

Briefing

Renew and improve

Setting up the Household Support Fund for the future

May 2025

Alex Clegg, Ruth Patrick, Jed Meers, Mike Brewer, Uisce Jordan, Millie Light, Rhiannon Simms, Hayley Bennett, Beth Watts-Cobbe and Joe Pardoe.

Summary

All social security systems require crisis support to prevent sudden increases in a family's costs from causing destitution or spiralling debts. Since 2021, crisis support in England has largely been provided through the Household Support Fund (HSF). Conceived of as a temporary post-Covid-19 initiative, the HSF has already been renewed six times and will have provided an estimated 80 million awards by the time its current funding runs out in March 2026, at a total value of £3.7 billion. At the upcoming Spending Review, the Government has a chance to deliver a long-term settlement for the HSF and safeguard the future of crisis support.

In recent years, politicians have frequently pointed to renewals of the HSF in efforts to signal that they are taking steps to support low-income households. But as the rhetorical and political emphasis on the scheme has persisted, the total value of each wave of the fund has declined in real terms, and there has been a cut in cash terms for the 2025-26 wave. In real terms, the six-monthly value of the fund has declined by 27 per cent between 2021-22 and 2025-26. If it had increased with inflation, the six-monthly value of the fund in England would now be £517 million instead of £371 million.

So far, the HSF has been renewed in bursts of funding lasting 6 or 12 months, reflecting the initial intention that the scheme would be a temporary salve until the grips of the Covid-19 crisis, and then the cost of living crisis, eased. These short-term renewals have created administrative issues for local authorities, which they report have limited the scheme's effectiveness. Local authorities have been given as little as a few weeks' notice of the scheme's renewal for some waves, giving them little time to plan the allocation of awards and making it impossible to retain administrative staff. They are also expected to cover the costs of administering the fund from the money allocated to them to provide awards, leading to trade-offs between maximising the value of the fund and providing a well-designed and

targeted scheme. This contrasts with Discretionary Housing Payments (DHPs), which include additional ringfenced funding to cover administration worth nearly 16 per cent of the total DHP budget.

There has been wide variation between local authorities in how their allocations of HSF funding have been spent, but the largest spending categories for both the type and delivery mechanism of support highlight issues with the scheme that could be improved. For example, Free School Meals (FSM) support in the holidays became the largest category of HSF expenditure in waves 3 and 4 (surpassing non-FSM food support and support with energy and water), after it was added to the official guidance as a potential use of the fund. Extending FSM support in the holidays is arguably not an ideal use of crisis support funding; this need would be better covered by an increased FSM budget. But local authorities have pointed to political pressures to continue providing this type of support, as well as the need to allocate funds quickly and with limited administrative resources.

Firsthand accounts from parents show that there are often issues for individuals trying to access crisis support, and there are real problems with finding out what is available locally. There are also shortcomings in the provision of support through vouchers and services, with a preference expressed repeatedly for cash support as the most flexible, non-stigmatizing and supportive way to respond to crisis needs. The majority of support (57 and 59 per cent respectively) in waves 3 and 4 was delivered as vouchers, which can be less efficient than cash: not all retailers accept them, and lists of retailers that do can often prove inaccurate, meaning people must use their own resources to travel to find places where they can be spent. Cash awards give recipients more dignity, autonomy and flexibility.

In the upcoming Spending Review, the Government should commit to funding the HSF until at least the end of the Parliament. Establishing a longer-term footing would recognise the ongoing need for crisis support and also allow local authorities to maintain administrative teams, have time to plan how awards are made and better target residents who are most in need. The value of the fund should also be indexed to inflation in future, to prevent its real value declining further over time. But the HSF also needs reform. Local authorities should be provided with ringfenced funding to cover administration costs worth 5 per cent of their funding allocation; future guidance should state a preference for awards to be provided as cash; and the Department for Work and Pensions (DWP) should set itself the goal of improving awareness.

A comprehensive system of crisis support will always be needed to mitigate against unforeseen financial emergencies, but it is especially pressing now because the current shape of the benefit system in the UK generates a state of endemic financial insecurity for those who rely on it for all or most of their income. A scheme worth £1 billion per year (0.3 per cent of all UK welfare spending) and based on discretion rather than entitlement must not be seen as a panacea for more fundamental reform to shore up the gaps in the national social security system. The Spending Review is the time for the Government to commit to funding the HSF until at least the end of the Parliament, and to reform it to ensure that the best possible crisis support is provided.

The Household Support Fund provides vital crisis support

The availability of crisis support is a vital part of a well-functioning social security safety net, as families are inevitably going to encounter eventualities that lead to sudden increases in costs that mainstream income-related benefits cannot be expected to anticipate. These could take numerous forms: damages to a home; the need to move house due to eviction or a relationship ending; cars, appliances or furniture breaking down; or an unexpected bill increase. In situations such as these, local authorities are often the final point of call for residents seeking help that is not covered by the mainstream benefit system, and it is important that crisis support remains in their toolkits through ongoing comprehensive funding.

Before 2013, the UK-wide Social Fund provided funding to local authorities to deliver discretionary crisis support in the form of Community Care Grants and Crisis Loans, worth around £370 million and £220 million per year respectively in 2025-26 prices.¹ These were abolished in the Welfare Reform Act 2012, and between 2013 and 2020 crisis support was delivered through a patchwork of local authority schemes that varied widely in their coverage and value, with around one-in-four English local authorities offering no discretionary crisis support at all.² While this note discusses England only, it should be noted that Wales and Scotland have had their own national-level schemes since 2013, Northern Ireland has had one since 2016, and all three nations receive Barnett formula funding from the HSF budget.

During the Covid-19 pandemic, the Government recognised a heightened need for crisis support and introduced the Covid Winter Grant Scheme in 2020 and the Covid Local Support Grant in 2021, which allocated £229 million and £200 million respectively to local authorities to provide discretionary support. These schemes were replaced with the Household Support Fund (HSF) in September 2021, a similar but larger six-month scheme worth £500 million (including Barnett funding), initially intended to help families through the “final stages of recovery” from the pandemic.³ The HSF was renewed in 2022 as the pandemic gave way to the cost of living crisis, and has continued ever since, albeit at an ever-declining real value. These renewals are referred to as “waves”, and have lasted either six or 12 months, and sometimes have been announced only a few weeks before their operation. Funds are allocated to local authorities based on their population and Indices of Multiple Deprivation score.⁴ By the end of its seventh wave in March 2026, we estimate that 80 million individual awards

¹ Crisis Loans were worth £233 million and Community Care Grants were worth £141 million in 2009-10. Converted to 2025-26 prices using a CPI deflator. See: DWP, [Local welfare assistance to replace Social Fund Community Care Grants and Crisis Loans for general living expenses: Equality impact assessment](#), October 2011.

