

<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Corporate Director of Finance (S151 Officer) – Andrew Humble
<b>Relevant Executive Member:</b>	Executive Member for Finance – Nicky Walker
<b>Submitted to:</b>	Executive
<b>Date:</b>	10 June 2026
<b>Title:</b>	Crisis and Resilience Fund 2026/27
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Council Plan priority:</b>	A healthy place
<b>Key decision:</b>	Yes
<b>Why:</b>	Decision(s) will incur expenditure or savings above £250,000
<b>Subject to call in?</b>	Yes
<b>Why:</b>	Non-Urgent Report

<b>Proposed decision(s)</b>	
That Executive:	
<ul style="list-style-type: none"> <li>• <b>Approves</b> the Crisis and Resilience Fund (CRF) delivery plan for 2026/27 which will be delivered between 1 April 2026 and 31 March 2027 with expenditure as set out in Table 1 (paragraph 4.19).</li> <li>• <b>Delegates</b> authority to the S.151 Officer in consultation with the Executive Member for Finance to adjust the allocation of funding between different elements within the plan.</li> </ul>	

<b>Executive summary</b>	
<p>The 2025 Spending Review introduced a Government initiative to reform crisis support through a new Crisis and Resilience Fund (CRF), with initial guidance released to Local Authorities (LA's) in January 2026. Household Support Fund (HSF) grant which has been providing short term funding to LA's since 6 October 2021 and Discretionary Housing</p>	

Payments funding also previously managed by the Council have both ceased with the introduction of CRF.

We have given considerable thought to the implications of HSF ending and have provided transitional arrangements in certain circumstances for residents from HSF to CRF.

CRF funding has been provided as part of the Local Government Finance Settlement with allocations for Middlesbrough Council in this and the next two years:

- 2026/27 - £3,999,285 (confirmed)
- 2027/28 - £4m (indicated by Central Government, to be confirmed 2027)
- 2028/29 - £3.9m (indicated by Central Government, to be confirmed 2028)

The Council is required to submit a delivery plan for 2026/27 to the Department for Work and Pensions by 1<sup>st</sup> July 2026 following approval by the Council’s Section 151 Officer and Executive.

The delivery plan should propose to spend the full allocation in year, although funding can be carried forward between financial years. Funding from 2026/27 can be carried forward to 2027/28 and from 2027/28 to 2028/29 – all funding must be spent by 31 March 2029.

The guidance provided by Central Government states that Crisis support is targeted to residents who have a low household income and who have encountered a financial shock. The Fund is also intended to support activity that builds individual and community financial resilience to enable individuals and communities to better deal with crises in the long term, reducing crisis need.

The initial allocations planned within the Council’s proposed scheme are outlined in Table 1 (paragraph 4.19).

**1. Purpose of this report and its contribution to the achievement of the Council Plan ambitions**

1.1 To seek approval for the CRF scheme for the 2026/27 financial year.

1.2 In addition to seek delegated authority for the Corporate Director of Finance (S.151 Officer) in consultation with the Executive Member for Finance to adjust the allocation of funding between different elements within the plan.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
<b>A successful and ambitious town</b>	<i>Government funding provided through the scheme will flow through into the local economy.</i>
<b>A healthy Place</b>	<i>An approach to delivering crisis support that recognises the varied circumstances that individuals may experience before during and after a crisis. The intention of the scheme is to identify and address underlying needs rather than just crisis.</i>

	<p><i>Providing a route to enabling households to become more financial resilient.</i></p> <p><i>To meet the objectives of the fund, we will work with partners to support our residents out of crisis and improve their and the community's resilience.</i></p>
<b>Safe and resilient communities</b>	<p><i>Supporting individual residents to become more financially resilient through extended working arrangements with partnering/third party organisations and so contribute to community resilience.</i></p>
<b>Delivering best value</b>	<p><i>Funding is provided by Central Government and so provision of the scheme has no consequences for the Council's financial position.</i></p>

## 2. Recommendations

That Executive:

- **Approves** The Crisis and Resilience Fund (CRF) delivery plan for 2026/27 which will be delivered between 1 April 2026 and 31 March 2027 with expenditure as set out in Table 1 (paragraph 4.19).
- **Delegates** authority to the S.151 Officer in consultation with the Executive Member for Finance to adjust the allocation of funding between different elements within the plan.

