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**FINANCIAL INCLUSION CRISIS SUPPORT AND COMMUNITY CARE FUND**

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**Responsible Cabinet Member -  
Councillor Andy Scott, Health and Partnerships Portfolio**

**Responsible Director -  
Paul Wildsmith, Director of Neighbourhood Services and Resources**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To seek Members approval for the Financial Inclusion Crisis Support policy and contract and the Community Care Fund policy and contract as part of the Future Fund proposals for the Medium Term Financial Plan.

**Summary**

2. The MTFP proposes to cease existing arrangements for financial advice which is currently funded via strategic grant and also to cease funding for the Social Fund which included Crisis Support and the Community Care Fund. Research was undertaken to see who had used the service in the past and to ascertain what key activity should potentially be retained and who it should be targeted at to reduce unmanageable debt for individuals and support people to live independently in the community.
3. To date the Futures Fund has identified £100K for a Financial Inclusion Crisis Support contract to provide a wraparound service to support people in crisis to access in particular utility services, clothing, and baby consumables. To prevent recurrence of need where possible clients will also be given financial and debt advice to manage their budget. The Futures Fund also identified £120K for a Community Care Fund Contract aimed at supporting individuals to move into appropriate accommodation or to enable them to remain in their current accommodation by providing items such as soft furnishings, furniture and/or white goods
4. Consultation on the value of the Community Care Fund contract raised concerns from the voluntary and community sector that the value was not enough to cover administration and supply of essential goods. Further efficiencies from the Revenues and Benefit budget have been identified to put an extra £30K into the contract, increasing the value to £150K.

5. Draft specification documents are attached at **Appendices 1 & 2** and contract details are currently being finalised. It is proposed that both contracts go out to open tender as soon as possible to ensure a start date of 1 October 2016.
6. The policies for the Financial Inclusion Crisis Support and the Community Care fund have been reviewed to enable the new services to be delivered within the new budgetary constraints. It is proposed that the new policies are approved to support the new contracts. The draft policies for the Financial Inclusion Crisis Support service and the Community Care Fund are attached at **Appendices 3 and 4**.

### **Recommendation**

7. It is recommended that: -
  - (a) Members agree an allocation from the Future Fund of £100,000 for the Financial Inclusion Crisis Support service.
  - (b) Members agree an allocation from the Future Fund of £120,000, plus the use of efficiencies of a further £30,000 to give a total contract value of £150,000 for the Community Care Fund contract.
  - (c) Both contracts go to open tender with a contract start date of 1 October 2016
  - (d) The specification documents at Appendices 1 & 2 are approved.
  - (e) The policy documents at Appendices 3 & 4 are approved.

### **Reasons**

8. The recommendations are supported by the following reasons: -
  - (a) The impact of cutting financial inclusion and Social Fund funding completely would have high negative impacts on the most vulnerable residents;
  - (b) Not having financial support and advice in place would potentially lead to more children needing to come into care because of the risk of neglect;
  - (c) Community Care Fund grants help keep people in their own home and reduces demand on statutory services;
  - (d) Community Care Fund supports people fleeing domestic violence, care leavers, offenders and individuals with substance misuse issues to return or remain in the community.

**Paul Wildsmith**  
**Director of Neighbourhood Services and Resources**

### **Background Papers**

Social Fund Policy 2015-16  
Draft revised policy 2016-20  
Darlington Social Fund Analysis July 2015 – January 2016  
Strategic Grant Performance report