² K Handscomb, [Sticking plasters: An assessment of discretionary welfare support](#), Resolution Foundation, October 2022; D Peake, [A bleak future for crisis support](#), End Furniture Poverty, August 2024.

³ DWP, Press release: [Government launches £500m support for vulnerable households over winter](#), September 2021.

⁴ See Parliamentary Question [HL10694](#).

will have been made to millions of struggling families across England, at a total value of £3.7 billion.⁵

Interviews with local authority staff involved with the design and administration of their HSF scheme showed how they valued it:⁶

“ Household Support Fund is critical for us...It is recognising that, for a significant amount of households, it's not insignificant at all; getting by every day is difficult. If we can do something to alleviate a little bit of that for a little while...great.

- Local authority participant

“ Household Support Fund is the biggest one for us ... I don't know what the long-term future will look like for those initiatives, but they serve very much a function in terms of people in crisis. The Household Support Fund provides a bit more scope to do something a little bit different. You can do something more - taking more of an initiative approach where you can do things like debt advice now. That has a longer-term benefit.

- Local authority participant

“ The Household Support Fund scheme, for example, the discretionary element of that, we have people coming forward to us and saying, 'This is my situation. My boiler is broken, I have no cash...', and we might pay for the boiler repairs through that, or somebody might have energy needs because they've got some illness that they need to take care of. We have a little bit more leeway with that to say, 'Yes, whatever your circumstances, come to us with it and we'll have a look.'

- Local authority participant

With CPI inflation now much closer to the Bank of England's 2 per cent target, some may consider that the cost-of-living crisis is over.⁷ But there will always be a need for crisis support to prevent sudden increases in a family's costs from causing destitution

⁵ RF analysis of DWP, Household Support Fund management information.

⁶ Interviews were conducted as part of the Nuffield Foundation-funded [Safety Nets](#) project and were undertaken between Autumn 2024 and May 2025.

⁷ ONS, Consumer Prices Index.

or spiralling debts. The 2025 Spending Review is an opportunity for the Government to decide on a long-term settlement for the Household Support Fund.

As background to its Spending Review deliberations, this briefing note analyses how the HSF has been used across its waves, drawing on management information data⁸ and interviews with local authority administrators of the HSF across the Safety Nets project, funded by the Nuffield Foundation. We have also incorporated insights from participants of Changing Realities, a participatory project involving almost 200 parents and carers living on low incomes.⁹ This analysis reveals a decline in the real value of the fund; administrative issues for councils created by the uncertain pattern of renewal; shifts in spending on different types of support and between different groups that reflect flaws in the official guidance; a prevalence of delivering support as vouchers rather than cash; and low awareness of the scheme among potential recipients. All of these should be addressed in the next chapter of the HSF.

The value of the Household Support Fund has fallen in real terms across each wave, and has been cut in cash terms for 2025-26

Since its introduction, politicians have frequently referred to renewals of the HSF in their attempts to signal they are taking steps to support households on a low-income.¹⁰ But as the rhetorical and political emphasis on the scheme has persisted, the total value of each wave of the fund has declined, initially in real terms and then in cash terms for the 2025-26 wave: £421 million was provided to English local authorities for each six-month period from October 2021 to March 2025, but the total fund for 2025-26 is £742 million, or £371 million over a six-month period. In real terms, the six-monthly value of the fund has declined by 27 per cent (see Figure 1); if the initial £421 million value had risen in line with inflation, it would now be £517 million. This decline is important because the HSF's rollout has occurred at a time when the broader social security system is at a low ebb, with low levels of support and the existence of caps to provision that sever the historic link between need and entitlement.

Figure 1: The value of the Household Support Fund has declined in real terms in each wave

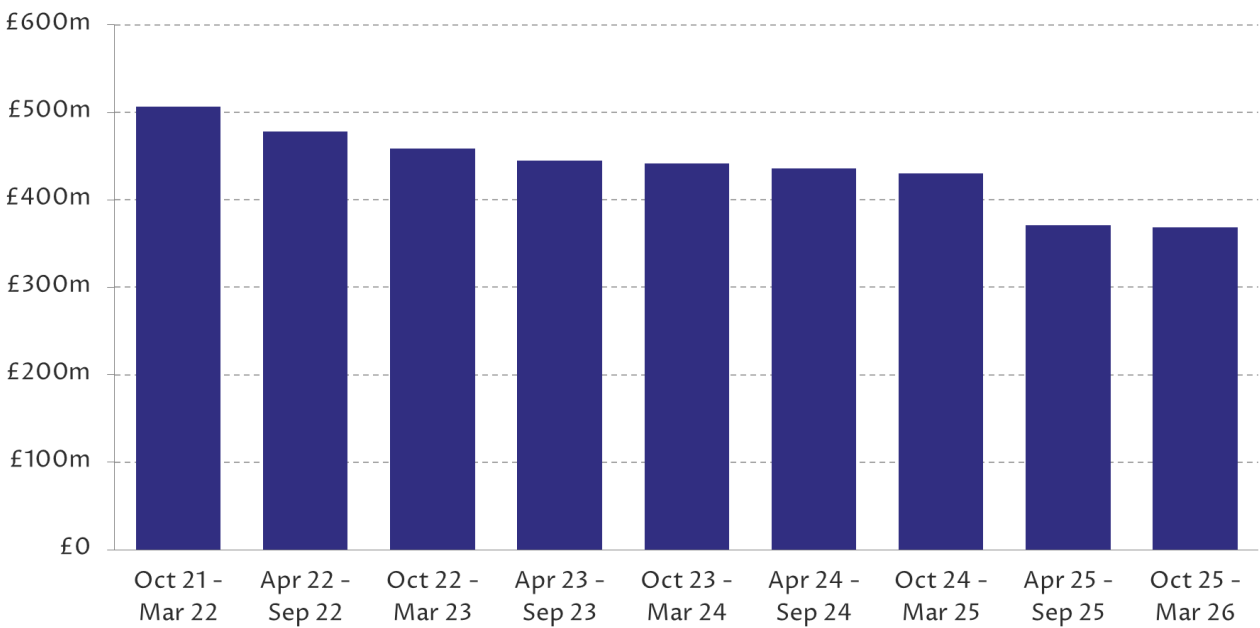
⁸DWP, [Collection](#)

[Household Support Fund management information](#), October 2024. Note that management information for Waves 5 and 6 is not currently available.