## 3. Rationale for the recommended decision(s)

- 3.1 The decision is required as Government have announced funding for the CRF as part of the Local Government Finance Settlement across a three-year period.
- 3.2 The Council need to confirm an approach and submit an approved delivery plan for year 1 (2026/27) to the DWP by 1 July 2026.
- 3.3 Delegated authority to approve the reallocation of funding between different elements within the Council's delivery plan will ensure available funds are committed in line with local need, and Government guidance.

## 4. Background and relevant information

- 4.1 In June 2025 the government confirmed that the HSF would end on the 31 March 2026. They also announced a new fund, the CRF would be set up from 1 April 2026. The CRF was officially launched in March 2026 with updated Government guidance provided on the aims and objectives.
- 4.2 Funding for CRF schemes is provided through the Local Government Finance Settlement and has been confirmed for three years.

4.3 Each Local Authority is required to prepare a local scheme to determine how its funding will be used. The amount allocated to Middlesbrough for the 2026/27 financial year is £3,999,285.

4.4 The fund incorporates Housing Payments which replace Discretionary Housing Payments which ended on 31 March 2026. £398k is the minimum stipulated spend the Council can allocate to Housing Payments for the 2026/27 year, with an additional £68k ringfenced to cover the cost of administering Housing Payments.

4.5 The CRF differs from the HSF in many ways with it aims to:

- support low-income households who encounter a financial shock
- support activity that builds individual and community financial resilience, allowing residents to better deal with crises in the future, reducing crisis need
- take a cash-first approach
- have a person centred, needs based approach taking a holistic view of the household's circumstances
- support a no wrong door approach
- application based support rather than pro-active payments

4.6 Government guidance requires LA's to clearly advertise the scheme to residents including publication on the Council website.

4.7 The value of individual awards is to be determined by LA's in accordance with the guidance.

4.8 The CRF has four components:

- **Crisis Payment** – providing support to those in crisis
- **Housing Payment** – providing financial support towards housing needs (based on the DHP guidance for year 1)
- **Resilience Services** – funding for services delivered by LA's or external providers to improve financial resilience
- **Community Coordination** – investment in activities that connect and enhance local support landscape

4.9 Central Government have introduced a cash-first approach when making Crisis payments, but this does not mean cash only. Awards will be made using cash (via multiple methods including bank payments or Paypoint), vouchers or physical goods.

4.10 When reporting management information to the DWP, as activity can cross over more than a single component, it is up to the Local Authority to determine which component the activity is reported under.

4.11 The crisis and housing components must remain open to applications via at least two methods e.g. over the phone or on-line, continuously throughout the year.

- 4.12 In addition to the Council’s own delivery of resilience activity, expressions will be sought from external organisations who can provide options that contribute to delivering the CRF objectives. This will focus on debt advice, budgeting support and measures to improve overall financial stability. Alongside this the Council will be seeking expressions to support the development of referral pathways as part of the community coordination component.
- 4.13 Applications and referrals will be tracked and paid through a new system which has been specifically designed to deliver the CRF solution, this will be implemented in readiness for the administration of the Fund.
- 4.14 As the scheme is transitioning to individual application-based support, additional resource is essential to deliver the scheme requirements. The cost of the resource will be funded through the scheme.
- 4.15 Year 1 has been designed to allow a period of transition from the cost-of-living support provided through the HSF to CRF provision, as some residents may have become reliant on regular support that the Council has been providing and to remove this altogether could present a financial shock. Consequently, a large proportion of the funding has been assigned to crisis support, though it is anticipated that crisis expenditure will be less in year 2 and increased more toward improving resilience.
- 4.16 Engagement has taken place with other directorates to ascertain what support is in place in each area so that work is not duplicated, the scheme is intended to create additionality to existing schemes, avoid any overlap and duplication in funding whilst enhancing current delivery, linking up solutions across directorates/services to support residents effectively and ensure services are aligned
- 4.17 The scheme design takes account of existing provision offered through the Resident and Business Support – Family Resilience Fund (FRF) and Local Welfare Provision (LWP). Table 1 at paragraph 4.19 shows how funding streams will be used to complement each other.
- 4.18 Where appropriate, applications will be reviewed with a person-centred approach, seeking to understand the wider context of each applicant’s situation. This will enable immediate financial support and tailored interventions to promote longer term resilience.
- 4.19 The proposed scheme activities within the Council’s delivery plan are set out in Table 1 below. Planned expenditure is £3.599m (excluding £0.400m administration costs – also refer to paragraph 4.24).

