

Crisis & Resilience Fund - Crisis Payment Policy April 2026

Background

1. From 1st April 2026 the Crisis and Resilience Fund, (“CRF”), has been made available to councils in England for a 3-year period to support low-income households who encounter financial shocks, and to support activity that builds individual and community financial resilience.
2. The CRF is a consolidated revenue grant that was confirmed in the 2026/2027 Local Government Finance Settlement. The Ministry of Housing, Communities and Local Government is providing funding to councils under Section 31 of the Local Government Act 2003 to administer CRF. Councils have discretion on exactly how this funding is used within the scope set out in this guidance. With discretion being in issue, it is important that the Council makes decisions in a fair, reasonable and lawful manner.
3. CRF includes providing financial support via Crisis Payments to individuals who are in crisis.
4. Crisis Payments are classified as Local Welfare Provision, (“LWP”). However, they are not intended to replace existing LWP Schemes, which play an important role as established discretionary crisis support mechanisms. Crisis Payments align with the Council’s existing Local Welfare Provision Scheme : www.sunderland.gov.uk/lwp Means tested benefit claimants, (such as those in receipt of Universal Credit, Council Tax Support, or Housing Benefit), may be eligible for awards from both schemes depending on their circumstances at the time of their applications.
5. Other provisions, (including Department for Work and Pensions, (“DWP”), Budgeting Loans, Advance Payments and Hardship Payments), should still be applied for first. Only if these applications do not sufficiently meet the need, would the Council normally consider an application for Crisis Payments from an applicant.
6. Applicants must be resident within the City of Sunderland or are intending to become so resident.
7. The starting point is that access to Crisis Payments is not available to those with No Recourse to Public Funds (NRPF). However, there are exceptions to this where councils who make awards would not be exercising their discretion under Section 1 of the Localism Act 2011, which are classed as Public Funds. Instead, alternative powers may be relied upon to provide support if the Council considers an applicant meets one of the specified exemptions. Reference is made to **Appendix 1**.
8. In order to determine whether an applicant that is NRPF may be eligible for a Crisis Payment the Council is establishing referral arrangements with Together for Children and the Council’s Adult Social Care Team, as appropriate, to consider such applications and how these are to be funded.

9. Students are also not normally eligible for a Crisis Payment. Exceptions can be made for students that are parents, disabled or carers providing that they are receiving the appropriate DWP benefits – normally Universal Credit
10. The payment of a Crisis Payment is at the discretion of the Council, based on the DWP's CRF Guidance and having due regard to available funding. There is no right to an award. However, both schemes do operate an internal review mechanism that is compliant with, and aligns with, the Council's Corporate Complaints Policy and procedures.
11. This Policy will have application as from and including 1st April 2026 for applications received for Crisis Payments.
12. To ensure fairness, reasonableness and consistency in the determination of submitted claims for Crisis Payments, it is important for the Council to adopt a Policy that sets out the criteria that needs to be met for an applicant to receive a Crisis Payment, but which allows for flexibility in decision making.

2 Statement of Objectives – Crisis Payments:

1. The primary objective of CRF is to both provide a safety net for those on low incomes who encounter a financial shock and to invest in building local financial resilience to enable individuals and communities to better deal with crises in the long-term, thereby reducing crisis need.
2. The Crisis Payment Scheme is intended to provide the safety net through the provision of more effective crisis support. This provision is intended to prevent the occurrence, or escalation of crises on the part of individuals. By offering timely, needs-based assistance to those with low incomes facing financial shocks, it is hoped that councils are able reduce the risk of crisis need.
3. The Scheme is able to offer support to:
 - (a) Those applicants who have experienced a financial shock. A "financial shock" is a sudden, unexpected expense, or drop in income that can place pressure on their budget and wellbeing; or
 - (b) To prevent applicants from entering crisis. Providing timely support so that people can manage pressures, maintain control and avoid being pushed into crisis or prevent crises from escalating.
4. Crisis Payments are intended to meet occasional, or short-term needs and not provide an alternative source of regular income. The Council will increasingly direct both successful and unsuccessful applicants via warm referrals in order to help them improve their overall financial resilience. A "warm referral" is where someone is referred by one organisation, or service to another with a focus on ensuring a smooth transition. Sufficient and accurate information will also be provided, with informed consent, as part of the referral to prevent people from having to explain their circumstances and needs on multiple occasions.
5. As part of the CRF there is also a requirement to develop new referral arrangements for a wide range of services to and from the CRF Crisis Payment Scheme. This aims to increase the overall awareness of available crisis support, build an applicant's financial

resilience and better help address underlying issues, as well as the immediate crisis presentations.

