

# Integrated Impact Assessment (IIA)

Informing our approach to fairness

**Proposal:** Crisis support scheme cessation

**Date of assessment:** November 2023

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**Assessment team:** Andrew Culpin, Lesley Watson, Carolyne Gibson

**Portfolio:** Resources

**Version:** 1

**Planned review date:** January 2024

## Section A: Current service

### 1. What does the service / function / policy do?

The Crisis Support Scheme (CSS) is a non-recoverable payment for which there is an annual budget available for support to residents of £100k. It has operated since April 2013; the scheme was last amended in 2020 to include severe hardship as a result of COVID-19.

The scheme provides support for (a) those who have suffered a disaster or crisis or exceptional hardship including:

- No access to vital necessities (such as food, heating and clothing).
- Major flooding, gas explosions or fire which affects the home (where insurance or utility companies are not liable).
- Emergency trips to hospital (such as to Accident and Emergency).
- Breakdown of family unit (such as fleeing or domestic violence).
- Severe financial hardship as a direct result of COVID-19

And (b) those who have a risk to the personal health and safety of themselves and/or a member of their household and they are unable to secure funding from any other source. The following is regarded as a need for health and safety:

- Food and or clothing.
- Fuel for heating their home.
- Travel costs in emergency situations.

To be eligible for an award, applicants must:

- satisfy the principles in part of the schemes; and
- live within the City of Newcastle upon Tyne; and
- are aged 16 or over (for those under 18 who do not have a support worker a referral will be made to Children's Services); and
- are not an excluded person; and
- have insufficient income to meet their needs; and
- are experiencing and can provide evidence to support exceptional hardship; and
- are in receipt of or waiting for the award of one the following benefits:
  - Income Support.
  - Employment and Support Allowance.
  - Jobseekers Allowance.
  - Pension Credit.
  - Universal Credit (UC).

There are a number of exclusions to the scheme including (but not limited to):

- Cost of domestic assistance and respite care.
- Any medical service including medications.
- Work related expenses for those seeking work and those already in work.
- Costs and charges for a telephone.
- Housing costs, such as rent.
- Rent in advance.
- Non householders.
- Persons from abroad, with no recourse to public funds.

- Spent benefit.
- Benefit alignment.
- Fourth or subsequent applications within a 12 month period.

Residents who meet the criteria can be supported through the provision of one or more of the following:

- Shopping packages ordered online and delivered directly to the customer (this has not been available since COVID-19);
- Pre- Paid Vouchers via PayPoint for Gas and Electricity top up;
- Emergency travel;
- Clothing through a supermarket gift cards;
- Vouchers to cash (made available since COVID-19);
- Payments to bank accounts (in extreme circumstances);

Depending on the nature of the crisis the awards can vary between £30 to £200 (domestic violence) and the maximum award number of awards to any one person per year is three.

The service is provided Monday to Friday, 9:30am to 3:30pm. There is no out of hours service. Applications are made online; with a phonenumber available to support those who are unable to apply online or need further support.

## 2. Who do we deliver this service / function / policy for?

Crisis Support is predominantly for those who have suffered a disaster or emergency where there is a need for items or services as a result of an exceptional event or unforeseen circumstances which could not have been avoided.

For example, the majority of exceptional circumstances are domestic violence, financial abuse, crime (with a crime number).

The scheme does not cover budgeting issues, where applicants have an income but run out of money, however, we would consider an award for food or utility bills, for those waiting for their UC to be awarded or their UC has been sanctioned – this has helped reach the budget spend.

Awards are sometimes distributed by hostels, for example Cherry Tree View, for immediate support to those who meet the eligible criteria.

Since a review of the service in January 2023, the team for the financial year 2023-24 have made significantly less awards which is resulting in an underspend on the £100k budget.

Year	Number of Applications	Number of Awards	Amount of Awards (£)
<b>Crisis Support 2021-22</b>	2,543	1,283	£104,009
<b>Crisis Support 2022-23</b>	2,618	1,050	£104,268

### **3. Why do we deliver this service / function / policy?**

Under Welfare Reform, the Government abolished the discretionary Social Fund (which was previously delivered by the Department for Work and Pensions – DWP) from April 2013. Local authorities were asked to set up a replacement scheme for Crisis Loans. Crisis Loans were repayable loans intended to cover immediate short-term needs that arise because of a disaster or emergency situation.

Our replacement for the Crisis Loan is the Crisis Support Scheme (CSS) and is a non-recoverable payment. The annual budget available for the scheme is £100k.

The statutory requirement to deliver this service was abolished by the Government in 2016, and from then the Crisis Support Scheme became a discretionary scheme we funded.

### **4. How much do we currently spend on this service / function / policy?**

**Gross expenditure:**

£100,000 for Crisis Support Awards  
£39,763 staffing

**Gross income:** £0

**Net budget:** £139,763

**Comments:** None

### **5. How many people do we employ to deliver this service / function / policy?**

**Number of posts:** 1

**Number of full-time equivalent officers:** 1 at N6 level

**Comments:** None

## **Section B: Proposal for future service**

### **1. How do we proposed to change the service / function / policy?**

It is proposed that the scheme will be discontinued from end of March 2024.