⁹ changingrealities.org

¹⁰ For example, see Parliamentary Questions [27589](#), [27911](#), [35659](#), [27066](#), [902289](#), [22339](#), [977](#), [47722](#).

Real value of the total Household Support Fund allocated to English councils: 2021-22 to 2025-26



Notes: April to September 2025 prices, deflated by CPI. Does not include Barnett Formula funding provided to devolved nations.

Source: RF analysis of DWP, Household Support Fund management information.

Frequent short-term renewals have created issues for recipients and local authorities

As discussed above, the HSF has already been renewed on six different occasions since its introduction and is now in its seventh wave. This pattern of repeated, short-term renewals to the scheme creates a difficult context for recipients, especially those who have relied on HSF awards to top up inadequate benefit income. This is reflected by Changing Realities participants who have relied on the fund to meet ongoing costs:

When the fund runs out, one never quite knows when the Government are going to bring it back again. This can be quite unnerving, and worrying, because it makes it really difficult for some families to budget ahead.

- (Dotty G, May 2025)

The uncertain pattern of renewals has also generated significant administrative issues for local authorities. Of the seven waves of the HSF, only two were announced more

than a month before the funding was allocated,¹¹ giving local authorities little time to plan the allocation of awards and making it very hard to retain administrative staff. Unsurprisingly, some report that this has limited their ability to deliver an effective scheme.

I think had we known that we were going to get the funding for a year or two years we could have planned it a lot better, but because every time we're told, 'this is the last time,' no changes have been made. We've just carried on as it has been. It's a bit short-sighted.

- (Local authority participant)

In the early schemes, it was an absolute flipping nightmare. The challenge we've got is, in the past, we've got one HSF scheme that runs for six months; another one starts the next day. We got late notice of the scheme guidance, and it takes us time to get the money out.

- (Local authority participant)

A lack of ring-fenced funding to cover administration means some local authorities have skimped on administration costs, which may not produce the best outcomes for recipients

Alongside the pattern of uncertain renewals, local authorities are not given any additional funding to cover administration costs. This means they face pressures deciding how best to administer the HSF, especially given the context of declining local authority spending power. This contrasts with Discretionary Housing Payments (DHPs), which include additional ringfenced funding to cover administration worth nearly 16 per cent of the scheme's total value.¹² The lack of dedicated funding for administration means that local authorities must choose how much of the fund to spend on administration costs and how much on support for families. Unsurprisingly, there is pressure to use as much as possible to help families directly.

¹¹ HSF 4 and 7 were announced at Autumn Budget 2022 and Autumn Budget 2024 respectively, and began in April 2023 and April 2025. All other extensions were announced in the month prior to funding being allocated.

¹² [DWP, Guidance: S4/2024: Additional New Burdens funding to meet the costs of delivering Welfare Reform changes in the financial year ending March 2025](#), December 2024

We do get a sum of money from the Government, and we're allowed to take a percentage of the funding to pay for administration of the schemes. Our member portfolio holder has always said he wanted every penny to go out to the residents. So, we've never taken, the cost has been borne by us in-house. That also puts the pressure on the team. It's the team that's keeping the lights on for housing benefits and council tax that's also every so often doing this thing.

- (Local authority participant)

One consequence of this may be that local authorities have over-economised on their administration costs in order to have more money to give out to residents, which could impact the effective allocation and targeting of awards. Indeed, the HSF guidance has repeatedly underscored the importance of retaining a discretionary element of the scheme, but assessing applications on a case-by-case basis is resource intensive.

The sort of ethos I think that we've applied to those schemes as we've designed them over time is to really maximise the scheme. So, because there is no separate administration fund or new burdens funding, we're always incredibly conscious that ... if we do not maximise the automation, so the automated awards and doing this in the most cost-effective way, then of course what we're doing is eroding that fund. So that's always been our ethos.

- (Local authority participant)

One interviewee spoke of the significant administrative costs often facing authorities in the design and delivery of these schemes, including identifying fraud.

It's huge, the work that goes into setting these schemes up. ... Then the more rigorous you try to be about things like fraud requires an even higher administrative burden because you need more checks in place. ... There's a real challenge with making sure that people are supporting the administrative efforts properly, so the funding is used best. You can do things cheap and cheerful, but it's never going to be the most effective way to deliver it.

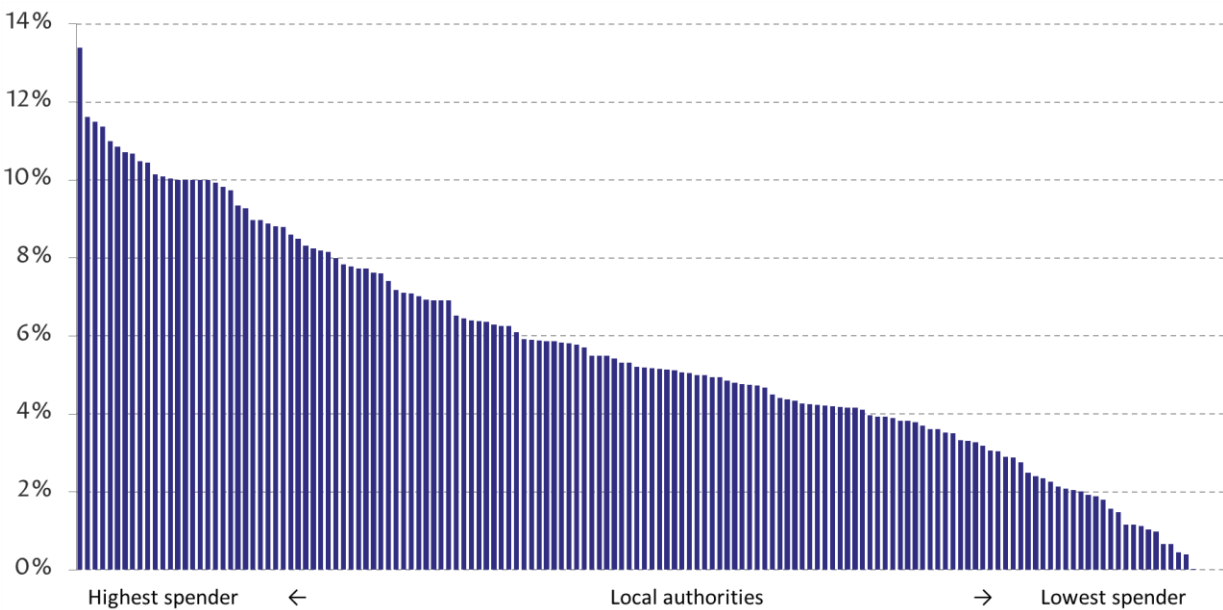
- (Local authority participant)

Local authorities' responses to these pressures vary. In HSF wave 4 (the most recent wave for which comprehensive data is available), local authorities spent an average of 6 per cent of their allocated fund on administration, with the highest being 13 per cent.

