



Title of report: Crisis and Resilience Fund 2026-29

Decision maker: Cabinet member adults, health and wellbeing

Decision date: Friday 10 April 2026

Report by: Talk Community Children & Engagement Manager

Classification

Open

Decision type

Key

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

To seek Cabinet approval for Herefordshire Council to accept and administer the Department for Work and Pensions (DWP) Crisis and Resilience Fund (CRF) grant for the period 2026–2029, and to approve the proposed local eligibility framework for allocation of the funding.

Recommendation(s)

That the Cabinet Member:

- a) **Accepts the Crisis and Resilience Fund allocation of £2.817 million from the Department for Work and Pensions for the period 1 April 2026 to 31 March 2027 and delegates acceptance of future allocations for F/Ys 2027/28 and–2028/29 to the Corporate Director Community Wellbeing;**
- b) **Approves the proposed local eligibility framework for allocation of the funding, as set out in paragraph 8 of this report;**
- c) **A digital financial platform to enable the delivery of crisis payments (as set out in para 7), and appendix 1.**

- d) **Delegates authority to the Corporate Director Community Wellbeing to take all operational and budgetary decisions in accordance with the approved eligibility framework and the DWP grant conditions.**

Alternative options

1. Not to accept the Crisis and Resilience Fund allocation or approve a local eligibility framework at this time. This option is not recommended. The CRF provides funding for the period 1 April 2026 to 31 March 2029, to support vulnerable households, strengthen local support networks and build financial resilience. Failure to accept the allocation would result in the loss of £2.3 million in 2026/27 and future years' funding, significantly reducing the council's ability to respond to financial hardship and invest in prevention. As the value of the funding exceeds £500,000 and impacts a significant number of residents across the county, Cabinet approval of both the allocation and the local eligibility framework is required to enable lawful expenditure and programme mobilisation.
2. To restrict eligibility exclusively to residents in receipt of means-tested benefits, using DWP-provided data. This option is not recommended. While DWP data provides an important insight into financial vulnerability, limiting eligibility solely to households in receipt of means-tested benefits would not reflect the person-centred, needs-led principles of the CRF. Financial hardship is increasingly experienced by residents who may not qualify for benefits but face low income, insecure work, rising housing costs or sudden life events. The proposed local framework allows flexibility to target those most in need, including households who fall outside strict benefit thresholds but are nonetheless at risk of crisis.
3. To restrict eligibility exclusively to residents in receipt of non-means-tested benefits. This option is also not recommended. Although some households in receipt of non-means-tested benefits experience financial hardship, restricting support to this group would risk excluding vulnerable households who remain in crisis despite receiving means-tested support, including larger families, households with disabled members, or single-income households facing cost pressures. A balanced, locally determined eligibility approach ensures that support is directed to those most in need, consistent with DWP guidance and the objectives of the CRF.

Key considerations

At the 2025 Spending Review, government announced a package of measures to support low-income households experiencing financial shocks. As part of this, the Crisis and Resilience Fund (CRF) replaces the Household Support Fund and shifts the focus from short-term emergency response towards investment in local support services and strengthened community provision. Herefordshire has been allocated £2.3 million for 2026/27. Within this allocation, £192,600 is ringfenced for Discretionary Housing Payments (DHP), with £36,221 available for administration of this element in accordance with grant conditions and an additional £517k to support households with the rising cost of oil. The remaining funding provides an opportunity to reshape the council's approach to crisis support and prevention over a three-year period. The CRF replaces the Household Support Fund (HSF) and represents a significant shift from short-term emergency response towards a prevention-led, system-wide model focused on long-term financial resilience and reduced escalation into crisis.

4. The CRF is a multi-year settlement (2026–2029), providing greater stability and enabling longer-term planning. Its central aim is to reduce reliance on repeat emergency support by building individual and community financial resilience. Financial resilience in this context refers to the ability of households to withstand and recover from financial shocks, such as sudden income loss, debt escalation or unexpected essential expenditure. The fund is intended to support early intervention, strengthen advice and income maximisation services, and invest in community-based solutions that reduce escalation into statutory crisis provision. The move to a three-year settlement enables

Herefordshire to take a more strategic, prevention-led approach rather than relying solely on reactive grant distribution.

