

CORE OFFER BUDGET FOR FINANCIAL INCLUSION AND CRISIS SUPPORT

WHY DOES THE COUNCIL HAVE TO PROVIDE THIS SERVICE AND WHAT DOES IT NEED TO COVER?

In 2013 the government transferred operation of the Social Fund to Local Authorities. In Darlington the total allocation for Crisis Fund and Community Care elements was £406k initially. Whilst there is no statutory obligation to deliver these services they are crucial to the individuals that they support who are amongst the most vulnerable residents of Darlington. Analysis of past usage of Crisis Fund has highlighted that the majority of people accessing crisis support had multiple issues that contributed to them being in crisis. Key issues included benefit delays or disputes, money management and unforeseen circumstances such as boiler breakdown, domestic violence or relationship breakdown. It should also be noted that some individuals were in work but facing continually changing income levels or were on zero hours contracts.

Some of the service users had insufficient money to manage and were at risk of being in unmanageable debt so it was important that not only was the crisis dealt with but ongoing work was also undertaken to reduce the risk of ending up in crisis at a later date. For this reason it was agreed to go out to open tender for a wraparound service at a combined value of £100k subject to agreement of Cabinet and Council on 29th June 2016. The service includes giving financial advice to all service users, prioritising debt and ensuring payment arrangements are in place for Council Tax and Council Rents, ensuring claimants are receiving their full benefit entitlements and reducing fuel poverty. There will also be a proportion of the funding, up to a maximum of £50k, allocated for utility top ups, baby consumables, including milk and nappies, clothing and travel to emergency accommodation if fleeing violence.

If the service were not in place there is likely to be an increase in rough sleepers, increase in child protection cases because of neglect, potential increases in acquisitive crime and increased risks to health including mental health. All of these issues would lead to an increase in service demands which would be very costly to the local authority, and other public agencies, and increase the numbers of complex cases with statutory needs.

If the service were not in place the debts owed to the local authority for housing, care and council tax would also increase, putting further pressure on already-reducing financial capacity.

HOW DOES THE CORE OFFER BUDGET MEET THE COUNCIL'S OBLIGATIONS?

Whilst it is not a statutory requirement to have this service there are clear business reasons for focussing resources in this area and this provides value for money by maximising income to both the individual and the local authority and wider economy. There are also increasing time periods between someone losing their job and receiving support as for Universal Credit claimants the standard wait is six weeks before receiving any funds.

A set of criteria has been used to decide on Darlington's Future proposals and this proposal will support delivery of the following:

- Invest to protect the most vulnerable in society.
- Invest to reduce costs in the future.

DOES THIS DIFFER FROM THE CURRENT SERVICE?

This service brings together delivery of the crisis fund element of the social fund policy elements of the financial inclusion service formerly provided through strategic grant. However the service has been reviewed to ensure that the new wrap around service delivers against tighter criteria and policy framework.

WHAT IS THE CORE BUDGET MADE UP OF?

2019/20	£103,154
£100,000	Financial Inclusion Crisis Support
£3,154	Overheads