



Report

Date: 30 June 2021

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development and Employment

Supporting high users of hardship assistance

Purpose of the report

- 1 This report provides an update on the work that is underway to support high users of hardship assistance.

Recommended actions

It is recommended that you:

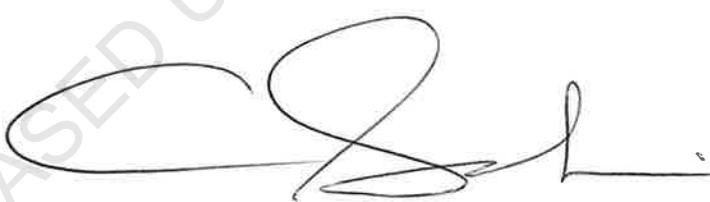
- 2 **Note** the range of activities in place to support high users of hardship assistance, focused on intervening early, case management, reporting and building staff capability with an emphasis on decision making and having quality conversations to understand client needs.
- 3 **Note** that MSD is also reviewing the policy settings of hardship assistance as part of the welfare overhaul work programme, and initial advice is due to you in July 2021.



Liz Jones
Deputy Chief Executive, Service Delivery

2.7.21

Date



Hon Carmel Sepuloni
Minister for Social Development

7/7/21

Date

Background

- 4 The impact of COVID-19 has been seen an increasing number of people accessing hardship assistance to help meet unexpected costs. Additionally, rising housing costs and high levels of both private debt and debt to government are contributing to increasing reliance on hardship assistance.
- 5 Over the 12-month period ending 31 May 2021, a total of 2,509,149¹ hardship grants (excluding EH SNG Hardship grants) were paid to 369,006 clients. 'Food' and 'other emergency situations' need types made up the highest proportion of grants at 54% and 30% respectively.
- 6 To ensure people are getting the right level of support at the right time, particularly those who are accessing a high number hardship grants, we have a range of initiatives in place focused on intervening early, staff capability building and reporting.

Hardship Assistance Activities

- 7 The range of hardship assistance activities we have in place and that are underway have been outlined in **Appendix One**.
- 8 Two key areas of focus are Integrated Case Management and a New Service Response.

Integrated Case Management

- 9 We have been extending case management services to support those clients who have been accessing high hardship assistance and have assigned clients with 31 or more hardship events² as at 14 May 2021 into integrated case management.
- 10 Case management for this client group takes a holistic approach to support a client's end-to-end needs, taking all of their circumstances into consideration, as we do with all case management services.
- 11 We are also developing a process for new clients to transition into integrated case management through either having high hardship use of 31 or more hardship events or through a new service approach.

New Service Response

- 12 We are developing a new service approach which will triage some clients (who are not already in case management) to have a more intensive conversation at the time of application. If a client calls the contact centre to make an application for one or more of a specific hardship need type within a 12-month period, they will be directed towards a dedicated team of experienced customer service representatives. (Refer to **Appendix One** for further detail).
- 13 Where a client may be potentially suitable, this dedicated team will make a referral to integrated case management.
- 14 We are also reviewing the policy settings of hardship assistance as part of the welfare overhaul work programme, and initial advice is due to you in July 2021.

¹ The numbers used in this report based on operational data and may be different to officially published figures. To protect confidentiality the Ministry of Social Development uses processes to make it difficult to identify an individual person or entity from published data. All information in this document have been randomly rounded to base 3. Data found here is rounded independently from other products produced by the Ministry of Social Development (MSD) resulting in small differences in the data between products.

² A hardship event is a unique day on which a client received at least one hardship grant.