6. Crisis Payments **align with wider City Plan / Healthy City Plan aspirations**. These include:
 - **Everyone having the basic things they need to stay well and secure.**
Helping people cope with money pressures, like higher living costs, and staying healthy.
 - **Families having the right support around them.**
Helping families manage difficult times and supporting children and families to live well.
7. A key action in the Healthy City Delivery Plan includes administering the councils support schemes for households who need extra support.
8. Financial wellbeing is one of the twelve priorities of the **refreshed Sunderland Healthy City Plan 2020-2035** (refreshed July 2025). The Plan recognises that when we have financial wellbeing, we are more likely to have stronger building blocks of health in place, this includes:
 - Work in decent and secure jobs
 - Live in safe and stable housing
 - Afford nutritious food
 - Experience better mental health
 - Maintain strong social relationships and participate in community life
9. Crisis Support and its delivery also supports and is referenced in the City's **Sunderland children and families thriving Child Poverty Strategy 2025-2028** Strategic Pillar 1: Income Maximization and in the linked Delivery Plan Actions.
10. Crisis Payment support is compliant with and supports the Council's duties under the Equality Act 2010.

3 Crisis Payment Principles:

1. The Crisis Payment application process is intended to be,:-
 - (a) **Person-centred** to ensure that an individual's preferences, needs and values stay central to professional decisions, providing support that is respectful to them.
 - (b) **Needs-based** to recognise the varied circumstances that individuals may experience, seeking to meet the underlying needs, not just the crisis symptoms.
 - (c) **Holistic** to provide integrated support that helps the individual and their households, with the Council considering the wide range of services and actions they have access to.
 - (d) Encompass a **no wrong door approach** to connect individuals to the right service and support through warm referrals, regardless of their initial point of contact; and
 - (e) **Trauma informed:** the Council is to adopt a Trauma Informed Approach when working with people and families in crisis. The Trauma Informed Approach recognises the extensive and continuing impacts that trauma may have on a person's life. The impacts of trauma, (some of which may not be obvious, or disclosed), can make interacting with services a difficult and potentially re-traumatising experience. The Trauma Informed Approach aims to avoid and mitigate this risk, whilst creating a safe and empowering environment for all colleagues and customers. The six principles of trauma-informed practice are: Safety; Trust; Choice; Collaboration; Empowerment; and Cultural consideration.

4 Administration of Crisis Payments:

1. Administration of the Council's Crisis Payment Scheme will be undertaken by the Executive Director of Public Health and Wellbeing in accordance with this Policy. Administrative processes will be updated when changes are needed to ensure applicants can be supported and CRF outcomes delivered from within the CRF resources.
2. On-going claim administration and spending are also subject to internal quality assurance processes and on-going monitoring. These will provide sufficient confidence about the consistency and accuracy of decision making, as well as helping identify potential improvements and preventing Crisis Payment overspends.
3. Award levels will be reviewed at least quarterly and recommendations for any changes made to the Executive Director of Public Health and Wellbeing for consideration and decision in consultation with the Portfolio Holder for Communities, Culture and Tourism.
4. Any Crisis Payment award can only be made subject to their being sufficient funding available from within the Council's Crisis Payment allocation to pay for this. No further awards will normally be given to applicants, notwithstanding the application's own merits, should available funding have been exhausted (and if further funding from the Council's overall CRF grant funding cannot be reallocated), given that there is no statutory entitlement to this type of support from the Council. As the scheme involve the use of public funds the relevant legislation, duties and actions linked to these may be required and initiated.
5. Any award will apply only to the applicant, their partner, or their immediate dependants. This means that an award is non-transferable. Given the nature of the support provided, awards should be taken up as soon as it is reasonably practicable for them to do so.