5. The CRF guidance provides local authorities with discretion on delivery within the overall objectives of the scheme. The fund is intended to support a broad range of low-income households in need, including families with children, pensioners, unpaid carers, care leavers, disabled people, larger families, single-person households and those facing one-off financial shocks. The CRF requires a person-centred, needs-based approach. This means support should address underlying causes of financial hardship, not solely the presenting crisis. The fund must operate on a “cash-first” principle wherever appropriate, providing residents with dignity, flexibility and choice in how support is received. The CRF is positioned by government as an evolving model of delivery, requiring continuous learning and improvement over the three-year period.
6. The guidance requires that application-based support is clearly available and accessible to residents. In administering the fund, Herefordshire Council will adopt a “no wrong door” approach, ensuring that residents can access support regardless of their initial point of contact. Delivery of the crisis payments element of the scheme will be administered through a digital payment platform supporting the cash-first approach. The volume of funding that will be distributed through the platform is expected to exceed £500k. Supporting this will be the implementation of a digital referral platform. The use of these two platforms will support accountability, reduce duplication and ensure residents don’t fall through gaps between services while enabling the council to deliver the support in a safe, efficient and transparent way.(see appendix 1)
7. The proposed local eligibility framework for the CRF developed in line with DWP guidance, is underpinned by the following principles:
 - a) Needs-based and person-centred assessment. Support will be allocated based on demonstrated financial hardship and vulnerability, rather than solely on receipt of specific benefits. Assessment will consider income, essential expenditure, household circumstances and risk of escalation. The approach enables flexibility to respond to acute financial shocks while ensuring funding is directed to those most in need.
 - b) Cash-first crisis support utilising a digital payment platform, already used by Herefordshire council to provide direct financial assistance to residents experiencing acute hardship. Cash payments will be the default form of support, providing dignity, flexibility and choice, while retaining discretion to offer alternative forms of support where appropriate. This approach aligns with national guidance and evidence on reducing stigma and improving outcomes.
 - c) No wrong door access model. Application-based access will be clearly advertised and available. In addition, a digital referral platform will enable trusted partners to make secure referrals, supporting timely intervention, reducing duplication and strengthening coordinated case management across services.
 - d) Targeted and intelligence-led delivery. Delivery will be informed by data and community intelligence, including use of data tools such to identify geographic and demographic patterns of need. Targeted campaigns may focus on benefit take-up (e.g. Pension Credit), council tax support, energy support and other seasonal pressure points.
 - e) Prevention and resilience investment. In addition to crisis payments, the fund will invest in preventative and resilience-building activity, including:
 - I. Financial First Responder and income maximisation training for VCSE organisations and volunteers
 - II. Community-based debt advice with strengthened rural outreach

- III. A targeted Families in Hardship scheme delivered through schools
- IV. A mobile “CRF on Wheels” access model to reach underserved communities
- V. Innovation grants to support community-led anti-poverty initiatives

8. The proposed CRF model will improve service delivery by moving from a predominantly reactive emergency model to a coordinated, prevention-led approach. Improvements include:

- I. Faster access to crisis payments through a digital cash-first platform
- II. A clearer “no wrong door” access route for residents
- III. Improved coordination between partners through a referral system
- IV. Greater focus on early intervention and income maximisation
- V. Targeted outreach to communities experiencing the highest levels of financial hardship

The programme will be delivered in accordance with council procurement rules and ICT governance requirements, ensuring appropriate data protection and financial controls.

Performance will be monitored through:

- I. Number and value of crisis payments
- II. Repeat application rates
- III. Income gains achieved through advice and maximisation
- IV. Geographic reach into priority communities
- V. Monitoring returns to DWP

Performance reporting will be provided through internal governance arrangements and DWP grant reporting requirements, with regular review across the three-year settlement to enable continuous improvement.

9. The Crisis and Resilience Fund is expected to support a significant number of households across Herefordshire. Under the previous Household Support Fund programme, over 10,000 households received support, demonstrating sustained levels of financial vulnerability within the county. Demand has remained consistently high over multiple funding rounds, indicating structural financial pressures rather than short-term fluctuations. Relevant long-term trends include:

- a. Ongoing cost-of-living pressures impacting low-income households
- b. Increased demand for debt advice and income maximisation services
- c. Rising essential household costs including energy, food and housing
- d. Growing numbers of households experiencing in-work poverty

Herefordshire’s rural geography presents additional challenges, including transport costs, digital exclusion and reduced access to services in dispersed communities. While overall deprivation levels are lower than some urban authorities, pockets of significant deprivation exist within Hereford city and market towns. This deprivation also extends to harder to reach smaller pockets, such as rural villages.