Mary Hall: Extension 6053

S17 Crime and Disorder	This proposal will reduce the risk of acquisitive crime undertaken by people in crisis. It will also reduce the risk of domestic violence on families by enabling them to move to suitable accommodation and where possible out of the refuge allowing others to use this service initially.
Health and Well Being	Both contracts will enable individuals and families to have less anxiety about financial or accommodation matters. It will reduce the risk of health deterioration and enable individuals and families to return to live in the community when they have been in long term health accommodation, prison or the refuge.
Carbon Impact	There are no carbon impact implications in this report
Diversity	The equality impact assessments undertaken as part of the MTFP have highlighted the greatest cumulative impact is on clients with mental health and learning disabilities who form part of this client group,
Wards Affected	Research undertaken as part of the development of this report included the preparation of a heat map of where the service was used. This showed that key hot spots were Park East and Northgate for both grants. North Rd, Eastbourne, Bank Top and Lascelles also accessed grants more than the rest of Darlington. For Community Care Grant there was higher usage around Yarm Road and Haughton.
Groups Affected	Low income families and children will be affected most by the changes to these grants especially those who are fleeing domestic violence on low wages or benefits, moving from refuge or prison.
Budget and Policy Framework	This report forms part of the MTFP and the associated Future Fund proposals. Implementation will also require compliance with procurement rules as both contracts will be going out for open tender.
Key Decision	This report forms part of the MTFP and will require agreement of the Executive prior to going to Council.
Urgent Decision	This does not require an urgent decision.
One Darlington: Perfectly Placed	The implementation of financial inclusion crisis support and community grant will help to give children a better start in life and will improve health and well-being of individuals. Also we

	know that people on low incomes tend to spend locally so it will help to increase spend in Darlington. It will reduce demand on statutory services provided by the public sector and in particular reduce indebtedness of individuals and reduce the debt owed to the council.
Efficiency	<p>Considerable cost savings will be achieved by these proposals especially by providing a wraparound service for people in crisis to prevent where possible the need to access statutory services or make repeat visits where this can be avoided.</p> <p>By outsourcing and tightening criteria the service will be able to be delivered more efficiently. Use of second-hand goods and furniture where possible will also release efficiencies. There are also opportunities to unlock added value from other providers.</p>

## MAIN REPORT

### Information and Analysis

9. Currently financial advice is provided by a number of VCS organisations funded from strategic grant up until the end of September 2016. Some of these providers deliver to specific age ranges or in specific venues. In addition, the Social Fund is an in-house service providing Crisis Support service and Community Care Fund grants to qualifying residents. In most instances the Crisis Support service is meeting the needs of a different client group to those needing Community Care Fund grants.

### Financial Inclusion and Crisis Support

10. Crisis Support applicants have a wide range of issues. The largest reason for needing help is money management followed by benefit delays, benefit disputes and unforeseen circumstances. One of the concerns here is about demand as Universal Credit is not paid for six weeks from point of claim and so people are more likely to need Crisis Support. Claimants for Crisis Support tend to struggle with sudden changes of income due to unexpected circumstances including relationship breakdown, theft or loss of money including reduction in working hours. It therefore is considered most appropriate to put financial inclusion and Crisis Support together to form one single holistic service. This would meet both short term and longer term needs of the claimants and would give better value for money by reducing the back office costs for delivery of the service.
11. The proposal therefore is to use an open tender process as a number of providers could apply to deliver this holistic service or a consortium of organisations potentially. The funding available is £100K which includes £50,000 for payments to be made directly to the client for:

- (a) Utility top ups
- (b) Baby consumables including nappies and milk
- (c) Clothing
- (d) Travel to emergency accommodation

12. The new wraparound service will also:

- (a) Undertake benefit checks
- (b) Offer budgeting advice
- (c) Support residents to reduce unmanageable debt and
- (d) Encourage saving.

13. The provider will be expected to ensure the funding lasts throughout the year and the performance measures for the service will also measure:

- (a) Income maximisation and the number of people whose financial situation has improved as a result of information and advice given
- (b) Reduction in Council arrears as a result of information and advice provided
- (c) Number of Alternative Payment Arrangements negotiated with the DWP for Universal Credit claimants
- (d) Number of Debt Relief Orders negotiated and still in place after 3 and 6 months
- (e) Number of Debt Relief Orders increased as client's income increases.

