

Representation to the Spending Review 2025

February 2025

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About Trussell

We are an anti-poverty charity and community of food banks. We work together to ensure no one in the UK needs a food bank to survive, while providing emergency food and practical support for people left without enough money to live on. We are 1,400 food bank locations, supported by 36,000 volunteers, 12,000 churches, 100,000s of community groups and schools, and millions of people around the UK.

Summary

The missions and milestones that provide the focus for this Spending Review must be seen in the context of record levels of hunger and hardship across the UK. The UK government has made welcome commitments to deliver a decade of national renewal. This long-term focus must be at the forefront of decision-making during the Spending Review process. Focusing solely on short-term cuts to spending risks undermining the government's Plan for Change. An absence of progress on long-term solutions will push more people deeper into poverty and into hunger and hardship, and this will harm us all.

At least 9.3 million people are facing hunger and hardship across the UK, including 3 million children. This is the highest number in the last 20 years and equivalent to three times the population of Wales. Without action, 425,000 more people will face hunger and hardship by 2025/26.¹ The cost of hunger and hardship is bearing down on people and families, public services, economic activity and the wider economy. Addressing hunger and hardship will help raise living standards in the long-term, keep people healthier and more able to train and work where this is possible, and improve children's life chances.

We know the solutions that will make a difference and reduce the individual and wider economic cost of hunger and hardship. The Spending Review is a significant opportunity to deliver many of the long-term changes needed to turn the tide and reduce the number of people facing hunger and hardship and forced to turn to food banks for support.

The Spending Review also presents an opportunity to consider government spending in the round. Our social security system is the most effective and immediate lever we have for reducing poverty and food bank need. There is a critical need to invest in our social security system to deliver improved public services, living standards, opportunities and economic growth for all. Social security spending is not within the scope of a Spending Review, but the UK government can use the Spending Review to lay the groundwork that will allow for further reform and investment at the Autumn Budget to improve the lives of people on the lowest incomes and going without the essentials.

The UK government should continue to pursue its long-term ambitions to raise living standards, help more people into good quality jobs, make housing more affordable, improve access to health care and give children the best start in life. Economic growth alone will not be sufficient to deliver on these

¹ Trussell (2024) [The Cost of Hunger and Hardship - interim report](#)

goals and improve the lives of people on the lowest incomes. Moreover, a lack of sustained action will mean hunger and hardship continue to place unsustainable pressure on our public services and hold back the economic growth the UK government seeks. Targeted policy action is needed. We urge the UK government to adopt the following measures as part of the Spending Review:

- Introduce a new Financial Crisis and Resilience Fund to rebuild discretionary local crisis support in England and increase resilience in communities
- Continue funding for a new approach to employment support
- Deliver a strong funding settlement for local government
- Invest in building 90,000 new social homes in England every year.

The UK government must also directly target the levels of hunger and hardship holding back progress against the missions and milestones that are key to delivering national renewal. Without targeted action to update our social security system, the impact of the programmes and policies recommended above will be limited by the fact that far too many people will still be going without the essentials. Therefore, we also urge the UK government to commit to the following changes beyond the Spending Review to make our social security system fit for purpose at the earliest opportunity:

- Introduce a protected minimum floor in Universal Credit and an immediate boost to the basic rate (standard allowance)
- Ensure the reform of health and disability benefits creates positive opportunities for disabled people and avoids cutting financial support
- Scrap the two-child limit
- Maintain the link between Local Housing Allowance and the 30th percentile of local rents.

Rebuilding local crisis support in England

Policy rationale

For people trying to survive on a low income, life events or other financial shocks are more likely to result in financial crisis. For a government committed to raising living standards in every part of the UK, discretionary crisis support is essential to provide timely, effective relief and, crucially, prevent a more sustained crisis, the build up of debt and long-term hardship. The evidence points not only to the positive impact of crisis support for individuals, but also for the public purse.²

Despite these benefits, discretionary crisis support in England has been eroded over the past decade. Since responsibility was devolved to local authorities in 2013 to deliver crisis support via Local Welfare Assistance (LWA) schemes, a lack of ring-fenced funding or statutory duty to provide crisis support has led to significant variation in provision and a total absence of crisis support in some areas.