**Table 1 Crisis and Resilience Fund 2026/27**

Activity	Component	CRF	FRF	LWP
<b>Pro-active payments to the following:</b>				
Families in receipt of means tested FSM £70 per child	Crisis	£805k		
Pensioners in receipt of CTR £50 per household		£175k		

Singles / Couples in receipt of UC (no children) £50 per household		£90k		
<b>Application to support the pro-active payments:</b>				
Families (in receipt of UC or means tested FSM)	Crisis	£175k		
Pensioners (in receipt of CTR)		£25k		
Singles / Couples (in receipt of UC)		£25k		
Enhanced CTR support for those families impacted by the two-child benefit change	Crisis		£100k	
Crisis applications – current policy	Crisis			£50k
Crisis applications – extension of current policy to support those in receipt of UC or Pension Credit	Crisis	£200k		
Crisis applications – to support those in work who meet the low-income threshold	Crisis	£150k		
Terminally ill support	Crisis	£200k		
Temporary accommodation move on support	Crisis	£75k		
Domestic Abuse move on support	Crisis	£150k		
NRPF (inc. school uniform)	Crisis	£60k		
School uniform grants	Crisis	£60k	£59k	
Community Support Funding Extension to current scheme	Crisis	£150k		£100k
Third party support Funds to be bid for (as per 4.12)	Resilience	£382k		
HAF additional funding to: Support places for children not in receipt of FSM in core periods Extend the provision of HAF outside of core periods	Resilience	£250k		
Additional Welfare resources	Resilience	£91k		
Community: Funds to be bid for (as per 4.12)	Community	£138k		
Housing Payments minimum stipulated spend	Housing	£398k		
		<b>£3.599m</b>	<b>£159k</b>	<b>£150k</b>

\*UC Universal Credit \*HB Housing Benefit \* CTR Council Tax Reduction \* FSM Free School meals

4.20 The low-income threshold for the purpose of crisis applications referred to above is set out below:

	<b>Maximum annual gross earnings</b>
Single person household	£25,000
Couple household	£35,000
Single person with 1 child	£35,000
Single person with 2 children	£40,000
Single person with 3 or more children	£45,000
Couple with 1 child	£45,000
Couple with 2 children	£55,000
Couple with 3 or more children	£65,000

4.21 Each of the crisis activity items listed above are open to all residents to apply for and consequently a resident might receive more than one award from the scheme. For example, a resident applying for terminal illness support could also still qualify for a crisis or housing payment by making a further application. Applications for awards will be assessed on the individual circumstances presented.

- 4.22 No awards will be given where an applicant has £6,000 or more in savings or capital. An applicant needs to be a resident of Middlesbrough or have a current commitment from the Council to support them.
- 4.23 In line with the guidance, the Council is able to recover administration costs to deliver the scheme, and these have been calculated at £400k. This equates to 10% of the annual Fund allocation.
- 4.24 Within the administration costs, in order to support the delivery of auto enrolment for Free School Meals for children, an amount has been allowed to cover the administration necessary in ensuring that pupil premium is maximised for all schools so that the corresponding benefit is gained by its pupils.
- 4.25 The Council will also undertake a campaign for Veterans; ensuring that appropriate benefits are in pay, referrals pathways to other programmes such as HAF (for households with children), and crisis referrals into the Crisis and Resilience Fund and the Councils wider Welfare Strategy.
- 4.26 The delivery plan anticipates spending the full allocation of £3,999,285. If funds from year 1 are not spent as planned, they can and will be carried over into year 2.
- 4.27 The scheme has been designed to be as inclusive as possible, providing support throughout the year to all age ranges, working household within the low-income threshold and persons without recourse to public funds who are still in need and eligible. Some packages such as for the terminally ill will also make available resilience services irrespective of the financial threshold.
- 4.28 The delivery plan proposed complements existing Council Policies and Strategies including The Welfare Strategy, Corporate Food Poverty Policy, Welfare Support Policy for those in Financial Crisis, Corporate Debt Management, Vulnerability Policy, Council Tax Reduction Scheme and the Exceptional Hardship Fund - Section 13A (1) (a) Policy.
- 4.29 The scheme will be subject to periodic reviews to allow alterations to be made should the scheme requirements need to change to keep pace with events and demand.
- 4.30 Appropriate counter fraud measures will be applied to minimise risk in accordance with the Council's policies and procedures [Counter fraud | Middlesbrough Council](#)

## **5. Ward Member Engagement if relevant and appropriate**

5.1 Member engagement has occurred with the Executive Member of Finance.

## **6. Other potential alternative(s) and why these have not been recommended**

6.1 If the plan is not approved and without a suitable scheme with sufficient defined criteria approved by the Council's Executive, the funds cannot be used by the Council to benefit vulnerable residents and low-income households.