5 Eligibility Criteria:

1. The Council's Crisis Payment Scheme is an assessment and evidence-based scheme that can provide support to applicants who are unable to meet their immediate short-term needs. It seeks to offer support:
 - (a) Where an applicant has experienced a financial shock. A "financial shock" is a sudden, unexpected expense, or drop in income that can place pressure on their budget and wellbeing; or
 - (b) To prevent applicants from entering crisis. Providing timely support so that people can manage pressures, maintain control and avoid being pushed into crisis or prevent crises from escalating.

Financial Shock, or Financial Crisis Scenarios

2. There is no set list which provides a comprehensive definition of the type of crisis that causes a financial shock. It is at the Council's discretion to determine whether an applicant's situation constitutes a crisis, but it may include:
 - (a) Disasters: these will normally be unforeseen and result in significant damage to, or loss of, possessions, or property, such as due to a serious flood, or fire, gas explosion, or a chemical leak.

- (b) An accident, health emergency, or mental health crisis, leading to unplanned spending, or incurring increased expenses.
- (c) When an applicant is experiencing domestic abuse and leaving an abusive relationship / partner and they need immediate help, such as moving into an unfurnished property and needing help with furniture and appliances.
- (d) The breakage of an essential item, for example a boiler, medical equipment, or white goods.
- (e) Where money has been lost, or stolen and living expenses are required; and
- (f) When the applicant has a short-term gap in regular income, such as due to redundancy, or a significant change in their working pattern.

Crisis Payment Support

3. There is no set list specifying eligible expenditure for a Crisis Payment. The Council has discretion to determine appropriate support by taking a person-centred, needs-based approach. However, a Crisis Payment may be awarded to help an applicant meet the some of the following costs either in full, or in part:

- (a) Food.
- (b) Water including for drinking, washing, cooking, as well as for sanitary purposes / sewerage. However, where the expense relates to outstanding water bills, water bill arrears, or other non-priority debts where disconnection, or loss of service are not imminent, the Council will refer applicants to resilience services and other support appropriate to their circumstances, including Debt Advice for assistance, since water supplies cannot be disconnected. Resilience services refer to services, programmes and activities that support individuals to build financial resilience.
- (c) Housing costs.
- (d) Period and hygiene products, such as soap and toothpaste.
- (e) Energy for any form of fuel that is used for the purpose of domestic heating, cooking, or lighting, including oil, or portable gas cylinders.
- (f) Clothing, including uniform, warm winter clothing and shoes.
- (g) Essential furniture and appliances, such as beds and bedding, washing machines, window coverings and carpets, fridge-freezers and ovens.
- (h) Essential transport-related costs, such as repairing a car, buying a bicycle, or bus pass, or paying for fuel; and
- (i) Digital and connectivity essentials, such as broadband, or phone bills.

Financial Eligibility Criteria Overview – Income

4. As the Crisis Payment Scheme is intended to support low-income households, the following matters will be normally used to determine low income, -

- (a) Receipt of Universal Credit or applied for and likely to be received based on presenting circumstances.
- (b) Receipt of Council Tax Support / Housing Benefit, or applied for and likely to be received based on presenting circumstances; and
- (c) Low Incomes based on living wage levels for single people and couples

Financial Eligibility Criteria Overview – Savings and Other Resources

5. Maximum savings and capital resource levels will be applied to determine whether an applicant can afford to meet the cost of the financial shock / crisis to themselves. The savings levels will vary depending on the type of scenarios and support required. However, as an

example should a single person have more than £100.00 in savings and need help only with food and fuel for one week, then they would be unlikely to be successful in their Crisis Payment application. This is because the Council would deem that the person could afford to meet these costs themselves

6. It is a condition of the Crisis Payment Scheme that applicants should have explored all other options and means of meeting their need before making an application. This could include: their own financial / other resources; insurance; statutory provision and other schemes.

Crisis Payment Application Overview - Financial Assessment and Other Assessments

7. A full assessment will be undertaken of the applicant to determine whether an award will be made and, if so, the level of the award. Assessments will consider: -
 - (a) The scenario in issue.
 - (b) The help that has been requested. This will include whether it is in respect of expenses already paid, or whether it is for costs that are outstanding, or which need to be paid.
 - (c) The period of time over which the sought help is required; and
 - (d) Income and level of savings.
8. Award values may range from about £50.00 to £1,250.00, or by exception the value of what the applicant's Universal Credit Standard Allowance / Payments for dependent children would be for up to one calendar month.