Ten local authorities, however, reported spending less than 1 per cent of their budget on administration (see Figure 2).¹³

Figure 2: The proportion of the Household Support Fund that local authorities spend on administration varies widely

Proportion of allocated Household Support Fund spent on administrative costs in HSF wave 4, by local authority: England, 2023-24



Source: RF Analysis of DWP, Household Support Fund Management Information.

Household Support Fund expenditure on different types of support has changed between waves, sometimes due to flawed guidance

The government publishes guidance (or instructions) alongside each HSF wave, which outlines that the primary objective of the scheme is “to provide crisis support to vulnerable households in the most need with the cost of essentials”.¹⁴ In early waves, certain portions of funding had to be spent on specific types of household, such as households with children or pensioners, but recent waves have removed these requirements. This is largely welcome, as local authorities are well positioned to understand local poverty profiles and resident needs, and the variation in needs across places is not well met by prescriptions for support to be spent on certain groups.

¹³ As the quote earlier indicated, those local authorities spending very little of the fund on administration may have used other pots of money to support the HSF’s administration.

¹⁴ [DWP, Guidance: 1 April 2025 to 31 March 2026: Household Support Fund guidance for county councils and unitary authorities in England](#), March 2025.

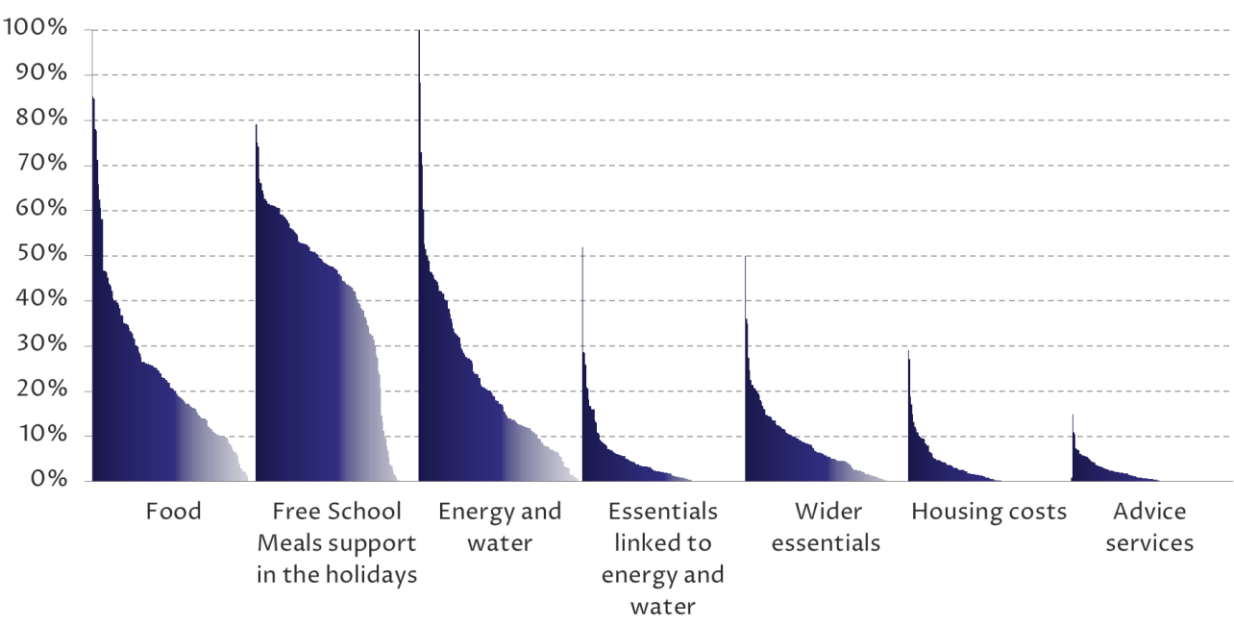
Guidance also sets out the types of support that local authorities can provide with the HSF. Currently, these are: help with food, energy and water bills, Free School Meals (FSM) support in the holidays, household items (such as white goods, air fryers, slow cookers), advice services, and, in exceptional circumstances, support with housing costs. Within this framework, local authorities have discretion to decide how they design and administer their schemes. They thus have more flexibility with the HSF than they do with more prescribed schemes like DHPs, but less than any local welfare assistance schemes they have established themselves.

The level of discretion provided to local authorities has resulted in a wide variation in expenditure on different types of support. In HSF wave 4, local authorities in England spent between 0 per cent and 85 per cent of their funding on food support, between 0 per cent and 79 per cent on FSMs in the holidays, and between 0 per cent and 100 per cent on support with energy and water bills (see Figure 3).

It is beyond the scope of this note to consider the variance in levels of need across different places, but the fact that some local authorities spend large proportions of their funding in single categories – 12 local authorities spent more than 70 per cent of their funding on one type of support in wave 4 – might reflect the pressure on them to allocate funds quickly with limited administrative resources, rather than taking the time to assess a wider variety of needs.

Figure 3: There is wide variation in expenditure on different types of support across local authorities

Proportion of Household Support Fund wave 4 expenditure by type of support, across individual local authorities administering the scheme: England, 2023-24.



Notes: ‘Food’ does not include Free School Meals support.
Source: RF analysis of DWP, Household Support Fund management information.

It is also possible to see how changes over time in the DWP’s guidance has altered the proportion of HSF expenditure that goes towards providing support for different needs. Figure 4 shows how the proportion of HSF expenditure going towards different categories of spending changed across waves 2 to 4.¹⁵ This analysis of patterns of HSF spending reveals potential issues with some types of prescribed support. For example, FSM support in the holidays became the largest category of HSF expenditure in waves 3 and 4 (at 37 and 39 per cent) after it was added to the guidance as a potential use of the fund from wave 3. Using the HSF on categories such as FSM support - an entirely predictable need, rather than an unanticipated eventuality - compromises the purpose of crisis support, and the discretionary and relatively small-scale nature of the HSF means it is ill-equipped to provide for these kinds of needs consistently.