The DWP provided dedicated Local Welfare Assistance Scheme (LWAS) grant funding to each local authority for the first two years after the reforms, 2013-14 and 2014-15.

The Government decided for 2015-16 onwards there would be no separate LWAS funding. Instead, it would become part of the general Revenue Support Grant that central government provides to councils to support their spending on any local services. Councils do not have to spend it on local welfare provision and no statutory obligations to provide this type of support, therefore allowing local authorities the discretion on maintaining their schemes.

A short review of the service offered demonstrated that 60% of Crisis Support applications received are rejected. In large this is because the applications for support were due to budgeting issues. This is something that the scheme does not cover. These types of application and enquiries have increased further since the national issues with Cost of Living took effect.

Consideration was given to relaxing criteria to cover Cost of Living or budgeting issues however the pressure on the fund would be too great, as shown by the demand for Household Support Payments hardship scheme which administered £400k to 2000 residents during a 5-week period between September and October 2023 who demonstrated a negative household budget.

In addition, approximately 15% of awards are second or third awards for a resident within a 12-month period, often due to chaotic lifestyles. Therefore, the number of successful applicants does not reflect individual residents.

The cost to administer the scheme is 43% of the total amount the scheme is able to provide in support, this is in addition to the team handling 60% of ineligible applications. This figure has increased further for current financial year to 65%.

Officers also triage contact ahead of application, to prevent ineligible applications being submitted they will also signpost to other support. By aligning more closely with the criteria, this has also seen a 50% reduction in the total number of applications received when compared to this point last year.

## **2. What evidence have we used to inform this proposal?**

Data held within the Crisis Support team was used to support the proposal.

An internal audit report from early 2023 was used to demonstrate some issues with the current scheme.

Office of National Statistics confirms as of 2021 the city has approximately 276,000 residents over 16. The scheme is only providing support to a very small cohort of this group, some of which more than once.

Other local authorities have ceased their schemes, some as early as 2015 as identified by National Audit Office report Value for Money – Local Welfare Provision (January 2016).

Locally, Gateshead Council no longer offer a specific Crisis Support Scheme and Hartlepool Council have significantly reduced their budget. Sunderland City Council are currently in the process of reviewing their scheme ahead of 2024.

## **3. What will be the financial impact of this proposal?**

£100,000 saving in spend on Crisis Support applications and £39,763 saving in staffing cost.

#### 4. What will be the impact upon our employees of this proposal?

**Number of FTE:** 1 FTE equivalent N6

**% of workforce:** 20% (of Senior Assessment Officers at N6 level who provide this service as part of their wider remit)

**Comments:** A vacancy within the team has become available, it is proposed that this position will not be filled permanently from April 2024 and deleted.

### Section C: Consultation

#### 1. Who did we engage with to develop this proposal?

**Who we have engaged with to develop this proposal:** Internal colleagues including Cabinet, Corporate Leadership Team and Revenues and Benefits Service management.

**When / how:** Discussions as part of the development of the draft medium-term financial plan.

**Main issues raised:** None – although there will be some impact on the individuals who have received funding, this is relatively modest compared with the potential impact of cuts in other services if this savings proposal was not implemented.

#### 2. Who do we want / need to engage with during consultation?

**Who want to engage with during consultation:** Welfare Rights and Active Inclusion team, Advice services within Your Homes Newcastle, staff affected by proposal, voluntary Community Sector (VCS) via specific budget consultation and the public via wider budget consultation.

**When / how:** Meetings with relevant colleagues as set out above, specific meeting to be set up with VCS representatives as part of wider budget consultation, Let's Talk Newcastle.

#### 3. Who provided feedback during the consultation process? (to be completed post-consultation)

**Who provided feedback in the consultation process:** To be completed post consultation.

**When / how:** To be completed post consultation.

**Main issues raised:** To be completed post consultation.

### Section D: Impact assessment

The section below sets out actual or potential disadvantages or benefits that may arise from implementing this proposal. This assessment is set out for people with characteristics protected by the Equality Act 2010 and other broader areas of potential impact.

#### People with protected characteristics

##### Age

**Type of impact:** None.

**Detail of impact:** Not applicable.

**How will this be addressed or mitigated?** Not applicable.

## **Disability**

**Type of impact:** Potential disadvantage.

**Detail of impact:** The discontinuation of the Crisis Support Scheme is more likely to impact upon households with disabled people who are significantly more likely to be in poverty than households where no one has a disability.

**How will this be addressed or mitigated?:** Continue to provide other financial support schemes for example Discretionary Housing Payment and Council Tax Support Scheme. Continue to signpost to other discretionary payment schemes for example our Cost of Living Support, Budgeting Loans or Hardship payment from DWP, as well as debt management and advice services.