² Trussell (2025) [A more resilient future. Rebuilding discretionary crisis support in England](#)

Since 2021, the Household Support Fund (HSF) has provided £842 million per year to local authorities in England to support people on the lowest incomes, unable to get by in the face of rising costs. The HSF has been used, in part, to boost funding for local crisis support schemes. While the HSF has provided a lifeline in the face of rising hunger and hardship, its effectiveness has been limited by short-term funding rounds and insufficient attention has been paid to meeting the needs of people in crisis, or to prevention and building longer-term financial resilience.

There is clear evidence that without the HSF, or an equivalent funding stream, local crisis support in England will be further eroded, leaving millions without access to discretionary support in times of financial crisis with long-term repercussions.³ This must not be allowed to happen. At the same time, the extension of HSF funding through to 2025/26 allows time to design and commit to a new approach to deliver sustained and effective local crisis support, building on the lessons from HSF and beyond.

Every local authority in England should have a scheme where anyone facing immediate hunger and hardship can receive cash-first support to get them back on their feet. Furthermore, local crisis support should be embedded in an integrated local system of services and support that can tackle deep financial hardship and help build financial resilience, making it less likely someone will need crisis support again.

Building on the foundations of local welfare assistance and the Household Support Fund, we are calling on the UK government to work together with local authorities to put in place a new, permanent and effective system of discretionary local crisis support in England. Delivering a new approach to discretionary crisis support would play a vital role in helping the UK government to raise living standards in our communities and create the security we all need to access opportunities. It would also enable communities to move away from relying on food banks to plug the gaps in support for people facing financial crisis, helping to fulfil the UK government's manifesto commitment to end the need for emergency food parcels.

Implementation

The 2025 Spending Review is an opportunity to lay the groundwork for rebuilding discretionary crisis support in England and ensuring a more resilient future for our communities.

The UK government should introduce a new Financial Crisis and Resilience Fund, backed by a multi-year, ring-fenced funding commitment and clear guidance on the standards expected of local crisis and resilience schemes.

The new Financial Crisis and Resilience Fund would provide local authorities in England with funding to deliver local crisis and resilience schemes. Local authorities need long-term funding certainty to invest in setting up schemes, and to administer and resource local crisis and resilience support effectively. A long-term funding settlement is also needed to enable local authorities to take a strategic look across local services and build an integrated local system that can tackle deep

³ End Furniture Poverty (2024) [A Bleak Future for Crisis Support](#).

financial hardship and help build financial resilience, using the new crisis and resilience schemes to kick-start this work. It is also clear that without ring-fenced funding the pressure on local government finances will result in non-statutory support dwindling.

The UK government should also provide clear guidance to ensure the fund delivers the policy intent. The guidance should give local authorities discretion over exactly how the funding is spent but should clearly identify the minimum delivery standards and monitoring and evaluation requirements. The government should work with local authorities to establish and embed the key principles of effective local crisis and resilience schemes, helping to create preventative crisis support systems locally. For example, schemes need to be widely promoted, easy to access and prioritise cash grants over the provision of emergency food, vouchers and other goods (while maintaining some flexibility in the support provided). Crucially, crisis support needs to be integrated with other local financial support offers and advice provision and part of a closely coordinated system of preventative services.⁴

A clear and easy to understand name for this programme of work, such as the Financial Crisis and Resilience Fund, will also help to build awareness and make it more likely people will reach out for help so support can be delivered in a timely way. For example, in discussions with people who have experienced financial hardship, awareness of the Scottish Welfare Fund is much greater compared to awareness of discretionary crisis support in England.