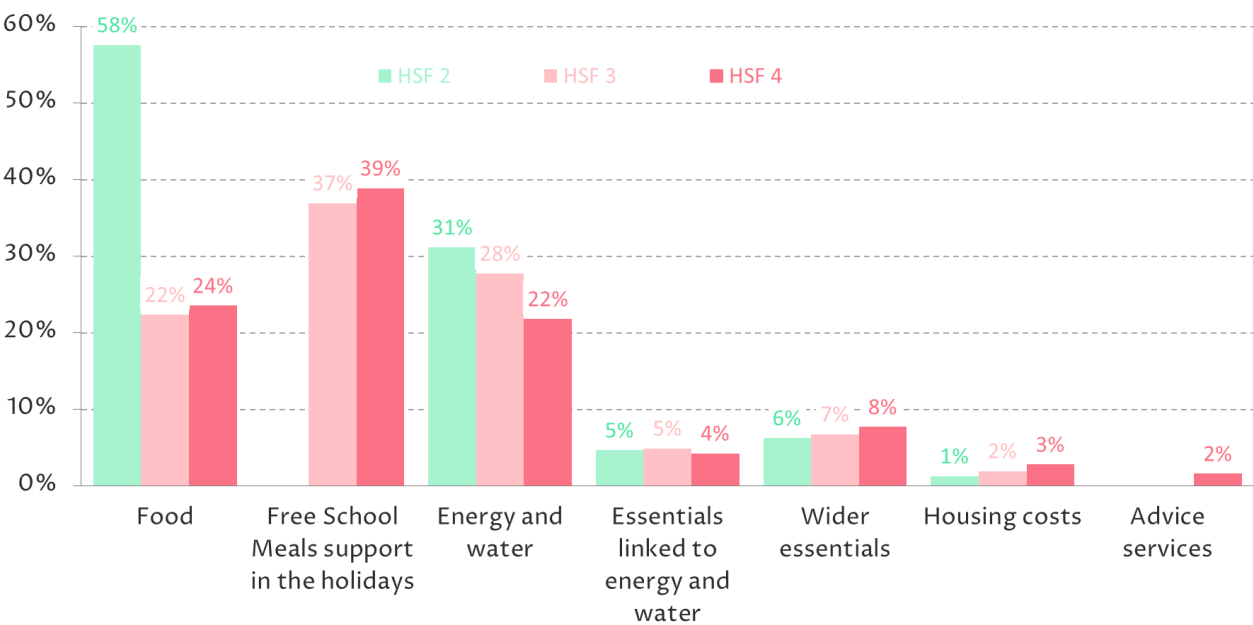
Existing research has shown that some local authorities would like to reduce their HSF spending on FSM support to free up money for other types of support, but feel they cannot due to “dependency” created by the provision of this support so far, and due to political pressure to continue providing this type of support and potential backlash if it was ended.¹⁶ Given the administrative pressures on local authorities discussed above,

¹⁵ Management information data for waves 5 and 6 is not yet available.
¹⁶ J Meers et al, [Sticking plaster support: the Household Support Fund and localised assistance in the UK welfare state](#), Policy Press, December 2023.

the jump of school holiday-FSMs to the largest category of HSF expenditure may also reflect that they can be targeted and distributed at minimal administrative burden. This is because they can be ‘passported’ to all families deemed eligible by the Department for Education to receive FSMs, rather than requiring any form of decision by a local authority official.¹⁷

Figure 4: The largest share of Household Support Fund expenditure shifted from food to Free School Meals support in the holidays when guidance changed

Proportion of Household Support Fund expenditure by type of support and HSF wave: England, 2022-23 to 2023-24.



Notes: ‘Food’ does not include Free School Meals support.

Source: DWP, Household Support Fund management information.

FSM policy is out of the scope of this note, but it would seem far more sensible for broad-based support for FSMs in the holidays to be funded centrally by the Department for Education in the same way as FSMs are in term-time, allowing HSF budgets to cover the sort of crisis support for which it is best placed.

This points to a broader issue in the operation of the Household Support Fund as crisis support: it is more frequently used to top up inadequate benefit income and meet

¹⁷ J Meers et al, [Sticking plaster support: the Household Support Fund and localised assistance in the UK welfare state](#), Policy Press, December 2023.

everyday costs than it is to help with singular moments of crisis.¹⁸ Government rhetoric sometimes suggests that this is a design feature of the HSF, with the refrain that those needing support with everyday costs can turn to their local council.¹⁹ It is also reflected in official guidance on what the fund can be spent on. The three largest categories of HSF expenditure - FSM support in the holidays, food and energy and water bills - are arguably all areas that the mainstream social security system should ensure families can afford. Relying on discretionary (rather than entitlement-based) support to cover them not only risks families falling through the net but also undermines the availability of support for genuine crisis situations. This was echoed in interviews with local authority administrators of the HSF:

Even when the Household Support Fund was first established, the fact you had ministers signing off press releases, talking about ‘this is to enable people to buy essentials like food’, and you think well, if that’s not the function of the national social security system, what’s the point of Universal Credit, if it’s not there to help people buy food? We’ve got ourselves into a position now where what’s delivered locally is just trying to fill in the holes of national support, rather than being what it should have been, which is “my boiler’s broken”, or “I’ve had a flood”, a genuine one-off crisis.

- (Local Authority participant)

Conversations with HSF recipients also paint a picture of families relying on HSF awards to supplement inadequate benefit income:

I am a disabled single mother on Universal Credit and PIP living in the North of England. Energy was (and is) the worst culprit for me in terms of affordability, as I live in an old house that is very expensive to heat and keep warm - especially during the winter months. I often find that most of my PIP money goes towards paying my energy bills, so the help from the HSF was/is greatly appreciated.

- (Dotty G, May 2025)

This is far from ideal; a discretionary scheme worth ~£1 billion per year (0.3 per cent of UK welfare spending) cannot be a panacea for more fundamental investment in

¹⁸ J Meers et al, [Sticking plaster support: the Household Support Fund and localised assistance in the UK welfare state](#), Policy Press, December 2023; Z Charlesworth, A Clegg and A Everett, [Evaluation of Local Welfare Assistance: Final framework and research findings](#), Policy in Practice, January 2023.

¹⁹ See Parliamentary Questions [27589](#), [27911](#), [35659](#), [27066](#), [902289](#), [22339](#), [977](#), [47722](#).

shoring up the social security system, especially following a decline in the real value of basic benefit support of 9.0 per cent since 2010,²⁰ alongside cuts to local authority budgets. Such investment in social security would improve the HSF by enabling it to function more as ‘proper’ crisis support, rather than as a top-up of benefit support. The inadequacy of mainstream means-tested benefits can be addressed by forthcoming action, such as the Child Poverty Strategy expected later this year,²¹ but until it is the HSF will continue to be used to address ongoing income shortfalls, further necessitating its renewal.

The majority of Household Support Fund expenditure has been delivered in the form of vouchers, but cash awards can be more efficient and are less stigmatising

Local authorities are allowed to provide support in different ways, including vouchers (such as for food or clothing), cash, through the provision of specific items, or via third party organisations (such as charities or voluntary organisations).