Application Methods

9. The Council will determine the means and method by which applicants can conveniently and quickly apply for a Crisis Payment. Applications can initially be made via telephone, or e-mail to the Council's Home and Money Team: [However, an online application process and / or a face-to-face process will be introduced as soon as possible to increase accessibility to the Crisis Payment Scheme].
10. Advice about applying for a Crisis Payment will be made available via other Council, Together for Children, Sunderland Care and Support services and appropriate VCS organisations including advice providers and food aid providers.
11. Received applications will be subject to a full assessment. Applicants are required to provide details and appropriate evidence relating to their income, benefits, capital, savings and expenditure as may be reasonably required by the Council in order that a full assessment can be undertaken of their circumstances. An applicant must provide, within such time as may be specified, any further information, or evidence reasonably requested by the Council to enable a financial assessment to be undertaken. Information may be requested from third parties, as appropriate.

Decision Making and Notification

12. Given the urgent nature of these applications, the Council will aim to determine all received applications within two days following receipt of the application and all appropriate supporting evidence. Excluding cases that fall under No Recourse to Public Funds and / or that would require the provision of goods, the Council will work to a target of determining 80% of cases within the two-day timescale.

13. Applications may be subject to a pre-screening exercise to identify those that do not meet the “basic criteria”, as well as those that may need to provide additional details. “Basic criteria” includes residency requirements, or savings levels. Unsuccessful applicants at this stage will be provided with information about resilience services and other support services that may be available to them.
14. Once the applicant, (or the relevant third party, as appropriate), have provided sufficient information to enable the Council to determine their application a decision will be notified immediately, wherever possible. Notifications will include details of,:-
 - (a) The support to be awarded and methods of providing the support.
 - (b) Where an award is not being made, the reasons for the decision.
 - (c) What the applicant can do if they do not agree with the decision.
 - (d) Other support that is available to them, (i.e. both successful and unsuccessful), including information and advice provision, which will include resilience services; and
 - (e) The duty to notify the Council of any changes which might affect their entitlement to the award.

Crisis Payment Support Methods

15. Crisis Payments will be made by appropriate methods. A cash-first approach will be used where appropriate to do so. “Cash-first” means prioritising digital, or physical cash payments when providing Crisis Payments, which can include bank transfers and cash-out vouchers, such as through PayPoint, Post Office and ATMs. Cash-out vouchers can be received via e-mail or SMS text. In addition, supermarket vouchers, PayPoint fuel top ups or goods may constitute part of the awards. The chosen method of payment will take account of applicant’s preferences and their circumstances, available Council delivery methods and logistics, plus the Council’s views on what form of payment would be appropriate given the circumstances of the applicant. The Council’s decision on how the payment is to be made will be final.
16. Awards may be made as a single award or split into periodic payments depending on the applicant’s situation and the value of the award. Where periodic payments are made the applicant will be asked to confirm that their circumstances have not changed and that they are still entitled to the support.
17. It is the Council’s intention to provide all applicants, whether successful, or unsuccessful, with referrals to resilience services and other support appropriate to their circumstances.

New Crisis Payment Awards and Repeat Awards

18. A Crisis Payment award will be considered to be new if it is the only award that has been made to the applicant, (and members of their immediate household), within a rolling 12-month period. Repeat awards will be the exception, with no more than one repeat award within a rolling 12-month period providing that the applicant,:-
 - (a) Is either applying due to a different financial shock, crisis situation; or
 - (b) The initial presenting financial shock, or crisis situation was unresolved / unimproved; and
 - (c) The applicant can show they have engaged with any warm referrals made in relation to them.

6 Protection of Public Funds:

1. The Council is under a duty to protect public funds and resources. This includes funds and funding it administers on behalf of other agencies.