Alongside providing ring-fenced, multi-year funding and guidance, the UK government should also take the following further steps to ensure the new system of local crisis and resilience support is as effective as possible:

- **Work with local authorities to develop a clear outcomes framework for the new Financial Crisis and Resilience Fund.** A shared outcomes framework should improve the consistency and transparency of local delivery models.
- **Update the Immigration Rules to allow people with no recourse to public funds to receive crisis support.** The definition of public funds should exclude payments made under a local crisis and resilience scheme, following the precedent of the Energy Rebate Scheme 2022. This would enable people with NRPF to receive the support needed to prevent a crisis spiralling into longer-term hardship and the associated costs for individuals and the government.
- **Explore the options for a new legal duty on local authorities to operate a financial crisis and resilience scheme.** There is a risk that provision will be eroded in the future without a statutory duty. Any new duty must be accompanied by funding to enable local authorities to meet their statutory requirements.

Cost

The economic case for investment is strong. High rates of hunger and hardship have a high cost to society, the economy, and the Exchequer and effective crisis support, which can prevent longer term

⁴ Trussell (2025) [A more resilient future. Rebuilding discretionary crisis support in England](#)

hunger and hardship, will inevitably have a significant impact. In a study cited by the National Audit Office, an investment of £0.5 million into a local welfare assistance scheme generated £9.7million in savings to other public services.⁵ More recently, research on behalf of End Furniture Poverty found for every £1 invested in local welfare assistance, over £9 is saved by local authorities in reduced demand for homelessness and social services support, and over £14 is saved by the wider public purse by reduced demand for other public services such as health (NHS), criminal justice and benefits (DWP).⁶

In the forthcoming Spending Review, the UK government should provide an annual investment of at least £1.25 billion for the duration of the Spending Review period. This is equivalent to the funding provided for the HSF and DHPs in 2024/25, the current level of funding for local welfare assistance drawn from the Revenue Support Grant, plus 10% for new burdens funding to recognise the need for local authorities in England to deliver a new strategic approach to crisis support. It would also end the disparity in spending per capita on discretionary crisis support between England and the other UK nations and regions.

Table 1: Breakdown of recommended total funding for new Financial Crisis and Resilience Fund

Fund	Budget in 2024/25
Household Support Fund	£1 billion
Discretionary Housing Payments	£100 million
Core funding for local welfare assistance drawn from the Revenue Support Grant	£35 million
10% new burdens funding	£113.5 million
Total	£1.25 billion

Note: Current HSF budget includes Barnett consequentials. 93% of the current £100m DHP allocation goes to local authorities in England; the Welsh Government would receive Barnett consequentials from the new Financial Crisis and Resilience Fund which they could use to manage the change in DHP provision. Core funding for local welfare assistance based on Freedom of Information data.

Continued investment in a new approach to employment support

Policy rationale

Too many people are facing hunger and hardship due to being locked out of employment. In particular, disabled people and people with caring responsibilities too often face insurmountable barriers to find work that they can sustain, due to a lack of tailored support to prepare for, enter, and remain in work. The personal and wider economic consequences are significant; both groups are

⁵ National Audit Office (2016) [Local Welfare Provision](#)

⁶ End Furniture Poverty (2024) [Cost Benefit Analysis of Local Welfare Assistance and Furnished Tenancies](#)

heavily over-represented among people coming to food banks in the Trussell community and people who are very food insecure.⁷

We welcomed the new approach to employment support announced in the UK government's 'Get Britain Working' White Paper. In particular, a place-based and integrated approach to work, health, and skills and overhauling jobcentre support are much needed changes to our approach to employment support. The Spending Review is an opportunity to ensure there is a real step-change in support, providing department budgets to deliver:

- An accelerated programme of joined up work, health, and skills support programmes. For too long, welcome exploration of tailored employment support programmes have been hampered by short-term and small scale pilots and funding programmes. To truly deliver a new approach, we must see a marked and sustained increase in funding for specialist programmes.
- Investment in jobcentres or equivalent local sites for the new National Jobs and Careers Services. Jobcentres have become too focused on policing job search conditions, rather than building the trusted relationships which foster sustained engagement with advice and support that help people into work – particularly people who face the biggest barriers to work. Engagement cannot be delivered solely by (albeit welcome) changes to the frequency of in person appointments or jobcentre meetings proposed in the White Paper. We also need:
 - Investment in jobcentres as spaces, to ensure they are accessible and provide access to appropriate facilities for sick and disabled people.
 - Investment in work coach capacity and training, to deliver the more flexible, personalised support and appropriate reviews of claimant commitments promised in the White Paper. There is a long history of variable jobcentre staff support, who have been increasingly over-stretched. The NAO has previously raised concerns about their ability to support disabled people into work with the increase in caseloads.⁸ Evidence recommends greater flexibility for jobcentre staff working with sick and disabled people as a key pillar to building inclusive employment support.⁹ This can only be delivered with the right capacity and skills.
- Investment in better access to healthcare, particularly mental health support. If we are to ease the barriers created between job-seeking groups, we must accept that many people seeking work today need more active and accessible support with their health problems – particularly in light of the increased prevalence of mental health problems among young people. This support cannot be delivered only through more integrated ways of working; there is a fundamental problem in the availability of specialist, locally available support that must be addressed.

⁷ Trussell (2023) [Hunger in the UK](#)

⁸ NAO (2019) [Supporting disabled people to work](#)

⁹ Learning and Work Institute (2024) [What support helps disabled people and people with health conditions move into sustainable work?](#)

A strong funding settlement for local government

Policy rationale

Local authorities have a key role to play in building a future without the need for food banks and ensuring we raise living standards in every community. They provide vital services to their communities and can prevent deep financial hardship. By working in close partnership with local voluntary and community sector organisations (VCSOs), local authorities can build an eco-system of support that prevents financial crisis and empowers local communities.

However, the financial problems facing local authorities in England are well documented. Cuts to core funding, rocketing demand for services and inflationary pressures have resulted in an unprecedented number of authorities requesting exceptional financial support to avoid bankruptcy.¹⁰ The Local Government Association has welcomed an increase in funding for local authorities in 2025/26, but warned the settlement “still falls short of what is desperately needed”.¹¹

Food banks in the Trussell community remain deeply concerned about the consequences of local authority financial pressures. Our food banks feel the impact of cuts to local services and steep increases in council tax, both of which fall hardest on people who most need their council's support. For example, cutting housing, advice or other preventative services increases the risk of people falling into a deeper and more sustained crisis before receiving any support. It also increases the pressure on the voluntary sector, and food banks, to step in.

Over a third (36%) of people referred to a food bank in the Trussell community said they had received no advice from other services before their latest referral to a food bank.¹² Food banks in the Trussell community are already stretched to breaking point; it is unsustainable for grassroots, volunteer-led organisations to continue pick up the burden of essential public services. Without close local authority contacts or local services to refer people, local charitable support is even less accessible. Crucially, with fewer preventative services for charities to refer onwards to, support such as emergency food parcels can offer little more than a sticking plaster.

At a time when 7 million (60%) low-income households are going without essentials¹³, increases in council tax are likely to push people into deeper hardship. Council tax debt is a major issue for people referred to food banks, with 37% of people referred to food banks in the Trussell community reporting they are behind on their council tax bill.¹⁴ When local authorities are also struggling to fund their Council Tax Reduction schemes, the impacts could be particularly severe.

¹⁰ Guardian (2025) [Six English councils granted permission to raise council tax bills despite cap](#)

¹¹ LGA (2025) [LGA responds to Local Government Finance Settlement](#)

¹² Trussell (2023) [Hunger in the UK](#)

¹³ JRF (2024) [No end in sight for living standards crisis: JRF's cost of living tracker, winter 2024](#)

¹⁴ Trussell (2023) [Hunger in the UK](#)

The UK government is right to commit to a multi-year funding settlement and to reforming the system of funding for local government to put it on a 'sustainable footing'.¹⁵ With stable and sustainable funding, local authorities will be in a much stronger position to make sure people get the right support, at the right time, especially when things are hard. This is vital to achieving the UK government's goal of ending the need for emergency food, tackling child poverty and raising living standards.