Nationally, local authorities are moving toward cash-first crisis models, integrated referral infrastructure and prevention-led approaches. The proposed CRF framework aligns Herefordshire with emerging national practice while maintaining local flexibility to respond to community need.

Given the scale of need, the three-year funding settlement provides an important opportunity to stabilise and strengthen local crisis and resilience provision.

10. A clear communications plan will be implemented to ensure residents, partners, staff, and elected members understand the purpose of the Crisis and Resilience Fund (CRF) and how support can be accessed. This will include:
 - I. Public information on the council website and through digital channels
 - II. Targeted communications via schools, housing providers, community groups and VCSE partners
 - III. Briefings for staff to support local signposting
 - IV. Engagement through Community Action Networks and existing partnership forums

The introduction of digital payment and referral systems will be supported by partner briefings and training to ensure safe and consistent implementation. The decision does not reduce existing support and is not expected to have adverse impacts on the health, safety or wellbeing of employees or residents. The approach is designed to improve accessibility, reduce stigma and strengthen coordinated support. Where operational changes affect staff or delivery partners, appropriate communication and support will be provided in line with council policies.

Community impact

11. The proposed Crisis & Resilience Fund (CRF) approach is a prevention-led, system-wide model that reduces financial crisis, strengthens household resilience, and reduce inequality, strengthen communities and prevents escalation into higher-cost statutory services (Objective 5 Delivery Plan 2026/27) The programme aligns with the Health and Wellbeing Strategy by addressing the social determinants of health, particularly income insecurity, debt, housing stability and access to coordinated community support. Financial hardship is closely associated with poorer health outcomes and increased demand on public services. By combining crisis payments with early intervention and resilience-building activity, the CRF supports a shift from reactive emergency provision toward longer-term stability and independence for residents
12. The proposed approach is informed by the Understanding Herefordshire evidence base, which highlights persistent financial vulnerability, rural isolation and pockets of deprivation within the county. Learning from previous Household Support Fund delivery demonstrates sustained demand for crisis support and repeat presentations linked to underlying income insecurity and debt. Engagement with voluntary, community, faith and social enterprise (VCFSE) partners, schools, advice providers and housing services has shaped the proposed delivery model, particularly the emphasis on cash-first support, outreach activity and strengthened referral pathways. Delivery of the CRF will rely on continued partnership working across the council, VCSE organisations, schools and statutory partners to ensure coordinated and effective support.
13. The recommended decision is expected to have a positive impact on children in care, care leavers and care-experienced young people. Care leavers and young people transitioning to independence are at increased risk of financial instability and crisis. The needs-based, cash-first approach will enable targeted support where appropriate, while strengthened referral pathways

will improve access to coordinated advice and resilience-building services. In line with corporate parenting responsibilities, officers will ensure that the needs of looked after children and care leavers are actively considered in delivery of the scheme and that relevant teams and partners are aware of referral routes.

Environmental impact

14.

- a) Energy efficiency and housing stability: Financial support may enable households to maintain essential utilities and avoid unsafe heating practices and may facilitate access to wider schemes supporting energy efficiency improvements.
- b) Digital delivery and reduced travel: The introduction of digital payment and referral platforms will reduce paper-based processes and unnecessary in-person transactions, supporting lower resource use and reduced travel where appropriate.
- c) Partnership working: Through collaboration with housing providers and community partners, residents may be signposted to schemes that improve home energy performance and reduce carbon emissions.
- d) Local delivery model: Outreach and community-based provision will utilise existing local infrastructure, reducing the need for additional estate or transport impacts.

15. The proposal does not create significant new environmental risk and is not expected to have a detrimental impact on the council's environmental policy commitments. Where procurement of digital systems or commissioned services is required, environmental considerations will be incorporated into service specifications and contract management arrangements in line with council policy.

Equality duty

16. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.

17. The mandatory equality impact screening checklist has been completed for this activity, and it has been found to have low impact for equality.

18. Due to the potential impact of this activity being low, a full Equality Impact Assessment is not required. However the following equality considerations should be taken into account when making a decision:

- a. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Local authorities have discretion on exactly how the Crisis and Resilience Fund is used within the scope set out in the guidance for April 2026 to March 2029 issued by the Department of Work and Pensions and the local eligibility framework which is set out in paragraph 8 of this report. In prioritising low-income households, there is likely to be a positive impact for people who are financially disadvantaged (although this is not in itself a protected

characteristic within the Equality Act 2010). If there are households in urgent need due to rising living costs, they may access support through the Local Welfare Provision service of the Council.

