

ANNEX 10

Funding assumptions and breakdown of National Advice and Legal Support Fund

Funding assumptions

Statistics on funding of the not-for-profit and commercial advice sectors are very difficult to pin down, partly because the funding comes from multiple sources and partly because people define and describe the sector in very different ways. The best we have been able to do, therefore, is to piece together a number of different estimates that we have come across in our research. The figures below set out our assumptions about the funding position in 2015/16, assuming our recommendations are implemented.

Ongoing funding

- Legal aid remaining: £61m (see Annex 11 on national public sector funding)
- Local authorities: £180m (see Annex 12 on local authority funding)
- Big Lottery Fund: £34m (see Annex 18 on other sources of funding)
- Money Advice Service: £34m (see Annex 18 on other sources of funding)
- Money Advice Trust: £10m (see Annex 14 on voluntary sector funding)
- Trusts and foundations: £7m (see Annex 14 on voluntary sector funding)
- Department for Business, Innovation and Skills (BIS): £20m (to Citizens Advice)
- Other: £54m (eg Department for Work and Pensions (DWP) funding for introducing universal credit, some of which is going to charities, clinical commissioning groups, housing associations, fees, sponsorship, Welsh Government funding etc) (see Chapter 8 of the main report on details of funding sources)

TOTAL: £400m

National Advice and Legal Support Fund

- Cabinet Office/Treasury: £18m (continuation of current contribution to the Advice Services Transition Fund)
- Ministry of Justice: £16m (contribution from £50m savings from legal aid to non-profit organisations for social welfare law work)
- DWP: £16m (contribution towards the costs of advice resulting from new reforms and faulty assessments)

TOTAL: £50m

Other additional funding

- Sources which local authorities could help the local advice sector to access to meet costs in the local advice and legal support plans:
 - extra local authority funding resulting from transfer of public health budgets to local authorities, eg for funding advice in health settings;
 - extra clinical commissioning group funding, eg for advice on debt and benefits in GP surgeries and other health settings;
 - extra housing association funding, eg for funding advice on housing.
- National sources, which could either be allocated to local areas or could help fund national initiatives:
 - extra Big Lottery funding, eg through funding local public education initiatives and supporting local advice networks in the most disadvantaged areas, including supporting work on failure demand;
 - extra Money Advice Service funding for debt work resulting from an increased levy by the Financial Conduct Authority, including a levy on payday lenders.
- Other sources requiring direct applications to help fund particular initiatives in the local plans:
 - extra trust and foundation funding, including funding from the newly formed Legal Education Fund;
 - lawyer fund generation schemes, via the Access to Justice Foundation;
 - extra charity funding, eg from benevolent societies or major charities.

TOTAL: £50m

GRAND TOTAL: £500m

Illustrative breakdown of National Advice and Legal Support Fund's expenditure

Rec no	Recommendation	Cost £m	Source	Assumptions
R17	National initiatives for reducing preventable demand	1.0	National Fund	Ten cases at £100,000 each
R23	Self-help guides roll-out (national)	0.1	National Fund	Funding to disseminate the guides through conferences and training
R33	Public legal education (national)	0.5	National Fund	Expansion of current public legal education resources

Rec no	Recommendation	Cost £m	Source	Assumptions
R34	Public legal education (local)	6.0	National Fund	Development and training costs for each of the local advice networks to buy in training for local community workers, volunteers and others to provide basic information and signposting: £38,000 per 156 networks = £6m
R36	National helpline services	1.0	National Fund	Development costs for designing and specifying the service and helping secure a commercial partner to provide the capital investment required; ongoing subsidy in later years
R37	Local advice networks	39.0	National Fund and other funds	Average of £250,000 (likely range of £100,000 to £500,000 depending on area) per 150 counties/unitary authorities in England and per six regions in Wales = £39m
R38	Access to national specialist support for frontline agencies	1.1	National Funds	£100,000 each to 11 specialist providers to help sustain and develop current support
See para 5.36	Quality Standards (national)	0.3	National Funds	Development work; costs of standards funded by fees; may need to be frontloaded to enable fee system to be introduced
R44	Outcomes research (national)	1.0	National Funds	Research into measuring outcomes from advice, eg for online advice
R50	TOTAL	50.0	£45m local; £5m national	