### **Community Care Fund**

14. The delivery of the Community Care Fund is currently undertaken in-house by Revenues and Benefits with a range of contracts for delivery of the goods required. The process is very time consuming and it was agreed that outsourcing the service was likely to provide better value for money, particularly as volunteers could be used at least in part, allowing more money to be used for front line delivery.

15. Applications for Community Care Fund are usually made to enable a move from inappropriate, supported or temporary accommodation or to prevent a deterioration of health. The initial value of the contract was set as £120,000 in the Future Fund proposals. As part of the consultation process the local authority has discussed the potential draft contract with the Strategic Implementation Group. This group includes potential providers and a broad range of other voluntary sector groups. The groups expressed concern that the amount of administration needed meant that the likelihood was the contract was undeliverable at the current level.

16. Discussions with other potential providers and research on other contracts in Tees Valley re-iterated this point. To ensure the service could be delivered it would be necessary to source other additional funds. A further £30K savings has been identified within the Revenues and Benefits budget comprising of £5k from supplies and services and £25K from staff turnover. This gives a potential total annual contract figure of £150K which makes the contract more viable.

17. The contract will aim to support individuals to move to or remain in the community without suffering deterioration in health and preventing escalation of need. Grant

awards will be for the following items as needed, using second-hand or recycled items where possible:

- (a) Beds and bedding
- (b) Sofas and armchairs
- (c) Dining tables and chairs
- (d) Wardrobes and chests of drawers
- (e) Washing machines
- (f) Cookers or microwaves
- (g) Fridges and freezers
- (h) Pans, utensils, crockery and cutlery
- (i) Carpets for main rooms.

18. The provider will be expected to ensure the funding lasts throughout the year and also to meet a range of specific outcomes. These outcomes include:
- (a) Number of people who have moved back into the community after a stay in supported or temporary accommodation
  - (b) Number of people who have moved out of inappropriate accommodation
  - (c) Number of people who have stayed in their own home where a move into hospital or residential care has been prevented.
19. Also included in the contract is a requirement to work with a network of VCS organisations to provide links to low level prevention services.
20. It is proposed that both the Financial Inclusion Crisis Support contract and the Community Care Fund contract will go out for open tender and be in place by the 1 October 2016 so that there is no break in delivery. The initial contract period is 18 months but with the option to extend for two twelve month periods.

### **Financial Implications**

21. The proposals set out above will deliver the saving as set out in the MTFP and whilst additional funding has been required for the Community Care Fund contract this has been found by releasing further savings in Revenues and Benefits.

### **HR Implications**

22. There are no HR implications as the additional savings have been found through natural wastage within Revenues and Benefits section.

### **Equality Impact Assessment**

23. A number of protected characteristic groups will be negatively affected by this proposal. The impact for the Financial Inclusion Crisis Support funding reduction is greatest for people with a disability; in particular individuals with mental health issues are five times more likely to be in crisis debt. Reduction in this service would impact disproportionately on young single men with mental health and or drug and alcohol issues. This group have also been hit hard by Welfare Reform cuts. The added anxiety and stress caused by being in debt has significant health impacts on these individuals.

24. The reduction of finance for Community Care Fund will impact most on people with mental health, learning disability and long-term health conditions. These individuals are more likely to be in appropriate accommodation and to find it harder to get employment to be able to buy the necessary furniture and other necessities themselves.
25. It should also be noted however that for both Crisis Support and Community Care Fund there is also a high impact on children as it is estimated that over 600 dependent children were supported through the Social Fund activity last year. Without the support offered many of these children would face risks of neglect or family breakdown.

### **Outcome of Consultation**

26. Discussion took place as outlined above with the voluntary and community sector through the Strategic Implementation Group on the 12 May and also with other existing providers through the budget process. The group raised concerns about the lack of funding within the Community Care Fund contract and this has since been addressed.