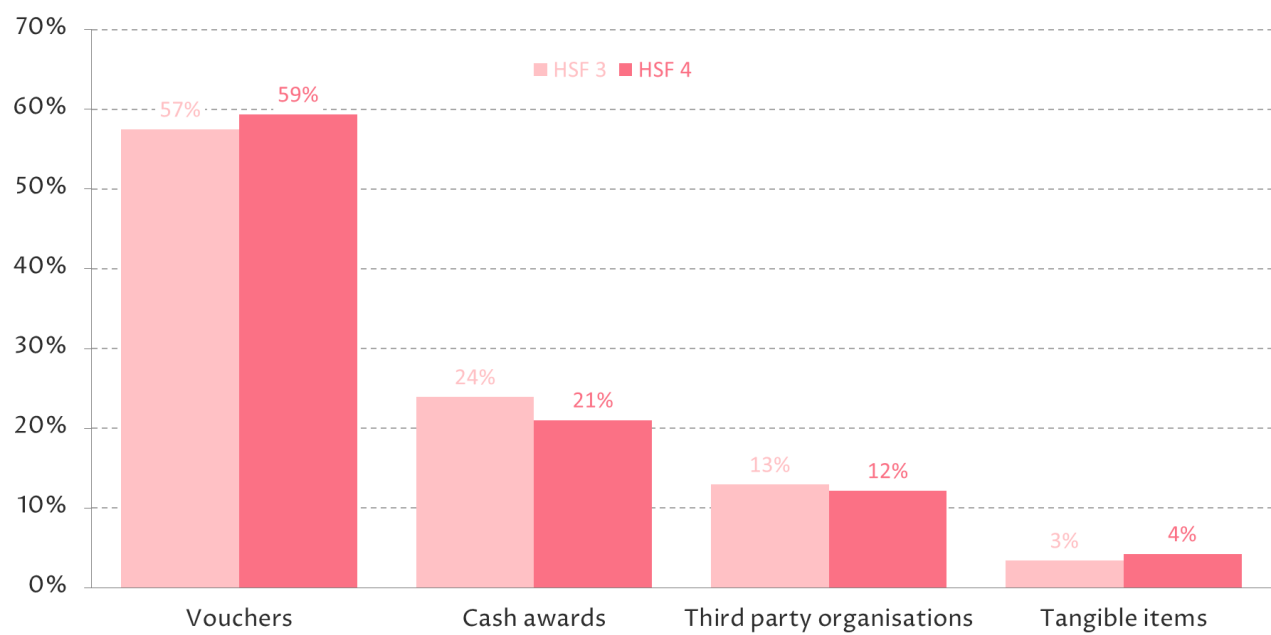
As shown in Figure 5, in waves 3 and 4, the majority of support was delivered as vouchers (57 per cent and 59 per cent respectively), followed by cash awards (24 per cent and 21 per cent), awards through third party organisations (13 per cent and 12 per cent), and tangible items, such as furniture, white goods and appliances (3 per cent and 4 per cent).

Figure 5: Nearly two-thirds of Household Support Funding expenditure was provided through vouchers in waves 3 and 4

Proportion of Household Support Fund expenditure by delivery mechanism: England, 2022-23 to 2023-24.

²⁰ The real value of basic unemployment support for over-25s in Jobseekers Allowance and Universal Credit was £100.16 per week in April 2010 and £91.15 per week in April 2025, in March 2025 prices (deflated by CPI).

²¹ A Clegg and A Corlett, [Turning the tide: What it will take to reduce child poverty in the UK](#), Resolution Foundation, February 2025.



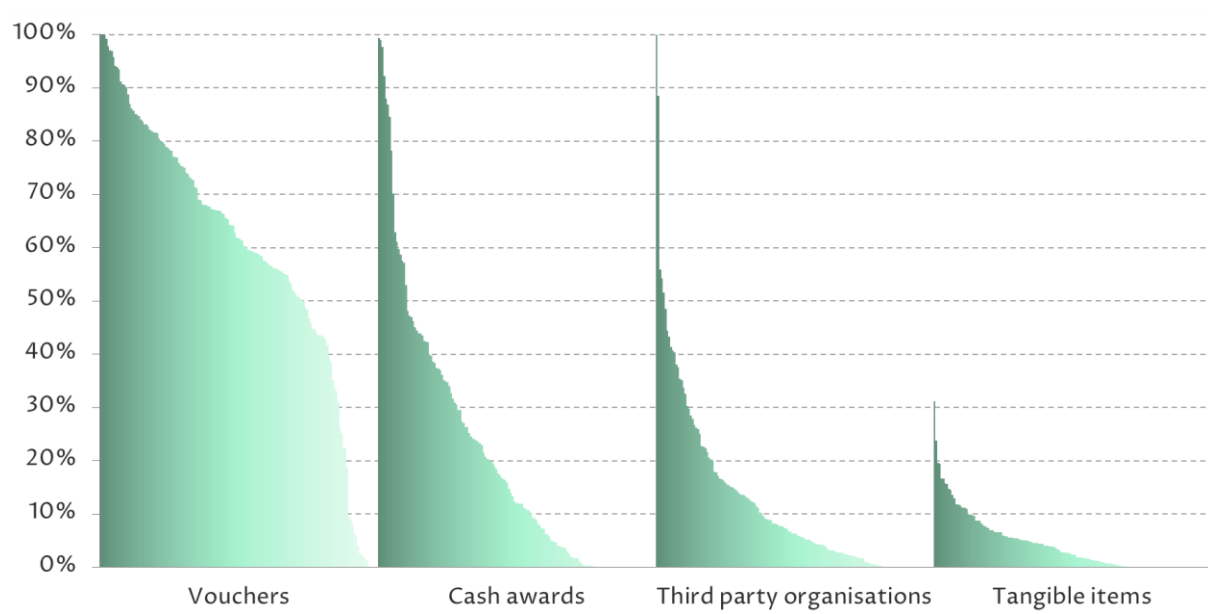
Notes: This data is only available for HSF waves 3 and 4.

Source: RF analysis of DWP, Household Support Fund management information.

Again, there was wide variation between local authorities in the delivery mechanisms used, with a small number spending all their funding through vouchers, cash awards or through third parties, and others taking a more mixed approach (see Figure 6). But vouchers are popular: 130 out of 153 councils spent at least a third their wave 4 funding on vouchers, and 113 councils spent at least half.

Figure 6: There has been variation in HSF delivery mechanisms between local authorities, but most spent a substantial portion of their funding on vouchers

Proportion of Household Support Fund wave 4 expenditure by delivery mechanism:
England, 2023-24.



