Cash first and the Crisis and Resilience Fund – Cash first but not cash only
Note from Crisis Support Working Group – August 2025

Taking a cash first approach to food insecurity

Ultimately taking a cash first or income-focused approach to food insecurity would result in everyone in our society being able to access adequate incomes through social security payments and fair wages.

As part of a well-functioning social security system, the availability of easy-to-access, adequate, and well-promoted crisis support payments in cash would be prioritised in every UK local authority *alongside advice and support to maximise income*.

The benefits of cash payments distributed by local authorities

Providing cash grants, rather than in-kind donations, empowers individuals and families to make informed choices that best suit their circumstances. Local authorities taking a cash first approach can provide the people they support with dignity, autonomy, and the ability to address their specific needs most effectively.

A 2019 Children's Society report found that: 'scarcity of cash awards has left a big gap in crisis provision for people who would have previously used the Discretionary Social Fund to help them manage a temporary cash flow problem'.

While Resolve Poverty's Household Support Fund: best practice briefing for local authorities explained: 'responses to financial crises should give people maximum choice and control, which is best done by providing people with monetary payments rather than in-kind support'.

Responses to the recent the Shaping the Future of Local Welfare and Crisis Support in England inquiry consistently emphasised the importance of taking a cash first approach, a perspective that was strongly held among individuals with lived experience of financial hardship, where financial support was preferred to other types of help.

The Leeds City Council cash grant pilot programme found that 94% of cash grant recipients would prefer to receive cash by way of support than a food parcel and:

- Cash grants have an immediate impact on a person's financial situation and can prevent them from needing to turn to a food bank for support;
- Cash grants are a more dignified form of support when people face financial hardship - people overwhelmingly prefer receiving a cash grant than an emergency food parcel from a food bank;
- Cash grants can also unlock benefits beyond purchasing the essentials, including paying down debt or reducing the impact of larger one-off costs such as paying for a car's MOT to be able to get to work. This can be vital in putting people on a financially secure foundation for the long-term;

Independent Food Aid Network (IFAN) member the Legendary Community Club's cash first pilot found that cash payments allowed people more choice, less waste, and more budgeting opportunities. 'Cash allowed people to shop around and cater for specific needs such as allergy-safe or culturally appropriate foods'

Evidence shows that cash-first policies at a local level are more efficient and flexible, reducing administrative burdens and ensuring quicker, more tailored support for individuals facing hardship than say distributing vouchers. Trussell's Cash-First Approaches to Supporting People Facing Financial Hardship Locally: A Literature Review found: '..providing people with cash rather than in kind support can be a more efficient and effective use of government money because it reduces the cost of co-ordination and logistics, and minimises waste.'

As Citizens Advice details in their The future of crisis support paper published in May 2025: 'Cash awards are preferable to vouchers, since cash can be used more flexibly to meet a range of needs, enables recipients to decide how to best meet their own needs, and as a result, is a more dignified form of support. In addition to locking recipients into using support in a particular way, vouchers can pose a number of challenges which hamper their effectiveness: shops offering vouchers may not be able to meet culturally specific needs, and recipients may need to travel to a shop that accepts vouchers, which can come with added costs and create barriers to accessing support for disabled recipients and those in rural areas.'

Cash payments can give a boost to local economies by increasing the likelihood of payments being spent with local, independent retailers. They have 'multiplier effects' in a way that in-kind vouchers are unlikely to.

Cash first and 'misuse'

Recent evidence does not support claims of misuse. Scotland, Northern Ireland, and Wales all offer cash grants through discretionary crisis support schemes. The Leeds City Council cash grant pilot programme found: 'People use cash to buy the essential items, particularly food, gas, and electricity' and there was no evidence of misuse of the cash grants'. This supports existing international and UK evidence that cash transfers do not lead to misuse.

Cash first but not cash only

Delivering a cash first or income-focused approach to food insecurity and poverty at a local level means prioritising income-focused solutions (direct cash payments taking precedence over vouchers, food parcels, or other in-kind items) and the ways and means to maximise income and build financial resilience. Taking this approach could well involve immediate access to cash payments but not necessarily so.

While cash first should be the default, there should still be flexibility for in-kind support (e.g., white goods and essential furniture) in cases where cash may not be practical or preferred. It might be that the provision of white goods or furniture offers best value for money. Some people might also prefer a food parcel as an emergency form of support depending on their location because local shopping venues are cost prohibitive. People with complex needs may also be best supported through vouchers or food parcels once the benefits of cash payments are ruled out.

