare offer. This could include:

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- *ensuring families eligible for Free School Meals are aware of and can access Resilience Services. Particularly support to ensure families are claiming all welfare support they are entitled to.*
- *coordination with the Holiday Activities and Food (HAF) Programme, which supports children from lower-income families by providing free meals and enriching activities during school holidays. Authorities can choose to use the CRF funding to supplement or expand HAF provision, where it aligns with the Fund's outcomes on resilience.*
- *engaging with families at risk of food insecurity by working closely with schools and Family Hubs.”*

This means that current HSF the provision of HUGGG food vouchers for children eligible for free school meals in the school holidays will need to be ceased. If this significant change is not managed and communicated effectively, there is a risk that the families who currently receive these HSF funded HUGGG vouchers will present at other services, putting new pressure on services. In response to the CFR guidance, CSD teams have proposed alternative uses of the funds, as set out in Appendix 1.

3.7 When designing schemes that integrate crisis support with resilience-building services it will be important to ensure there is an emphasis on applicants engage effectively with prevention services. There are good local schemes on which to build. For example, Hailsham Food operates a More Than Food programme which connects foodbank voucher recipients directly to additional support alongside food to help people address the underlying issues behind their crisis.

3.8 Joint working with ASCH, the Multi-agency Financial Inclusion Steering Group, a CSD workshop and focused discussions with managers and teams have been ongoing to inform the design of schemes that integrate crisis support with resilience-building services. A multi-agency CRF Reference Group has been formed, chaired by ASCH. CSD proposals for use of the fund to support families are set out in Appendix 1. This includes a proposal to temporarily continue to provide HUGGG food vouchers for FSM children for the Easter holidays and the May half-term 2026 to give the local authority time to communicate the change and phase out the vouchers.

4. Budget Implications

4.1 See Appendix 1 for CSD proposals. Proposals 1 and 2 have previously been covered under HSF. Proposal 5 is an interim proposal to mitigate the risk of ceasing FSM holiday food vouchers and would not be continued in years 2 and 3.

4.2 Proposal 10, currently uncosted, is likely to be significant. The specification for this jointly commissioned service, to be codesigned with ASCH and partners is unlikely to be operational until late in year 1. Without effective prevention services in place there is likely to be a greater spend on crisis payments in year 1 than subsequent years.

4.3 CSD's HSF allocation for 2025/26 is £3,559,400. Assigning costs to the new proposals is likely to bring proposal totals close to this figure.

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5. Tick boxes section -add comments if yes

☐ No ☒ Yes EQIA (is an EQIA required). If yes: This will be carried out by EPSP

[if yes please also contact [REDACTED] Lead - Equality, Participation and Strategic Partnerships to discuss]

☒ No ☐ Yes Digital (are there implications for the Department's digital strategy). If yes:

[if yes please also contact [REDACTED] CS Children's Services Digital Programme Manager to discuss]

☐ No ☒ Yes Stakeholder consultations (please tick if required/have been undertaken).
If yes: MAFISG and CRF Reference Group

☒ No ☐ Yes Have Carbon footprint implications been considered. If yes:

☐ No ☒ Yes Risks or Public Relation Issues. If yes:

☐ No ☒ Yes Further reports required? If yes where to: These will be done with ASCH

List of Appendices:

Appendix 1: CSD CRF areas for development