

Bath & North East Somerset Council

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| DECISION MAKER: | Cllr Mark Elliott, Cabinet Member for Resources. | |
| DECISION DATE: | On or after 18th April 2026 | EXECUTIVE FORWARD PLAN REFERENCE: |
| | | E 3693 |
| TITLE: | Crisis and Resilience Fund (CRF): Allocation of Funding for 2026/27–2028/29 and Free School Meal (FSM) Voucher Provision. | |
| WARD: | All | |
| AN OPEN PUBLIC ITEM | | |
| <p>List of attachments to this report:</p> <p>Appendix 1 – CRF Guidance for Local Authorities</p> <p>Appendix 2 – Detailed CRF Proposal</p> <p>Appendix 3 – Equality Impact Assessment</p> | | |

1 THE ISSUE

The Department for Work and Pensions (DWP) has introduced the Crisis and Resilience Fund (CRF), replacing both the Household Support Fund (HSF) and Discretionary Housing Payments (DHPs). For Bath & North East Somerset (B&NES), the 2026/27 CRF allocation is £1,684,245, representing a **£240,983** reduction compared with the previous combined HSF and DHP funding for 2025/26 (total £1,925,198).

CRF requires delivery across four strands:

- Crisis Payments
- Housing Payments
- Resilience Services
- Community Coordination

The only fixed allocation is for Housing Payments (based on the 2025/26 DHP contribution of £193,723). DWP guidance emphasises shifting funding toward resilience and preventative services, moving away from blanket crisis provision. The reduction in funding, combined with increased eligibility for Free School Meals (FSM) from September 2026, means that the current 13-week FSM voucher model is no longer affordable or aligned with national policy. Furthermore, additional feedback from the DWP is that Local Authorities who do

not administer the grant in line with DWP guidance will be subject to compliance measures, which may include withholding funds.

Officers undertook financial modelling to understand the implications of continuing blanket FSM voucher provision under the Crisis and Resilience Fund. This modelling confirmed that, beyond Summer 2026, blanket provision would be unaffordable within the CRF allocation and would not comply with DWP grant conditions. As a result, the current proposal includes time-limited transitional FSM voucher provision until the end of Summer 2026, to allow families, schools and partners time to prepare for the withdrawal of the scheme, while aligning delivery with national policy expectations.

2 RECOMMENDATION

The Cabinet Member is asked to agree:

- 2.1 To approve the proposed allocation of the Crisis and Resilience Fund (CRF) for Years 1–3 (2026–2029), including time-limited transitional FSM voucher provision in Year 1 only, as described in this report.
- 2.2 To approve the establishment of the CRF Crisis Fund, which aims to deliver 48-hour cash first crisis payments supported by resilience engagement requirements.
- 2.3 To approve the distribution of CRF funding to resilience and community support partners, including Bath Mind, Clean Slate, Citizens Advice, and Council Business Skills, and Care Experienced Teams.
- 2.4 To delegate authority to the Revenues and Benefits manager, in consultation with the S151 Officer, to make operational adjustments within CRF allocations where required.

3 THE REPORT

The Crisis and Resilience Fund integrates crisis response with long term preventative work and replaces two separate funding streams (HSF and DHP). The new approach provides significant flexibility, but the reduction in total funding and the rising number of children eligible for FSM makes continuation of the historical blanket voucher offer unsustainable.

3.1 Increase in FSM Eligibility

B&NES Local Council Tax Support data shows:

- 5,715 children in UC households (January 2025)
- After accounting for non-eligible age ranges, approx. 4,743 will be entitled under new 2026 criteria

Current practice supports approx. 4,100 children; therefore, eligibility increases further from September 2026 by around 600 children.

3.2 DWP Policy Direction

CRF guidance indicates that blanket voucher schemes may not align with the fund's aim of building financial resilience. DWP guidance expects:

- Cash first crisis payments
- Targeted preventative support
- Multi agency collaboration
- Greater emphasis on resilience programmes
- A needs assessment for any crisis support offer.

3.3 Local Position

Under previous HSF arrangements, a substantial proportion of the grant was used for FSM vouchers. While effective at short term crisis mitigation, this approach does not address underlying drivers of financial insecurity.

A shift is required to meet both national expectations and local sustainability. Continuation of blanket provision would significantly reduce funding available for crisis response and preventative services, increasing financial risk to the council and undermining the objectives of the CRF.

3.4 Proposed CRF Allocations

This proposal allows the council to cover all 4 strands of the CRF as set out in the DWP guidance.