Local authorities and council tax bill payers in Scotland and Wales are facing similar financial pressures and sustainable, long-term investment in local government is needed across the UK.

Building the social housing we need

Policy rationale

A key driver of the UK's crisis of hunger and hardship is the fact that there are simply not enough safe, secure and affordable homes being built. We welcome the changes being sought through the Renters Rights Bill and investment through the Warm Homes Plan to improve security and standards for renters, but there is still an urgent need to build social homes at the levels required across the UK, in communities where they are most needed.

Homelessness in England is rising and record numbers of people are living in temporary accommodation, including record numbers of children. There were 1.29m households on local authority waiting lists at the end of 2022/23, the highest it has been since 2014.¹⁶ In the same year (2022/23), there was a net loss of 6,635 social rent homes and 205,000 social rent homes across the social rented sector have been lost since 2013 as homes have been sold and demolished and the number of new homes built has fallen drastically short.¹⁷

Housing costs are the biggest essential cost that families face. The lack of affordable and secure housing drives up homelessness and pushes people to the doors of food banks. One in three (34%) people referred to food banks in the Trussell community were either homeless at the point of referral, or had experienced homelessness in the previous 12 months.¹⁸

We welcomed commitments on social housing made in the Autumn Budget 2024, including topping up funding for the Affordable Homes Programme and reviewing Right to Buy discounts. A safe, secure, and affordable place to call home provides the stability we all need to move out of financial hardship. This Spending Review should provide the foundation for a new long-term housing strategy which includes a clear delivery plan for, and investment in, social housing at the scale needed. This is required if the government is to meet its promises to tackle the housing crisis, reduce child poverty and end the need for emergency food parcels. Such investment will also generate substantial

¹⁵ UK Parliament (2025) [Written Statement: Local Government Finance Settlement 2025-26](#)

¹⁶ GOV UK (2024) [Social housing lettings in England, tenants: April 2022 to March 2023](#)

¹⁷ GOV UK (2024) [Reforming the Right to Buy](#)

¹⁸ Trussell (2023) [Hunger in the UK](#)

benefits driven by increased economic activity, increased employment and reduced pressure on healthcare, homelessness and other public services.

Implementation

In England, 90,000 new homes for social rent are needed each year for the next 10 years.

Cost

The combined socioeconomic value of building 90,000 social homes is estimated to be £51.2 billion, at a cost of £35.4 billion. This assumes one third of the cost – £11.8 billion – is funded by the UK government and the remaining portion is covered by providers of social housing, including housing associations and local authorities.¹⁹

Updating our social security system to make it fit for purpose

While we know social security spending commitments are out of scope for the Spending Review, these decisions are not unrelated. Spending Review decisions which can boost living standards and address hunger and hardship in the longer term will not see their full impact unless we also address the underlying costs of a social security system which is not fit for purpose. For instance, any new Financial Crisis and Resilience Fund will have reduced impact if it is also having to address the long-term shortfalls in people's income when trying to cover essential outgoings. The policy levers highlighted below are priority areas which should be addressed in tandem with the above Spending Review decisions, if we are to see a tangible reduction in the need for emergency food in this parliament.

Ensuring everyone can afford the essentials

Our social security system should be there for us all when we need it most. The UK government has made welcome commitments to review Universal Credit to ensure it is fulfilling its purpose to both make work pay and tackle poverty. However, currently, the basic payment under Universal Credit (the 'standard allowance'), does not even cover the cost of life's essentials.