6.2 The Council can choose to outsource the delivery in part or in whole. Where the Council are best placed to deliver because of the connections with other schemes, access to data and detailed information on individual circumstances it is recommended the Council retain the delivery of the scheme. The Council will be inviting applications for grant funding (para 4.12) where delivery would be best placed externally.

6.3 Funding could be distributed differently between activities identified or across different activities. The plan presented has taken account of the government guidance, experience gained through HSF and engagement with all directorates within the Council to ensure maximum reach to those in need of support.

## 7. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including Social Value)	Central Government has allocated the Council £3,999,285 from the CRF as outlined in the Executive summary. With an approved delivery plan the Council can distribute funds between 1 April 2026 and 31 March 2027 to support the town's most vulnerable and low-income households. The Council must use Government guidance to design a local scheme and will not exceed the allocated funding available. The Council will retain £400k to administer the scheme therefore there will be no direct cost to the Council.
Procurement	<p>The grant allocation to third parties / residents using this grant allocation falls outside of procurement and therefore there are no procurement issues for this element.</p> <p>The purchase of a system mentioned in 4.13 of the report will be procured in line with the Procurement Act 2023 if it applies and the Council's Constitution to ensure procurement compliance.</p> <p>Where grants are to be provided for third party organisations to deliver support these will be made through the grants team (Procurement, Contract Management &amp; Children's Commissioning) and compliant with the Council's policies and procedures, ensuring that our grants register is accurate in line with statutory transparency requirements.</p>
Legal	The introduction of the CRF will ensure alignment with Government guidance issued following the 2025 Spending Review. All expenditure under the scheme will be undertaken in accordance with applicable legal and procurement requirements.
Risk	The scheme supports the delivery of the Council's strategic priority 'A Healthy Place' to reduce poverty as set out in the Council Plan 2024-2027. <a href="#">Council Plan   Middlesbrough Council</a> .
Human Rights, Public Sector Equality Duty	There are no disproportionate adverse impacts on any group or individuals with characteristics protected in UK equity law.

and Community Cohesion	An impact assessment has been carried out and is attached to this report. All personal data processing associated with the Crisis and Resilience Fund will comply with UK GDPR and the Data Protection Act 2018. A Data Protection Impact Assessment will be completed, and appropriate data sharing agreements will be established with delivery partners. Records generated through the scheme will be managed in accordance with the Council's records management policy, including defined retention and disposal schedules.
Reducing Poverty	Through the provision of financial awards and referrals to resilience services, the scheme supports residents in achieving greater financial stability, contributing to the reduction of poverty. The scheme has been designed around existing initiatives and provides support from children through to pensioners and includes those both in and out of work.
Climate Change / Environmental	There are no disproportionate adverse impacts on the aspirations of the Council to achieve net zero, net carbon neutral or be the lead authority on environmental issues.
Children and Young People Cared for by the Authority and Care Leavers	The CRF plan does not differentiate based on applicant background and therefore has no adverse impact on children and young people cared for by the Authority for Care Leavers.
Data Protection	The collation and use of personal data will be managed in accordance with the Council's Data Protection policy and the Housing Benefit and Council Tax Reduction Privacy Notice <a href="#">Privacy notice - Housing Benefit and Council Tax Reduction   Middlesbrough Council</a>

### Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Implementation and publication of the plan	Janette Savage	Immediately following approval
Advise DWP of the formal agreement of the delivery plan	Janette Savage	By 1 July 2026
Periodic review of the scheme, including 2026/27 and future years	Janette Savage	31 March 2027

### Appendices

1	Delivery plan for DWP
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2	Impact Assessment
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## Background papers

Body	Report title	Date
Department for Work and Pensions	The Crisis and Resilience Fund: Guidance for local authorities in England (1 April 2026 to 31 March 2029)	13 January 2026
Joseph Rowntree Foundation	UK Poverty 2026: The essential guide to understanding poverty in the UK	27 January 2026
Department for Work and Pensions	Our Children, Our Future: Tackling Child Poverty	13 March 2026

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