

Briefing

Renewing it right Wave 6 of the Household Support Fund

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Summary

After five waves of support, the Government has announced the renewal of the Household Support Fund for a sixth installment - extending the fund until the end of March 2025 - and has published revised guidance for Local Authorities.

Our research with Local Authorities leads us to call for the Government to:

- ✓ Commit to funding the HSF for at least the duration of this Parliament, with additional 'new burdens' support for Local Authorities to help with the costs of delivering the scheme.
- ✓ Allow Local Authorities to use HSF more flexibly to support households with 'No Recourse to Public Funds.'
- ✓ Direct people to their Local Authority's HSF scheme from the Gov.uk website - as is the case for other kinds of local welfare provision, like Council Tax Support.
- ✓ Commit to renewing other areas of the local welfare safety net - such as the Holiday Activities and Food Programme - that help families alongside the HSF.

Our research

This briefing draws from two studies into the HSF: a Research England funded analysis of the scheme drawing on work with twelve local authorities, and a new Nuffield Foundation funded project, exploring devolved welfare across the UK, which includes the collection of data on the HSF and other local welfare funds across 2024 and 2025.

The Household Support Fund

The Household Support Fund (HSF) is a discretionary fund introduced in 2021 for local authorities in England to support struggling households. After five waves of support, [the Government has announced it will renew the HSF for a sixth installment - extending the fund until the end of March 2025.](#)

The HSF has played an important role in addressing the needs of hundreds of thousands of low-income households and in supporting activities in the third sector such as welfare advice organisations and foodbanks. Levels of destitution have surged in recent years as the national social security system has developed major cracks; the HSF has become one of the final backstops in this system, offering a vital - if insufficient - lifeline to households facing financial crisis.

Another extension to the HSF is welcome news and will provide essential support for low-income households. However, short-term funding and last-minute decision-making by successive governments has not created good conditions for local authorities to plan and deliver support financed via HSF.

Successive rounds of extensions embed and entrench insecurity, for both providers and recipients of support. Simply extending HSF into a sixth wave will not deal with significant limitations in its current design and operation. This is because:

- Continual short-term renewals create uncertainty and make it difficult for local authorities to plan.
- There are opportunities to improve the guidance given to authorities on what the fund can be used for and to provide them with more flexibility in the design and operation of the scheme (such as providing clarity on support for those with ‘No Recourse to Public Funds’).
- HSF is often treated in isolation from the broader range of local welfare funds also due for renewal; schemes are renewed piecemeal. For example, at the time of writing, the fate of the Holiday Activities and Food Programme remains uncertain.
- Local Authorities currently draw down their administrative costs through the HSF funds themselves - they do not receive any ‘new burdens’ funding to help meet their staff and other costs.

Recommendations for policy

1 Lengthen – This extension will be the sixth wave of the HSF in under three years. Instead of continual, short-term renewal, the Government should commit to funding the HSF for the duration of this Parliament and move towards a permanent local welfare crisis fund. Last-minute renewals are hugely damaging for local authorities trying to plan their use of the funds and third sector providers who rely on this support. The system is also not working for recipients, who are forced to navigate a landscape of temporary, precarious and uncertain support in their efforts to meet their basic needs.

2 Improve – The HSF is an imperfect scheme and policy-makers should learn lessons from its delivery to develop a more effective model of discretionary crisis support in the future. Cost neutral changes - such as clarifying that this support can be used to make payments to households with No Recourse to

Public Funds (NRPF), a group at exceptionally high risk of destitution and with limited access to support, would help the scheme to reach more households in need. There are wide variations between local authorities in both the nature and levels of support. More needs to be done to learn lessons from these differences, particularly with regard to what is most effective in meeting needs - [our new research](#) will provide evidence on what works well to inform the work of policy-makers.

3 Strengthen – The HSF has helped cover some of the cracks in the larger welfare safety net, but even a reformed HSF cannot cover these on its own. A more effective discretionary crisis support model needs to work alongside a strengthened national social security system. This involves recognising the place of the HSF alongside other locally administered funds that are due for renewal - such as the Holiday Activities and Food Programme - and ensuring the continued ring-fencing of the funding. It also requires a wider review of the adequacy and delivery of social security benefits, which should itself be tied to a broader recognition of the positive role ‘welfare’ can play in meeting needs and supporting households.