This is borne out in Trussell's wider data. Representative survey data shows that 70% of people needing to turn to a food bank in the Trussell community are receiving Universal Credit.²⁰ Further polling revealed that nearly half (48%) of Universal Credit claimants had ran out of food in the last

¹⁹ Shelter (2024) [The economic impact of building social housing](#)

²⁰ Trussell (2023) [Hunger in the UK](#)

month and did not have enough money to buy. A similar proportion (46%) found keeping up with bills and credit commitments a constant struggle at best, living with continuous financial insecurity.²¹

The UK government should take steps to move towards an Essentials Guarantee, which would introduce a legally protected minimum rate of standard allowance, drawing on an independent body's recommendations, to cover at least the essentials. These should include:

- The full implementation of a protected minimum floor in Universal Credit as a low-cost step towards a social security system which protects people from going without the essentials. This would build on the UK government's Fair Repayment Rate, which will lower the cap on automatic debt deductions to 15% of the UC standard allowance from April 2025, by extending it to include the benefit cap. This would result in around 90,000 families seeing their reductions to Universal Credit due to the benefit cap lowered by around £210 a month on average, at a very limited annual cost of around £225 million.
- A boost to the standard allowance in Universal Credit to start to address the significant shortfall between essential costs and the basic payment in Universal Credit, currently around £30 a week for a single person aged 25 or over and nearly £60 a week for a couple aged 25 or over.²² This would not just directly serve the UK government's commitments on living standards, but also help to address some of the employment disincentives identified by the UK government. As the Minister for Employment has noted, successive freezes to Universal Credit rates and the sharp squeeze on the incomes of people trying to find work has created sharp disincentives to remain in job-seeking Universal Credit groups.²³ Softening those hard edges by boosting the standard allowance in Universal Credit would help to deliver a more sustainable approach to addressing economic inactivity, recognising people need more financial security while preparing for and exploring work where appropriate than the basic rate currently provides.

Positive reform of health and disability benefits

Disabled and sick people should be able to fulfil their work ambitions, but need the right support to do so. Some people will be unable to work, or to work full-time. At the same time, disabled people face unacceptably high levels of hunger and hardship. Around half of people facing hunger and hardship live in disabled families.²⁴ Disabled people face three times the risk of hunger than non-disabled people.²⁵ Any changes to our social security system for sick and disabled people must recognise these facts, and must not come at the expense of already precarious incomes or people's physical and mental health.

Social security for disabled people urgently needs reform. We agree that too often sick and disabled people are not provided with the support they want and need to prepare for and explore work. And

²¹ Trussell (2024) [Almost half of people receiving Universal Credit ran out of food within the last month](#). Online survey by YouGov on behalf of Trussell of 2,077 adults (16+) currently claiming UC. Fieldwork 29 July-23 August 2024.

²² Trussell and JRF (2024) [Guarantee our Essentials: reforming Universal Credit to ensure we can all afford the essentials in hard times](#)

²³ Hansard [HC Deb \(29 January 2025\) vol. 761, col 366](#)

²⁴ Trussell (2024) [The Cost of Hunger and Hardship - interim report](#)

²⁵ Trussell (2023) [Hunger in the UK](#)

some are held back by the fear of losing income vital to ensuring they can manage both typical living costs as well as the additional costs of living with a long-term health condition or disability. As noted above, the UK government has outlined welcome plans to improve employment support, proposing programmes which will integrate work, skills, and access to healthcare and the new 'Keep Britain Working' review to explore the role of employers to helping disabled people enter and remain in work.

However, plans to deliver equivalent savings proposed under the previous government must recognise that we will not deliver employment incentives by removing vital financial lifelines for sick and disabled people. We recognise the fiscal climate the UK government faces. But permanently reducing the incomes of disabled people who are not in work (whether seeking work, or unable to work) will do real damage to their lives and the wider economy, including through costs to the NHS and other public services and by pushing people further from employment.

We already know that previous UK government's proposals, which focused on financial savings, were forecast to do very little for employment. The OBR predicted just 3% of people affected by reforms to the Work Capability Assessment would move into employment. Pursuing a similar route to savings would be disastrous.

