

Research to inform policy from the University of York

THE HOUSEHOLD SUPPORT FUND

Evidence from research with Local Authorities and parents and carers living on low income

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Summary

- The Government's Spring budget has extended the Household Support Fund (HSF) for a further six months, providing £500 million to cover the period 1st April to 30th September 2024.
- The HSF is a £1 billion per year lifeline for low-income households administered by local authorities in England. By 30th September 2024, supposedly temporary discretionary support delivered via local authorities – for the pandemic, the surge in energy bills and the rising cost of living – will have accounted for over £3 billion in welfare provision since December 2020.
- 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 the final backstop in this system, offering a vital lifeline to households facing financial crisis.
- The future of the HSF was uncertain ahead of the budget and a wide coalition of organisations had lobbied for it be extended. Barnardo's said the loss of HSF would be "catastrophic". While an extension to September is welcome, this merely postpones removal of the scheme. The majority of local authorities lack resources to replace HSF financed activity, meaning vital support will disappear this autumn in many parts of the country, plunging households facing crisis further into hardship.
- Short-term funding and last-minute decision making by Government has not created good conditions for local authorities to plan and deliver support financed via HSF. While the HSF scheme has provided vital support across England, it has many imperfections. Schemes have varied considerably by locality and awareness of the HSF has often been limited. The limitations of the HSF scheme offer lessons for how discretionary crisis support might be strengthened in the future.

Recommendations for policy

1. **Consolidate.** The Government should extend the Household Support scheme for more than six-months and do so as soon as possible. Last-minute renewals are hugely damaging for Local Authorities trying to plan their use of the funds to support the most vulnerable households and third sector providers (such as foodbanks and welfare advice services) who rely on this support. They are also incredibly damaging to recipients of the support, who must increasingly navigate a landscape of temporary, precarious and uncertain support, embedding insecurity into the design of support.
2. **Improve.** The HSF is an imperfect scheme and policy-makers should learn lessons from its weaknesses to develop a more effective model of discretionary crisis support in the future.
3. **Strengthen.** The HSF has helped cover some of the cracks in the safety net, but even a reformed HSF cannot cover these cracks on its own. A more effective discretionary crisis support model needs to work alongside a strengthened national social security system.

Further information

This briefing draws on ongoing research in the Local Government and Cost of Living Emergency (LOCALE) project and the Changing Realities research programme.

More information about the Changing Realities programme, a participatory online project working with over 100 parents and carers living on a low income across the UK, [can be found on its website](#). A full research paper on the HSF produced by the LOCALE team is available to read for free in the Journal of Poverty & Social Justice.

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HSF extended, but only for 6 months

The “Household Support Fund” (HSF) provides £1 billion per year to local authorities to support vulnerable households in England. It has become a lifeline for hundreds of thousands of low-income households, making millions of payments and supporting the work of third sector organisations such as welfare advice agencies and foodbanks. The Government’s Spring Budget offered a six-month, £500 million, extension of funding for this vital lifeline, but this still means the scheme will effectively be scrapped in 2024, but on 30th September rather than 30th March.

A vital lifeline

In the context of overall public spending, £1 billion per annum for crisis support is not a significant sum. However, with rapidly rising levels of destitution – estimated to affect 3.8 million people last year, including around 1 million children – the HSF has come to be a vital backstop in the welfare system, a last line of support for some of the most vulnerable households. A wide coalition of stakeholders had lobbied the Government to extend the HSF, including over 120 local, regional and national charities, the Local Government Association and MPs.

A common view is that the HSF has facilitated creative local policy responses that have plugged gaps in the national safety net. While the six-month extension will help vital work continue for a short-period, much of this work will end thereafter. Almost two-thirds of councils say they have no alternative funding that can replace lost HSF support, meaning vital HSF financed support and services will disappear later this year.

A big loss for the third sector

Most local authorities have developed existing partnerships with third sector organisations or struck up new ones to deliver the HSF. This has been a win-win proposition: community and voluntary sector organisations are often working closely with households struggling with the cost of living and often provide greater support (e.g. with debt issues or social welfare advice) than is possible in-house by a local authority.

In an extremely challenging financial environment, the HSF has provided support to sustain the work of third sector organisations such as advice services and food banks. Uncertainty over HSF’s long-term future therefore presents a challenge not only for local authorities and the households they support, but also the work third sector organisations, many of whom rely on some HSF funding to help sustain part of their activities. The children’s charity Barnardo’s described the prospect of the scheme ending as “catastrophic”.

Procrastinatory policy-making

A lack of clarity from Government meant the HSF’s future was uncertain ahead of the Budget: while no promises of new funding had been made, it refused to confirm the scheme would be ending either. Last-minute decision-making has been a feature of policy-making throughout the life of the HSF. The local authorities we interviewed underlined how this made effective planning of local welfare schemes almost impossible, repeatedly plunging streams of work and staff roles relying on the HSF into uncertainty.

Lack of certainty around HSF’s future since the November Autumn Statement has left local authorities unable to effectively advise citizens, confirm whether staff delivering HSF will have roles from 1st April or to plan alternative crisis provision.

A procrastinatory approach to policy-making does not create good conditions for service delivery, particularly when local government finances are severely constrained. The latest six-month extension repeats this cycle.

“All these schemes yeah, don’t get me wrong, they’re helpful, but they’re just a sticking plaster. The welfare benefits system is broken, and it needs a fundamental fix really”.

Local authority staff interviewee

“One frustration is how different each council’s scheme is, and how long and complex a lot of the forms are. Some can only be done online, some can only be done on paper, some require a lot of information. It’s not easy for someone who is struggling and stressed”.

Marcie M, Changing Realities participant

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 HSF has imperfections and learning from these weaknesses will help develop such a model.

Parents and carers living on a low income who participated in the Changing Realities research programme identified numerous 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, the complexity of application processes has varied significantly.

A representative poll we conducted last summer showed only half of elected local councillors in England agreed HSF had been an effective response to cost of living pressures in their area, though this compared favourably to views on Universal Credit, which only 28% saw as effective. Their views were more strongly positive on the role played by foodbanks (79%) and information and advice services (67%), but both are often supported by HSF finance due to end in September.

A common view is 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.

A reformed HSF needs to work alongside a more effective national security scheme that better protects low-income households. The cost of living crisis has exposed major weaknesses in social security that pre-date rising inflation and the COVID pandemic. HSF is a sticking plaster, not a panacea: wider reform is needed.