7 Overpayments and Fraud:

1. Where a Crisis Payment is found to have been overpaid to an applicant, the Council will consider whether it is appropriate to recover it in full, in part, or not at all. Once determined Crisis Payment overpayments can only be written off in accordance with the Council's Corporate Debt Management Policy
2. Depending on the case circumstances, overpayments caused by official error may not be recovered.
3. In cases where a Crisis Payment award was made, (either as a lump sum, or via instalments), due to misrepresentation, or failure to disclose a material fact, or change of circumstances, (either fraudulently or otherwise), recovery of these overpayments will be considered.
4. The Council is committed to reducing fraud in all forms. An applicant who tries to fraudulently claim a Crisis Payment by falsely declaring their circumstances, providing a false statement, or evidence in support of their application, may have committed an offence under the Theft Act 1968. The Council reserves the right to liaise with the DWP and / or the relevant Police Force, as appropriate on such cases.
5. Where it is alleged, or the Council suspects that fraud may have been committed, the matter will be investigated. If fraud is found to have occurred, action will be taken, including the recovery of overpaid monies and, if appropriate, criminal proceedings.
6. Where an award is found to be based on a fraudulent application, an applicant could be disqualified from receiving future CRF Housing Payments and / or CRF Crisis Payments for a set period of time from the date the fraud was discovered. Any period of disqualification would be proportionate and reasonable. Information about their disqualification would be communicated to the applicant in writing. They would be able to request a review of the decision to disqualify and the period of disqualification under the review process provisions.
7. Any information submitted as part of the Crisis Payment application process may be used to cross match against other information held by the Council as part of benefit application processes, including that held for other CRF and Discretionary Hardship Schemes.

8 Review Process:

1. The following review process applies, with the process for review being detailed in the correspondence issued to an applicant following determination of their application for a Crisis Payment award,:-
 - (a) Any applicant who is dissatisfied with a decision made in respect of a claim for Crisis Payment may request a review of that decision within one month of the date upon which they are notified of the decision.
 - (b) Any request for review must normally be submitted using the Council's review form,

as advertised by the Council in its communications, including in its website information.

- (c) The submitted review form must include the reasons for the request. For example, what they disagree with, or why they believe the Council's decision is wrong. If an applicant simply states they are unhappy with the decision, that will not be enough to trigger the review process.
 - (d) The review of a decision will be undertaken by an Officer of the Council no less senior to the original decision maker and who was not involved in making the original decision. The Officer undertaking the review is called "the Review Officer";
 - (e) The outcome of any review undertaken by the Review Officer will be communicated to the applicant in writing, or electronically within seven working days, or as soon as possible thereafter.
 - (f) Where the review decision does not give rise to the outcome sought by the applicant, reasons for the decision reached will be given by the Review Officer; and
 - (g) If the applicant is still dissatisfied with the outcome of the review, they can access the Councils' Corporate Complaints Policy and processes. In cases of alleged maladministration on the part of the Council the applicant may be able to pursue their case with the Local Government and Social Care Ombudsman. There is also the option of pursuing a Judicial Review against the decisions reached by the Council.
2. The aim of the Council's review process is to ensure that there is an effective internal review procedure in place which provides applicants with a clear route to challenge errors and ensure decisions are made consistently and fairly.

Appendix 1

No Recourse to Public Funds - Grounds for Potential Exemptions

Where an applicant has No Recourse to Public Funds, the Council may be able to rely on alternative powers to provide support where it considers that,:-

- (a) There to be a child welfare concern : a Crisis Payment can be made to a person with NRPF to safeguard and promote the welfare of a child in need under [Section 17 of the Children Act 1989](#);
- (b) That an adult has eligible needs for care and support or that a carer has eligible needs for support, and those needs do not arise solely from destitution or from the actual or anticipated physical effects of being destitute : the CRF may be used as a funding source to meet needs under [Section 18 or 20 \(as applicable\) of the Care Act 2014](#);
- (c) That an adult has needs for care and support that the Authority is not required to meet under Section 18 of the Care Act 2014, (in other words, non-eligible needs), and those needs do not arise solely from destitution or from the actual or anticipated physical effects of being destitute : the CRF may be used as a funding source to meet needs under [Section 19 of the Care Act 2014](#), (for example, to prevent a breach of Article 3 of the European Convention on Human Rights (prohibition against inhuman or degrading treatment)); and
- (d) It is appropriate for improving the public health of the people in its area : a Crisis Payment can be made to a person under [Section 2B of the National Health Service Act 2006](#).