- A positive approach to reforms would include:
- A boost to employment support proposals (see above)
- Investment in the basic rate of Universal Credit (see above)
- An overhaul to job-seeking rules, complementing the investment in jobcentres and their staff, outlined above. We urgently need job search requirements which are relevant to the job market and job-seeking groups of today, moving away from a box-ticking exercise relying heavily on punitive sanctions to drive compliance and towards a more tailored approach based on a foundation of voluntary engagement.
- Tackling the administrative failings of Personal Independent Payments. These are already difficult to access, causing serious distress and hardship for many sick and disabled people, and costs to the UK government.²⁶ We need a positive vision for Personal Independent Payments, underpinned by clear principles for what the support should deliver, carried through to better decision-making so disabled people get the additional support they need and that they are eligible for.

Scrapping the two-child limit

Scrapping the two-child limit is essential to address the high overrepresentation of families with children forced to turn to food banks. Social security should protect children and families from hunger. But preventing parents from claiming Child Tax Credit or Universal Credit for any third or subsequent child is pushing families with children deeper into poverty.

The proportion of people facing hunger and hardship who live in families with three or more children has more than doubled in the last decade. In 2012/13 just 11% of people facing hunger and hardship

²⁶ See, for example: Work and Pensions Committee (2023) [Health assessments for benefits](#) p.72, and Pro Bono Economics (2021) [The cost of not getting Personal Independence Payment decisions right first time](#)

were living in families with three or more children. By 2022/23 this had increased to 25%. Over the same period the proportion of all people living in families with three or more children across the UK has remained relatively stable (9% in 2012/13 and 11% in 2022).²⁷ In the most recent year, 30% of all the support provided by foodbanks in the Trussell community was given to families with three or more children.

The majority (59%) of households affected by the two-child limit are in work.²⁸ Others face high barriers to work due to ill-health or intensive caring responsibilities. Circumstances can change and the impact of a bereavement, job loss, separation or other life events can be near impossible to recover from without the right support in place, leading to prolonged financial hardship. It's not right that some children are having to go without the essentials because they have more siblings than other children or because their families have faced difficult or traumatic experiences.

Scrapping the two-child limit would mean that 630,000 fewer people could be facing hunger and hardship by 2025/26, including 430,000 children who would have a much better chance at being well-fed, warm and healthy. This would represent a 7% decrease in the number of people expected to face hunger and hardship and a 14% decrease in the number of children expected to face hunger and hardship.²⁹

Implementation

Scrapping the two-child limit can be achieved by repealing the Social Security (Restrictions on Amounts for Children and Qualifying Young Persons) Amendment Regulations 2017.

Cost

The annual cost of scrapping the two-child limit is estimated to be in the region of £2.6 billion by the end of this parliament in 2029/30.³⁰ Estimates also suggest that by scrapping these policies, the UK government would gain around £3 billion in reduced cost to public services, increased employment, higher future tax and lower social security payments.³¹

²⁷ Trussell (2024) [The Cost of Hunger and Hardship - interim report](#)

²⁸ DWP (2024) [Universal Credit and Child Tax Credit claimants: statistics related to the policy to provide support for a maximum of two children 2024](#)

²⁹ Trussell (2024) [The Cost of Hunger and Hardship - interim report](#)

³⁰ NEF (2024) [Capping Ambitions](#)

³¹ Ibid.

Keeping Local Housing Allowance linked to actual rents

The need for food banks is strongly associated with rented housing, and high rents in the private rented sector (PRS) are a particular problem. The majority (68%) of people referred to food banks in the Trussell Trust network are renting.³²

Private rents have risen at record rates since the cost of living crisis, piling pressure on low income households. Average private sector rents in the UK increased by 9% in the 12 months to December 2024, only slightly below the highest recent annual increase of 9.2% in March 2024.³³ The impact of rising rents is exacerbated by the failure of housing benefits to cover the cost of rent for many people living in the private rented sector. Two-fifths (40%) private renters referred to food banks in the Trussell community in mid-2022 and in receipt of benefits to support with housing costs had a shortfall between their support for housing costs and their rent.³⁴ The decision to freeze LHA rates between April 2020 and April 2024 was a major factor in driving up homelessness, and pulling more private renters into severe poverty.³⁵

Local Housing Allowance (LHA) rates are used to calculate housing benefits for tenants in the PRS. However, there is no regular commitment to increase LHA rates in line with rises in local rents, and the decision to freeze LHA rates at 2024/25 levels from April 2025 onwards is deeply concerning.