Strengthening the local welfare safety net

The “Household Support Fund” (HSF) provides £842 billion per year to local authorities to support vulnerable households in England, with resulting funding for devolved Governments taking this to £1 billion of support per annum. It has become a lifeline for hundreds of thousands of low-income households, making millions of awards and supporting the work of third sector organisations such as welfare advice agencies and foodbanks. Its [role is central to sustaining](#) the provision of local welfare support.

Its renewal is a welcome development, but there are two key problems.

Short-term, piecemeal renewal reduces the efficacy of the scheme:

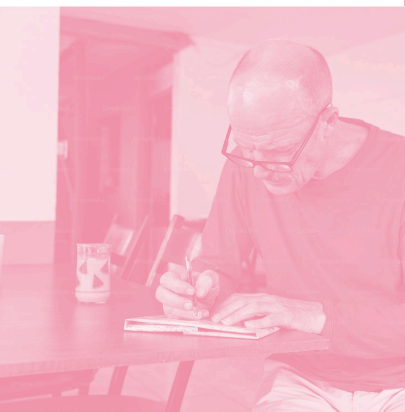
Continual uncertainty over the future of the HSF reduces the ability of the scheme to address the needs of households. Local Authorities are unable to undertake longer-term work with households in need, staff face an uncertain future with roles often funded from the scheme, and longer-term relationships with third sector organisations are more difficult to sustain. It also creates uncertainty for those accessing the scheme. In our analysis of 50 Local Authorities, 16 had not updated their websites with details of their Wave 5 provision (announced in the March budget) by 31st May 2024, and 9 had not done so by 31st July 2024.

The fund should not be treated in isolation - it sits alongside a set of other local welfare support schemes: The HSF is now part of a range of local welfare schemes delivered at the Local Authority level in England, from the longer-standing Council Tax Support and Discretionary Housing Payments to newer initiatives, like the Holiday Activities and Food Programme. Treating funding and renewal for these schemes in isolation leads to a fragmented and inefficient local welfare system; each with their own constraints, reporting requirements and funding settlement.

Unlike other areas of the local welfare safety net - such as Discretionary Housing Payments - the HSF does not come with 'new burdens' funding: money intended to meet the administration costs of the scheme for Local Authorities. As a result, these costs - particularly staff time - have to be paid out of the scheme itself. The most recent monitoring returns suggest that this accounts for over £45 million in the last wave of the HSF. Our research suggests that these cost pressures lead Local Authorities to reduce discretionary elements of the scheme or rely more on the passporting of support.

There is an opportunity for the new Government to address these problems and allow local welfare support to be more than the sum of its parts. Providing a local welfare settlement for the duration of the Parliament would provide Local Authorities with the certainty they need to plan and deliver schemes, and improve the experiences of low-income households. Providing 'new burdens'

funding a similar proportion to other discretionary funds - around 8% of the current budget - would support the administrative costs faced by Local Authorities in delivering the scheme and help them to direct more funds to households that need them most.



Erik // I did receive help under this scheme from my local council, but the process was not easy. I was only told I could apply by the diabetic nurse at a hospital appointment. After making the application and providing proof of my address and benefits that the council already holds on record I was given a £300 voucher which could be used in a variety of shops or online at supermarkets and other outlets for the purchase of goods for the home. This was a great help but should be made easier to apply, and more information about who can apply as the scheme had been running for some time before I found out about it.

Helping households with No Recourse to Public Funds

2.6 million people in the UK have 'No Recourse to Public Funds' (NRPF): as a result of their immigration status, they are unable to access the social security system and most other forms of government support when in need¹. Whether this applies to locally administered crisis funds - and particularly the HSF - has been unclear.

¹For the purposes of this briefing, we use the term 'No Recourse to Public Funds' to mean people with a NRPF condition attached to their immigration status. However, other groups are also affected by no or restricted access to public funds, such as irregular migrants (for example, see the discussion of NRPF and 'restricted eligibility' (RE) in the Fair Way Scotland Evaluation Report).

Local Authorities who have provided support to these households in earlier waves of the HSF scheme have stopped doing so on the basis of concerns about the legal status of HSF support.