- b. The scheme specifically targets households on low incomes particularly those households that are not accessing their full entitlement of benefits. The CRF will provide additional support to other financially disadvantaged households in Herefordshire, many of these households will include those who share a protected characteristic e.g. age, so by utilising the scheme this will support the council in discharging its Equality duty by supporting many of these households to access these funds through third party agencies
- c. All agencies involved in the distribution of the funding will be made aware of their equality responsibilities in regard to the Equality Act.

Resource implications

19. The CRF is provided to local authorities as a multi- year settlement grant of the Local Government Act 2003 by the DWP. The CRF allocation of £2.3 million grant funding from the DWP has been made to the council for spend during the period April 2026 to March 2027. The definition of spend includes grant funding that has been provided to vulnerable households, within the scope of the eligibility criteria and within the period of the scheme 1 April 2026 to 31 March 2027. Funding for subsequent years is subject to confirmation by DWP. (2027-2029) Expenditure must be incurred within the given financial year, including 'committed spend' where funding has been awarded within the scheme period.

20. The programme delivery costs will be met from within the overall grant allocations. Any additional IT costs will be met within the grant allocation. Any staffing arrangements will be funded from the grant allocations.

21. The CRF allocation is a ring-fenced revenue grant provided by the DWP. The MTFs does not assume ongoing CRF beyond the given grant period.

The tables below are to support setting out the financial implications of the decision / project.

Funding streams - external grant	2026/27	2027/28	2028/29		Total
DWP - £2.3 million	£2.3m	TBC	TBC		£2.3m
DWP additional funding for heating oil	£517k				
TOTAL	£2.817m				£2.817m

Legal implications

22. In accepting the CRF, which is provided under Section 31 of the Local Government Act 2003, the Council would be bound by the grant conditions.
23. The relevant legal provisions for this decision can be found in the council's constitution, www.herefordshire.gov.uk/constitution.

Risk management

Risk / opportunity	Mitigation
Demand for crisis support exceeds available funding.	Clear prioritisation of eligibility criteria, active monitoring of spend, phased allocation of crisis support, and contingency management of the fund
Community capacity to financial resilience elements.	Early engagement with VCSE partners, clear funding criteria, regular performance monitoring, ongoing review to identify pressures and adjust delivery, and provision of training and support to strengthen community capacity.
Managing the risk of fraud.	Proportionate eligibility checks, use of a secure digital payment platform, regular monitoring of payment patterns and audit oversight, and full compliance with Herefordshire Council's fraud-risk procedures
Reputational risk if support is perceived as inconsistent.	Clear public communications plan and transparent eligibility criteria to ensure consistent understanding of the scheme

24. The relevant risks will be managed at a service level and entered on the directorate risk register for community wellbeing.

Consultees

25. We have completed a workshop with our VCSE delivery partners who have had key role is supporting vulnerable households throughout the Household Support Fund. This has helped to shape key elements for the delivery plan 2026/27. CRF is designed as an evolving programme over a 3-year period. Ongoing engagement with partners, residents and people with lived experience will inform refinement of the delivery model, including regular partnership forums and public voice mechanisms.

26. A Political Group Consultation was held on 30 March with nine members in attendance. Green Party members raised concerns about how residents experiencing ongoing or permanent crisis, rather than one-off emergencies, would be supported in the longer term, how residents would be made aware of available support, what community resilience services would look like, and whether the DWP grant would cover all administrative costs. They also sought confirmation that the Holiday Activities and Food (HAF) Programme would continue and highlighted worries that rising vehicle fuel costs might prevent residents from accessing services. A Conservative Party member sought assurance that the proposed digital platform would provide a safe and secure mechanism for distributing funding. A Liberal Democrat member questioned how the proposals would align with wider system approaches aimed at reducing reliance on crisis support and improving long-term sustainability for residents, as well as how data would be used to shape the support provided and what metrics would define success. A member of the True Independents suggested that the initiative could interweave with the implementation of the Families First Programme and recommended targeting support toward residents identified as vulnerable by energy providers.

Appendices

Appendix A - Crisis and Resilience Fund Guidance 2026-29

Background papers

None

Glossary of terms, abbreviations and acronyms used in this report

CRF – Crisis and Resilience Fund

HSF – Household Support Fund

VCSE – Voluntary, Community and Social Enterprise sector

DWP – Department of Work and Pensions

MTFS – Medium Term Financial Strategy