Despite the increase in LHA in April 2024, there are still significant numbers of people on low incomes facing a shortfall between available support and their rent. A recent survey of this group revealed that 63% said the shortfall they were facing impacted their ability to afford day-to-day costs by a great deal or a fair amount.³⁶

Shortfalls between LHA rates and actual rents make it much harder to meet housing and other essential costs, pushing people into hunger and hardship. Over half of families affected by a shortfall have children and maintaining the freeze in LHA rates will make it harder for the UK government to achieve its goal of reducing child poverty. Modelling by Alma Economics for Crisis previously estimated 55,000 households would exit poverty in 2024/25 if LHA rates were aligned with the 30th percentile of local rents, with households with dependent children particularly benefitting.³⁷

Shortfalls between LHA and actual rent also drives up homelessness, increasing costs for local authorities. Temporary accommodation costs are already pushing local authorities to the brink of bankruptcy and freezing LHA rates will exacerbate the problem further. Research by Policy in

³² Trussell (2023) [Hunger in the UK](#)

³³ ONS (2025) [Private rent and house prices, UK: January](#)

³⁴ Trussell (2023) [Hunger in the UK](#)

³⁵ Citizens Advice (2023) [The impact of freezing Local Housing Allowance](#)

³⁶ Polling of 2,077 adults on Universal Credit conducted online by YouGov on behalf of Trussell Trust, between 29 July – 23 August 2024. Figures have been weighted and are representative of all UK adults (aged 16+) claiming Universal Credit.

³⁷ Crisis (2019) [Local Housing Allowance. Options for reform](#)

Practice found that for every 1,000 households experiencing a shortfall between their LHA rate and rent, 44 households will require temporary accommodation.³⁸

Action is needed to re-establish the link between housing benefits and actual rents as a fundamental baseline of support. LHA should always cover at least the cheapest 30% of properties in every area and the UK Government should commit to annual uprating of LHA in line with rents. Without this, increasing numbers of people will be forced to turn to food banks as they are unable to afford rent and other essential costs, including food and there will be additional pressure on individuals, public services and the economy.

It is important to recognise that many families who are subject to the benefit cap, particularly families in areas with higher housing costs, will not benefit from increases to LHA unless the benefit cap also rises. The effectiveness of other action to update our social security system depends on the interaction between policies - it is important to ease the burden of reductions from UC (see above recommendation for a protected minimum floor in UC) alongside re-establishing support for essential costs like housing.

Longer-term measures are needed to reduce housing costs, most importantly the investment in building the social housing needed across the UK as recommended above, but LHA is the best lever available to immediately mitigate the impact of high housing costs and should remain linked to rents.

Implementation

This amendment can be made simply through a (negative) statutory instrument. The latest amendment was made through the Rent Officers (Housing Benefit and Universal Credit Functions) (Amendment) Order.

Cost

The cost of raising LHA to the 30th percentile of local market rents in 2024/25 after three years of frozen rates was £1.3bn.³⁹ Latest estimates suggest the cost of increasing LHA in line with the 30th percentile of rents is estimated to be £0.6 billion in 2025/26.⁴⁰

³⁸ Policy in Practice (2020) [Evidencing the link between the Local Housing Allowance freeze and homelessness](#)

³⁹ GOV UK (2023) [Autumn Statement 2023. Policy costings](#)

⁴⁰ Citizens Advice (2024) [Uprating Local Housing Allowance: Briefing Note](#)

Unit 9, Ashfield Trading Estate,
Ashfield Road, Salisbury SP2 7HL

enquiries@trussell.org.uk

trussell.org.uk

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