

Crisis and Resilience Fund and Terminal Illness

Briefing for Local Government

January 2026

Introduction

The new Crisis and Resilience Fund is a multi-year fund designed to support low-income households experiencing financial crisis. The fund, which replaces the Household Support Fund, has been devised to provide local authorities with a stable, longer-term approach to supporting those most in need in their local communities.

Following the announcement of allocations in December, the DWP has released [guidance](#) for local authorities on how to allocate and distribute the Crisis and Resilience Fund. Recognising that a diagnosis of a terminal illness often acts as a trigger for financial hardship, the guidance makes several specific references to people with a terminal illness.

We are urging all local authorities to make terminally ill residents a priority group for support, and implement the DWP's guidance in relation to the needs of people with a terminal illness in full to ensure that consideration is given to:

- medical needs which may result in higher energy bills (such as for running medical equipment, storing medication or maintaining a safe living temperature within the home) and transport (such as to hospital or hospice appointments);
- fast-tracking applications for Crisis Payments or Housing Payments, and/or referrals to Resilience Services; and
- minimising the need for applicants to re-claim for support within a 12-month period.

Financial impact of a terminal diagnosis

Terminal illness can have devastating impacts on financial security – our recent [research](#) found that **over 100,000 people across the UK die in poverty each year**. Terminal illness can lead to a significant reduction in a household's income, with many people living with a terminal illness being too sick to work, or if another household member needs to reduce or stop working to care for their loved one. At the same time, living costs can increase dramatically, including energy and transport costs – many terminally ill people have to power expensive medical equipment at home and often have to travel regularly to medical appointments.

The combination of loss of income and higher living costs that often accompany terminal illness increases the risk of poverty for people at the end of their life, even for families who were previously financially comfortable. Being unable to afford essential living costs not only brings financial stress and discomfort – it can also directly affect physical and mental outcomes, resulting in increased risk of hospital admission.

Our research found that across the UK, 17.6% of people who die do so in poverty. Poverty at the end of life affects all groups in society, but some more than others. People from minoritised ethnic groups are far more likely to die in poverty than white people, including almost half of Black working-age people, and nearly 40% of Black pensioners. And working-age households have a much higher rate of poverty than pensioners. Working-age people are put at increased risk of poverty at the end of life in large part due to the continuing gap between the working-age and pension-age benefit systems. We hold local data for each local authority area on the numbers of people dying in poverty – [get in touch](#) with us for your local statistics.

Increased energy and living costs

The 'Accessibility' section of the DWP's 'Crisis and Resilience Fund: Guidance for local authorities in England' states... "159. When assessing the immediate and underlying needs of an Applicant with health conditions, disabilities or terminal illness, Authorities should consider whether their medical needs may result in higher expenditure... including but not limited to higher energy use (such as for running medical equipment, storing medication or maintaining a safe living temperature within the home) and transport (such as to hospital or hospice appointments)."

We know that one of the biggest costs that can increase when someone is at the end of life is energy costs. **Over 120,000 people die in fuel poverty each year in the UK**, particularly working-age households who often experience a dramatic loss of income. Increased energy costs can be due to a number of reasons. Terminally ill people may need to run essential medical equipment at home for specific palliative and end of life treatments – for example, our [report](#) found that oxygen concentration can raise a household's energy bill by 37.8% each month.

People also need to heat their home to maintain body temperature, and simply spending more time at home and sedentary due to terminal illness. Our [report](#) also found that insufficient heating or exposure to damp and cold can lead to hospitalisation or even hasten death, both of which are avoidable with the right financial support. There are other living costs to consider when someone has a terminal illness, such as transport and car parking costs when travelling to and from regular hospital or hospice appointments.

Importance of timely support for terminally ill people

The 'Accessibility' section of the guidance states... "161. When an applicant or a member of their household has a terminal illness, Authorities should strongly consider fast-tracking applications for Crisis Payments or Housing Payments, and/or referrals to Resilience Services."

For terminally ill residents, especially those with 12 months or less to live, the speed and certainty of accessing financial support is essential. The guidance recommends that local authorities strongly consider fast-tracking applications for the Crisis and Resilience Fund. This is vitally important because terminally ill people do not have the time to wait for applications to be processed. Reducing processing time as much as possible is therefore vitally important to this cohort to ensure they receive the support they need in a timely manner.

In line with the [Special Rules for End of Life](#) used across the social security system, councils should ensure that applications from people with a terminal illness are prioritised for assessment and determined as quickly as possible within a shortened decision timeframe. The Special Rules recognise that terminally ill people should not be required to navigate standard processes or wait extended periods for financial support.

Councils should adopt a proportionate and flexible approach to evidence for fast-tracked applications, accepting existing confirmation of a terminal diagnosis wherever possible. This may include an SR1 form (a form completed by a clinician to confirm that a person has a terminal illness which enables them to access benefits and financial support quickly under the Special Rules). Numerous local authorities are already using this as evidence of a terminal diagnosis to provide enhanced council tax support to those with a terminal illness.

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For more information or to discuss the contents of this briefing, please email us at:
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