After years of uncertainty, the Conservative Government clarified earlier this year that it considers support provided by the HSF to be ‘public funds’: Local Authorities are therefore unable to provide support to households with ‘No Recourse to Public Funds’ from the scheme, even if they consider that this is an important priority in their area. Local Authorities can - in some circumstances - use their powers under the Children Act 1989 or the Care Act 2014 to provide support to specific groups with NRPF, but this significantly ties their hands and creates uncertainty over when support can be provided. This position is reflected in the Government’s updated guidance for Wave Six of the HSF.

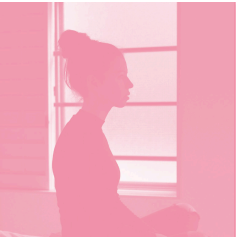
Allowing Local Authorities to use HSF more flexibly to support households with NRPF as they choose - especially given the extent of needs facing this group - would help to empower Local Authorities to meet the needs of their local residents. Changing the guidance in this way and providing specific examples for Local Authorities of how HSF funds can be used for this group would be cost-neutral and reduce the ongoing uncertainty about which residents subject to immigration control are in-or-out of scope for support under the scheme.

Vital backstop, but no panacea

The latest extension of the HSF will protect vital support now, but funding needs to be provided on a longer-term basis to protect this backstop and to allow a more effective model of discretionary crisis support to be developed in the future.

The Government does not currently provide a single online resource - such as a webpage - that links to all HSF schemes, as is the case for other forms of local welfare provision, like Council Tax Support. Parents and carers living on a low income who participated in the Changing Realities research programme

identified a number of problems with the HSF, including limited awareness of the scheme's existence. They highlighted that local variations in how the scheme is delivered have created a 'postcode lottery' of support, including: varied eligibility criteria; in some places support has been provided in forms that are not helpful or are degrading; and complex, burdensome application processes for what are sometimes small amounts of overall support.



Mollie // I reached out to my local council regarding the household support fund, as my sister mentioned she had received some support in the form of food vouchers. As we are ... struggling with fuel prices and general food costs I thought I would see if my council offered something similar. It turns out her council made the scheme easier to access, and all the information was available and straightforward on the council's website. However, my local council when I spoke to them on the phone didn't seem to have heard of it, and passed me from person to person. Eventually I was told to get in touch with [Citizens Advice]. I lost hope at this point and just gave up. It's disheartening to think that schemes have been put in place to support low income families, yet there lacks any clear guidance on how to access it.

A representative poll we conducted - funded by Research England - in Spring this year showed that a majority of councillors in England agreed HSF had been an effective response to cost of living pressures in their area (58%), more than double those who answered the same on Universal Credit, which only 28% saw as effective. Their views were more strongly positive on the role played by foodbanks (82%) and information and advice services (69%), but both are often supported by HSF schemes.

A common view is that the HSF is a sticking plaster response to cracks in the wider safety net. All of the local authorities we spoke to wanted to see a

stronger social security system that is better able to meet the needs of households without recourse to temporary forms of relief such as the HSF.



Charles // ...we've had support from the local council, in the halftime holidays and all that. They have been providing us with vouchers each week for 15 pounds. They send them as a high street voucher, which is emailed over to us. We also had a 150 pound one off payment from the council, which basically just went on all my gas as of a prepayment gas meter. So I ended up with a couple of months worth of gas in the winter, which really helped.

Learning from differences in delivery

There are significant variations in how the HSF is delivered by different local authorities; including, for example, the kind of support provided (e.g. cash, vouchers or in-kind), and how this support is accessed and to whom. To date, not enough has been done to understand and learn from these differences, with a particular focus on seeking to better understand what is experienced as best practice by claimants themselves. Through our ongoing research, we will generate fresh insight on experiences of different schemes, and will ensure policymakers have access to this knowledge; knowledge that can and should be used to drive future scheme design and delivery.

The extension of the HSF is welcome news, and creates a time-limited opportunity to strengthen this package of crisis support. This briefing provides evidence based recommendations for how this might be done most effectively, and foregrounds the importance of moving to a secure (and permanent) local authority crisis welfare settlement.

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■ Safety nets Social security for families in a devolved UK

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