Source: RF analysis of DWP, Household Support Fund management information.

Vouchers can be inefficient: not all retailers accept them, and lists of retailers that do can often prove inaccurate, meaning people must use their own resources to travel to find places where they can be spent. And restricting spending to certain retailers means people cannot use cheaper alternatives to make their money go further.²² The provision of vouchers rather than cash can also embed stigmatising narratives that suggest that vouchers will ensure people spend the funds provided on the ‘right thing’, coming with the implicit suggestion that people cannot be trusted to spend resources wisely.

Favouring cash awards where appropriate gives recipients the maximum flexibility and autonomy over how they spend their awards, as reflected in interviews with local authorities and Changing Realities participants:

I think it's the dignity. The choice and respect element of it. I think if you give somebody the cash then ... I just think it's a more humane way of actually treating somebody.'

- (Local Authority participant)

²² Z Charlesworth, A Clegg and A Everett, [Evaluation of Local Welfare Assistance: Final framework and research findings](#), Policy in Practice, January 2023.

We were very pro-cash-first approach, and the fact that people can choose what they want to spend the money on, whether that be energy bills, or food, or school uniforms, or whatever it is, that's been really, really important to us in terms of the cash-first approach.

- *(Local Authority participant)*

I'm more in support of a cash first approach. As someone that's received council funding for white goods etc., I've usually needed to replace them. Simply being able to choose a suitable size for your family that stops you needing to buy a replacement soon afterwards just makes financial sense to me.

- *(Isabella-Rose F, March 2025)*

Although this note is about support in England, it is worth noting that the Scottish Government has outlined a plan to move towards a cash-first approach as part of its strategy to end the need for food banks, recognising that access to emergency cash payments “enables people to buy the food and other essentials that meet their needs and preferences”.²³

The majority of Household Support Fund expenditure has gone to households with children

Across the first four waves, almost two-thirds (65 per cent) of HSF expenditure went to families with children, but this varied across the waves along with shifts in the guidance. 80 per cent of total HSF 1 expenditure went to households with children, compared to 55 per cent in wave 2, with 36 per cent spent on pensioners. This coincided with a change in the HSF guidance between waves 1 and 2: the guidance for wave 1 stipulated that 50 per cent of HSF expenditure had to go towards households with children, but this dropped to a third in wave 2, while an additional third was ring-fenced for pensioners.²⁴ Both these prescriptions were removed from wave 3 onwards; as a result, expenditure on pensioners fell to 11 per cent in waves 3 and 4, while spending on households with children went back up to 63 and 65 per cent (see Figure 7). This may be driven by local authorities seeing more need from households with children than they do from pensioner households, a plausible scenario given the much higher rates of child poverty than pensioner poverty in the UK; there have been

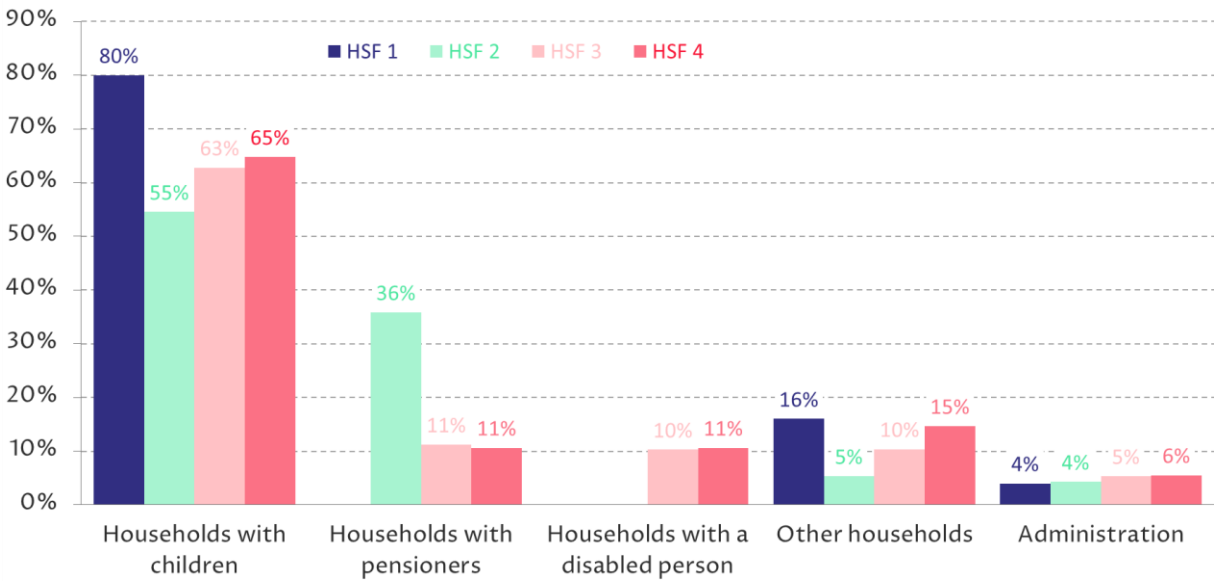
²³ Scottish Government, [Cash-First - towards ending the need for food banks in Scotland: plan](#), June 2023.

²⁴ DWP, [Guidance: 1 April 2022 to 30 September 2022: final guidance for county councils and unitary authorities in England](#), July 2022.

substantial cuts to family-related benefits over the last two decades while the value of the State Pension has risen in real terms.²⁵ Higher spending on families with children may also be driven by the emergence of out-of-term FSMs as the most popular category of support from wave 3 onwards, as discussed above.

Figure 7: The majority of HSF expenditure has gone to households with children, but has fluctuated over time reflecting changes in the DWP’s guidance

Proportion of Household Support Fund expenditure by household type: England, 2021-22 to 2023-24.



Notes: Data not available for “Households with pensioners” in HSF 1 and “Households with a disabled person” in HSF 1 and HSF 2. “Other households” may therefore include households with pensioners in HSF 1 and may include households with a disabled person in HSF 1 and HSF 2. Waves do not sum to 100 per cent due to rounding and because the categories are not mutually exclusive.

Source: RF analysis of DWP, Household Support Fund management information.

Conversations with people on low incomes suggest awareness of locally provided support is low

A further issue with the HSF, and one that is common to most locally administered support, is low awareness among potential recipients. While some Changing Realities participants spoke of their reliance on the HSF to meet their everyday costs, many more were unaware of help available from their council:

²⁵ A Clegg and A Corlett, [Turning the tide: What it will take to reduce child poverty in the UK](#), Resolution Foundation, February 2025; M Brewer and A Clegg, [Ratchets, retrenchment and reform: the social security system since 2010](#), Resolution Foundation, June 2024.