## **Gender reassignment**

**Type of impact:** None.

**Detail of impact:** Not applicable.

**How will this be addressed or mitigated?:** Not applicable.

## **Sex**

**Type of impact:** Potential disadvantage.

**Detail of impact:** Women may be impacted more by removal of the scheme than men due to having lower incomes and to being more likely to also have children living with them. Women are more likely to need support due to fleeing domestic violence.

**How will this be addressed or mitigated?:** Continue to provide other financial support schemes for example Discretionary Housing Payment and Council Tax Support Scheme. Continue to signpost to other discretionary payment schemes for example our Cost of Living Support, Budgeting Loans or Hardship payment from DWP, as well as debt management and advice services.

## **Marriage and civil partnership**

**Type of impact:** None.

**Detail of impact:** Not applicable.

**How will this be addressed or mitigated?:** Not applicable.

## **Pregnancy and maternity**

**Type of impact:** None

**Detail of impact:** Not applicable.

**How will this be addressed or mitigated?:** Not applicable.

## **Race and ethnicity**

**Type of impact:** Potential disadvantage.

**Detail of impact:** BME residents may be impacted more by the removal of the scheme due to higher unemployment rates among some BME communities.

**How will this be addressed or mitigated?:** Continue to provide other financial support schemes for example Discretionary Housing Payment and Council Tax Support Scheme. Continue to signpost to other discretionary payment schemes for example our Cost of Living Support, Budgeting Loans or Hardship payment from DWP, as well as debt management and advice services.

## **Religion and belief**

**Type of impact:** None

**Detail of impact:** Not applicable.

**How will this be addressed or mitigated?:** Not applicable.

## **Sexual orientation**

**Type of impact:** None.

**Detail of impact:** Not applicable.

**How will this be addressed or mitigated?:** Not applicable.

## **Other potential impacts**

### **Unpaid carers**

**Type of impact:** Potential disadvantage.

**Detail of impact:** The discontinuation of the Crisis Support Scheme is more likely to impact households vulnerable to socio-economic impacts than the general population.

**How will this be addressed or mitigated?:** Continue to provide other financial support schemes for example Discretionary Housing Payment and Council Tax Support Scheme. Continue to signpost to other discretionary payment schemes for example our Cost of Living Support, Budgeting Loans or Hardship payment from DWP, as well as debt management and advice services.



## **People vulnerable to socio-economic impacts**

**Type of impact:** Potential disadvantage.

**Detail of impact:** The discontinuation of the Crisis Support Scheme is more likely to impact households vulnerable to socio-economic impacts than the general population.

**How will this be addressed or mitigated?:** Continue to provide other financial support schemes for example Discretionary Housing Payment and Council Tax Support Scheme. Continue to signpost to other discretionary payment schemes for example our Cost of Living Support, Budgeting Loans or Hardship payment from DWP, as well as debt management and advice services.

## **Businesses**

**Type of impact:** None.

**Detail of impact:** Not applicable.

**How will this be addressed or mitigated?:** Not applicable.

## **Geography**

**Type of impact:** Potential disadvantage.

**Detail of impact:** Residents in less affluent areas of the city are more likely to use the scheme.

**How will this be addressed or mitigated?:** Continue to provide other financial support schemes for example Discretionary Housing Payment and Council Tax Support Scheme. Continue to signpost to other discretionary payment schemes for example our Cost of Living Support, Budgeting Loans from DWP, as well as debt management and advice services.

## **Community cohesion**

**Type of impact:** Potential disadvantage.

**Detail of impact:** The closing of this service will disproportionately impact on lower income residents and lower income communities. This may impact households in crisis, the wellbeing of vulnerable individuals and people's ability to have a social life contributing to social exclusion and lack of cohesion as people are less connected with their community.

**How will this be addressed or mitigated?:** Continue to provide other financial support schemes for example Discretionary Housing Payment and Council Tax Support Scheme. Continue to signpost to other discretionary payment schemes for example our Cost of Living Support, Budgeting Loans from DWP, as well as debt management and advice services.

## **Community safety**

**Type of impact:** Potential disadvantage.

**Detail of impact:** Increases in cost of living and high rates of poverty can lead people in crisis towards theft or other criminal activity to meet their living costs.

**How will this be addressed or mitigated?:** Continue to provide other financial support schemes for example Discretionary Housing Payment and Council Tax Support Scheme. Continue to signpost to other discretionary payment schemes for example our Cost of Living Support, Budgeting Loans from DWP, as well as debt management and advice services.

## **Public Health**

**Type of impact:** Potential disadvantage.

**Detail of impact:** Residents on a low income who face a disaster or crisis may need to cut back on food or heating which could impact on health.

**How will this be addressed or mitigated?:** Continue to provide other financial support schemes for example Discretionary Housing Payment and Council Tax Support Scheme. Continue to signpost to other discretionary payment schemes for example our Cost of Living Support, Budgeting Loans from DWP, as well as debt management and advice services.

## **Climate**

**Type of impact:** None.

**Detail of impact:** Not applicable.

**How will this be addressed or mitigated?:** Not applicable.