The APPG on ending the need for food banks inquiry on *Cash or food? Exploring effective responses to destitution* found that: 'Several of the main challenges with food-based support are mitigated by a cash-first approach, and we heard how cash grants offer a more accessible, dignified, and flexible form of support to people facing financial crisis. However, the evidence also cautioned against a one-size fits all approach, recognising that people should be able to access the support that suits them best. Cash-first approaches also need to be part of a strong local support system that prioritises good coordination of local services and effective referral pathways to help target support and prevent crises from recurring.'

Supporting people with a cash first approach and prioritising income-focused solutions, including advice and support to maximise income, might also involve referrals to other local services. The availability of local advice services (third sector or local authority-run) able to help people holistically with a needs-driven approach in mind is critical.

As detailed in 'Shaping the Future of Local Welfare and Crisis Support in England': 'wrap-around' support including 'housing, mental health, or employment assistance is crucial to ensure that short-term financial relief contributes to longer-term stability'.

Cash first and advice and support to maximise income

The provision of needs-driven advice and support that helps to maximise income and access any existing financial entitlements is fundamental to a cash first approach. This advice and support could help to build financial resilience alongside crisis support *and* help to prevent crises from happening in the first place.

A 2023 evaluation of Local Welfare Assistance schemes in London found that receiving additional support alongside immediate financial assistance is effective in 'maximising income, improving the ability of residents to cope, and may go some way to prevent or reduce crisis applications. In many instances advice and support will be made more effective by at least stabilising a household's income in the short-term. Without the immediate relief of direct cash support some families may not have the financial stability or mental bandwidth to take full advantage of any advice they

are offered. The A Menu for Change report The Scottish Welfare Fund: Strengthening the Safety Net recommends 'active referrals to advice and support services rather than signposting' when supporting someone with a cash payment in acute crisis. Other evidence points to the increased effectiveness of cash when it is accompanied with other forms of support and advice that can be 'wrapped around' people to help them build a longer-term foundation without returning to a crisis situation, including advice and support with income maximisation, debt, or budgeting, or referring people on to other wider forms of support, such as housing and mental health services.

The question of conditionality is sometimes raised when discussing cash first crisis support. Discretionary crisis support via cash payments is an integral element of a well-functioning social security system and, regardless of whether people engage with advice and support to build financial resilience, crisis payments should be easily accessible, adequate, and well-promoted. However, given the backdrop of insufficient social security payments and wages alongside unclaimed social security payments and social tariffs worth £23 billion per year and the evidence that the provision of advice and support alongside cash payments ensures maximum benefit, there's no doubt that crisis support cash payments should be closely connected to advice and support to maximise incomes.

Prioritising engagement in this advice and support rather than imposing it is likely to be much more effective. Evidence shows that choice, flexibility and being able to refer people to advice in a trusted place, where they feel safe and comfortable can improve engagement. Clearly outlining the benefits of further support once people have been able to access direct financial assistance to meet their immediate, pressing needs can also help with engagement. Ensuring cash payments, or other in-kind crisis support where appropriate, is available alongside *optional* advice and support delivered in ways that support positive engagement should be the priority.

Investment in, promotion of, and easy access to existing local advice services is key but this type of help is too often overstretched and overwhelmed and investment in the capacity of these services is vital in terms of building financial resilience. Recent programmes to co-locate advice services within food banks and other food aid providers have provided evidence of models of support that can build financial resilience and help to avoid the need for food support in the future. However, preventative support should be available without the need for people to turn to food aid in the first place.

Ideally people would be able to access advice and support long before they reach crisis point and this is key to building financial resilience preventatively. IFAN's 'Worrying About Money?' co-produced resources helping people facing money concerns and support workers identify local help and support to maximise income epitomises this approach. There needs to be focus placed on sharing clear and easily accessible resources to help people navigate their way towards local income-focused advice services helping to avoid crises from happening in the first place.

Cash first and the Crisis and Resilience Fund guidance

Clear guidance should help local authorities understand what's meant by taking a cash first approach, why prioritising cash payments to help someone through a sudden crisis alongside advice and support to maximise income is key to 'ending mass dependence on emergency food parcels', and how distributing other types of support fits in. Training for frontline support workers could ensure consistent application of the cash first policies across local authorities. There should also be awareness of a flexible approach in cases where in-kind support, such as furniture and white goods, may be a better option. Monitoring of cash payments distributed alongside advice and support to maximise income could help to build evidence on fewer people needing to access crisis support and more people having been able to build financial resilience.