I haven't applied for help before because I wasn't really sure what support was available or how to go about it. I think part of the reason is that I don't know where to start or who to ask. I've found it quite confusing, and it would be helpful if there was clearer information about what the council offers and how to access it.

- (Elizabeth, April 2025)

I've found that before being known to services and before being known to people that are supportive such as like early help or something like that, I had no idea about what was available from the local council. I think that sometimes I've felt that that is intentional.

- (Evelyn, April 2025)

This highlights a further flaw in relying on localised and discretionary support to meet families' everyday costs: with schemes varying all over the country, many will simply not know whether support from their council is available or, if they do, how to go about applying for support. There is no centralised branding for the HSF and application processes and eligibility vary by local authority.

These drawbacks can be partly mitigated by local authorities pro-actively targeting support: in HSF 4, 64 per cent of expenditure went to households that were pro-actively targeted as being in need by their local authority, with 31 per cent going to households that applied directly. But, as we have already discussed, pro-active approaches vary in their sophistication and may force local authorities to use fairly simplistic ways of identifying families in need. For example, some local authorities simply divide support between all families receiving certain benefits or based on demographics, whereas others use administration data they hold for residents claiming Housing Benefit or Council Tax Support to try to identify the neediest families based on their incomes and costs.²⁶

There has also been uncertainty around who is eligible to receive HSF support, particularly those with 'no recourse to public funds' due to their immigration status. Early HSF guidance was unclear on whether this support was allowed, leading some local authorities to initially provide support to these households and then to stop doing so based on its unclear legal foundation.²⁷ This led the Government to clarify in October 2023 that the HSF was considered 'public funds', meaning local authorities are now

²⁶Policy in Practice, [Policy in Practice helps councils allocate £18.5 million in Household Support Funds](#).

²⁷Work and Pensions Select Committee, [letter to Peter Schofield, Permanent Secretary, DWP](#), October 2023.

largely unable to grant HSF awards to people with ‘no recourse to public funds’ status.²⁸ As the Safety Nets project has previously recommended, allowing local authorities more flexibility in granting awards to people with no recourse to public funds would help them to better meet local needs as they see fit.²⁹ It would also establish a form of safety net for families who currently have none at all. This is illustrated by Cara A:

I haven’t actually applied for help from the council, even though there have been times I really needed support. As an asylum seeker, I just assumed I wouldn’t be eligible. Everything is so complicated when you’re in the system, there’s not much clear information, and you’re always worried about doing something wrong that might affect your case.

- (Cara A, April 2025)

The 2025 Spending Review provides an opportunity to renew and reform the Household Support Fund

This note has shown that the Household Support Fund is a vitally important scheme, acting as a crucial last line of defence for many families before they fall into destitution or spiralling debts. At the upcoming Spending Review, the Government should recognise the need for the Household Support Fund in the long term and commit to funding it until at least the end of the current Parliament. It should also commit to annual uprating of the total value of the fund by inflation, to prevent its real value declining over time. This would provide certainty for local authorities and allow them to deliver a more efficient and effective scheme. We estimate that the total scheme would cost around £970 million in 2029-30 if its 2025-26 value of £900 million including Barnett formula funding was indexed to CPI inflation.

But the analysis in this briefing note also reveals key flaws in the HSF’s design and conceptualisation. Some of these can be fixed with a longer-term funding settlement: local authorities would have the time and the certainty required to properly plan and administer effective schemes, while families relying on HSF support would have some reassurance that the scheme will continue. But simply confirming long-term funding is

²⁸ There are exceptions to this if support is administered to families or people with care needs under section 17 Children Act 1989 or the Care Act 2014.

²⁹ J Meers et al., [Renewing it right: Wave 6 of the Household Support Fund](#), Safety Nets, October 2024.

not enough. As this report has indicated, the HSF needs reform as well as renewal. We recommend that the DWP:

- Aims to improve awareness of the Household Support Fund. This could be done through a central government-run national advertising campaign. The Government could also provide an ‘Apply for the Household Support Fund’ support page that directly links through to local authority application information from the Gov.uk platform. This would mirror the approach used for Council Tax Reduction.³⁰
- Updates guidance to favour cash awards where appropriate. Cash is more efficient than other forms of awards. It gives recipients dignity and choice, while avoiding issues created by vouchers, such as low acceptance and inability to access cheaper retailers. Local authorities should retain discretion around where cash awards might not be appropriate. They should also be prompted to consider how specific delivery mechanisms may lead to pitfalls; for example, bank transfers to people with large overdrafts may mean the money is not accessible, and specific forms of cash vouchers may be difficult or costly to redeem.
- Provides additional ring-fenced funding to cover local authorities’ administrative costs, worth 5 per cent of their funding allocation (in line with the average spend on administrative costs in the scheme’s last few waves), at a cost of around £45 million. This would ensure local authorities have adequate resources to provide an effective scheme and should help them target residents who are most in need. It would also lead to greater consistency in the quality of scheme administration between local authorities.

As well as committing to longer-term funding of the HSF at the Spending Review, the Government should consider how crisis support fits within the wider social security system. Locally-administered discretionary crisis support is best suited for dealing with one-off, unpredictable crisis situations that the mainstream social security system cannot anticipate. But the way the HSF has been used - and how it has been conceptualised and designed by central government - has more frequently been to top up ongoing shortfalls in income from inadequate benefit support. This feels inevitable for a social system that generates a state of financial insecurity for those who rely on it for the majority of their income, and the inadequacy of some benefits makes the

³⁰ See here: <https://www.gov.uk/apply-council-tax-reduction>

continued need for the scheme more acute. But it is problematic to rely on a relatively small discretionary scheme to play the role that should be covered by the entitlement-based social security system, and this prevents the HSF from realising its full potential as genuine crisis support. So, as well as committing to funding the HSF for the longer-term, the Government should invest in the social security system as part of a much more comprehensive effort to close the existing holes in the safety net.

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Bluesky: @nuffieldfoundation.org, LinkedIn: Nuffield Foundation, website:

www.nuffieldfoundation.org

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Authors' affiliations:

Alex Clegg, Resolution Foundation; Ruth Patrick, University of York; Jed Meers, University of York; Mike Brewer, Resolution Foundation; Uisce Jordan, University of York; Millie Light, University of York; Rhiannon Sims, Heriot-Watt University; Hayley Bennett, University of Edinburgh; Beth Watts-Cobbe, Heriot-Watt University; Joe Pardoe, University of Salford.

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Website

safetynets.study

Contact

safety-nets-project@york.ac.uk

Principal Investigator

Prof Ruth Patrick