Crisis Support

- Crisis Fund (application based, cash first)
- 48-hour processing target
- Awards normally under £500
- Engagement with resilience partners required
- Two FTE for administration (one for year one, two from year 2)
- Energy Support Fund held by Citizens Advice Bath and North East Somerset. Supports emergency heating, fuel, meter top ups, and heating system repairs
- Separate Energy Support fund held by the Welfare Support team to help households in financial crisis with heating oil.

Housing Payments

- Direct replacement for DHP scheme
- For residents on HB or UC Housing Costs

- Admin budget included

Resilience Services

Funding will support:

- Business Skills Team CRF programme
- Bath Mind (Mindline) crisis mental health support
- Clean Slate Financial Health Checks (with immediate supermarket voucher)
- Citizens Advice Macmillan casework expansion (with possible BCF match funding)
- Care Experienced team support for young people in independent living

Community Support

- Small grants for third sector organisations
- Framework encouraging multi agency collaboration
- Supports food resilience, budgeting support, income maximisation, and financial stability

4 STATUTORY CONSIDERATIONS

4.1 The council must comply with the Public Sector Equality Duty and ensure CRF is administered in accordance with DWP guidance. Decisions must be rational, evidence based and aligned with the grant framework. Data sharing will comply with UK GDPR, with a shared case management system used where appropriate.

4.2 The Crisis and Resilience Fund constitutes a form of Local Welfare Provision, as defined in Regulation 2 of the Universal Credit (Local Welfare Provision Disregard) (Amendment) Regulations 2022, which describes LWP as discretionary financial or other assistance provided by local authorities to meet immediate short-term needs arising from exceptional circumstances or to enable individuals to establish or maintain a settled home

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The CRF allocation for B&NES is approximately £1,609,249 per year for three years. Under this proposal, the financial modelling allows the council to maintain:

- A strong Crisis Fund (£403k–£500k)
- Fixed Housing Payment allocations
- Stable long-term funding for resilience partners
- Community Support grants across B&NES

A full financial breakdown for the proposal is included as an additional paper for this report titled Detailed proposal - CRF.

5.2 Officers undertook financial modelling to assess whether blanket FSM voucher provision could be sustained within the CRF allocation. This modelling confirmed that continuation beyond Summer 2026 would either require the council to fund vouchers from its own resources or place the authority in breach of DWP grant conditions.

The proposal therefore includes blanket FSM voucher provision only for the period permitted under DWP guidance, ensuring compliance, financial sustainability, and protection of core crisis and resilience services.

6 RISK MANAGEMENT

A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance. A summary of the risks and mitigations for option 3 is shown in the table below.

| Risk | Mitigation |
|---|--|
| Reduced FSM support may increase crisis demand | Strong Crisis Fund + resilience support engagement |
| Confusion among residents about voucher eligibility | Clear communications plan + referral pathways |
| Multi-agency duplication | Single governance point via CA for Energy Fund; Riviam data sharing for warm hand-offs |
| Reputational risk from reducing blanket provision | Demonstrated alignment with DWP policy + Equalities Impact Assessment |
| Insufficient staffing to meet 48-hour processing | Additional fixed-term FTE funded through CRF |
| DWP compliance action or withholding of funds | Alignment with published CRF guidance; regular reporting; early engagement with DWP |

7 EQUALITIES

7.1 An Equalities Impact Assessment (EIA) has been undertaken and is shown in the accompanying documents. This has highlighted the potential impact of the reduction in blanket provision for different groups, including those with protected characteristics, and how targeted support and better access to crisis support can mitigate negative effects. Particular themes which emerged from the EIA include

- Impacts of reduced blanket provision
- Mitigation through crisis and resilience services
- Maintenance of summer support for 2026
- Pathways for urgent assistance
- Support through the Community Wellbeing Hub

8 CLIMATE CHANGE

8.1 Neutral impact expected. Some elements (e.g., Energy Support Fund, warm homes advice) contribute indirectly to sustainable outcomes.

9 OPTIONS CONSIDERED

Officers considered whether alternative delivery approaches, including the continuation of blanket FSM voucher provision for some or all school holiday periods, could be accommodated within the Crisis and Resilience Fund.

Following engagement with the Department for Work and Pensions, it is now clear that such approaches would not comply with CRF grant conditions beyond Year 1 and would expose the council to compliance measures, including potential withholding of funding.

10 CONSULTATION

Section 151 Officer

Monitoring Officer

Business Skills Team

Community Wellbeing Hub partners

Citizens Advice, Bath Mind, Clean Slate

Public Health team

Further consultation will be undertaken during implementation

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| Contact person | Damian Peak |
| Background papers | None |
| Please contact the report author if you need to access this report in an alternative format | |