Appendix

15 Appendix One – Hardship Assistance Activities

File ref: A13379703

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RELEASED UNDER THE OFFICIAL INFORMATION ACT

HIGH HARDSHIP ASSISTANCE ACTIVITIES

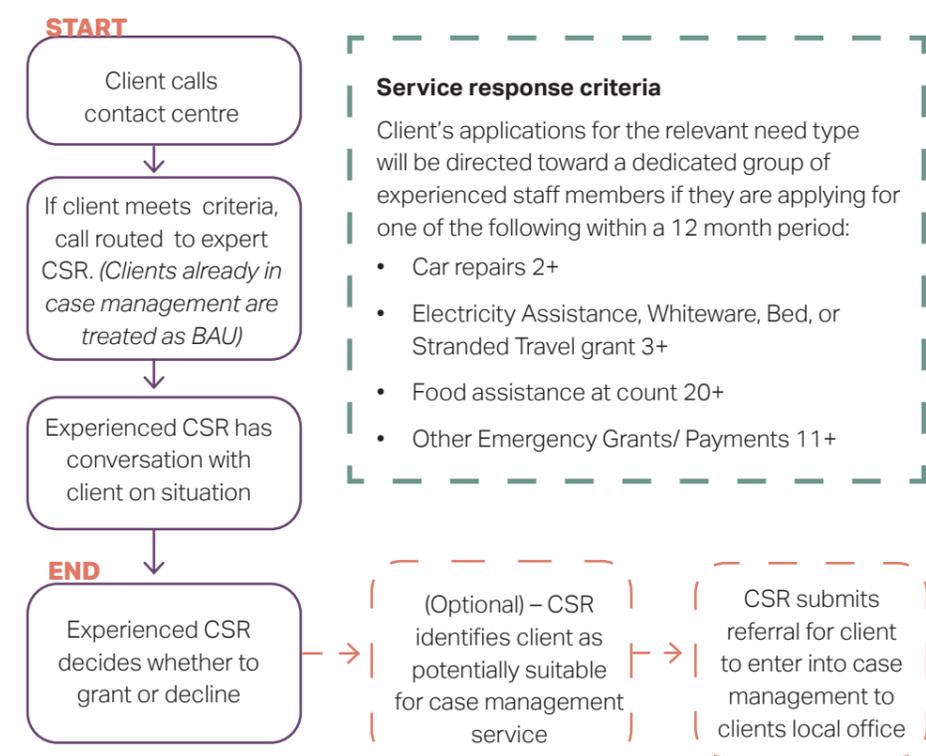
Implement a new service response for specific need types

(Commencing end Aug 2021)

We will implement a new targeted service response that will see clients have a more intensive discussion at time of application with an experienced staff member.

When a client calls the contact centre to make an application for Hardship Assistance and their previous hardship use meets the defined criteria, their call will be identified for a 'service response' discussion. Calls from clients who are already in integrated case management will not be included in this service.

The conversation will focus on the details of the client's and whānau needs and circumstances, whether they are getting all the assistance they are entitled to, and where appropriate, reasonable steps to improve their situation. Based on the client's circumstances, there may be a referral into integrated case management where it is potentially suitable.



Integrated Case Management for Clients with High Hardship Needs (Underway)

Initial cohort

In April, a cohort of 3,665 clients with high Hardship Assistance needs (31 or more events¹ in a 12-month period ending 6 April 2021) was identified. These clients have been assigned a dedicated case manager². Case management for this client group takes a holistic approach to support end-to-end need, including income, housing, and employment support.

As at 11 June 2021:

- Approximately 1,400 clients in this cohort have since fallen below 31+ events in the past 12 months as a result of this intervention and/or shift in the 12-month window. Despite falling below 31+ events, these clients are still being supported entitlement through dedicated case management.
- An additional ~500 clients have since been identified as reaching 31+ events in the 12-month period ending 11 June 2021. They will be assigned a dedicated case manager to provide them with additional support around their end-to-end needs.

Additional clients for integrated case management

(commencing end of Aug 2021)

Now that this cohort of clients has been transitioned into integrated case management, we will begin to transition more people into case management, as per the below:

- Add the ~500 clients already identified as having reached 31+ events in the past 12 months
- Identify new clients hitting this threshold on a weekly basis and assign them case management
- Referrals from Customer Service Representatives through the 'service response' process as outlined above
- Identify clients sitting below 31+ events in the past 12 months with high use of certain need categories and transition them into integrated case management where it is potentially suitable

Embedding best practice around manager sign off and client conversations (Underway)

Leader-led communications to clarify and reinforce consistent expectations for manager sign off on Hardship Assistance applications are ongoing. Senior leaders have cascaded expectations across all business units processing Hardship applications.

These expectations focused on guidance for what managers should look for when reviewing decisions about these applications. The key messages have been discussed between managers and staff and reiterated to staff directly on change implementation teleconferences and in organisation-wide internal communications. Knowledge base content has also been updated with these clarified expectations and guidance. Ongoing messages will continue to go out to staff.

Payment Cards (Underway)

Strengthening practice

We are strengthening staff practice around informing clients of the intended use of the card related to their need. This includes ensuring staff consider the event for the client need and pay assistance under the correct need type, and to the right supplier.

Supplier Engagement

We are engaging with key suppliers around how we can work together to support clients to only access the agreed need.

We will also expand our support for these key suppliers by providing a dedicated email address for them to raise any concerns around specific transactions with clients so we can follow up directly with the client.

Self Service for Petrol

We are exploring the potential of clients using a self service petrol station where it is easily accessible for them.

Building staff capability in processing Hardship Assistance to ensure consistency in practice (Underway)

There is a focus on ensuring that all staff processing Hardship applications receive robust training around discretion and decision-making.

Capability development will focus on:

- More consistent learning for all staff being inducted to the Hardship application workstream
- Capability uplift for managers reviewing hardship applications
- Initiation of learning pathway specific to discretion and decision making around hardship applications.
 - These will include both learning for all staff, as well as ongoing individualised support for staff where discretion and decision making around hardship applications is relevant to their individual development plans.

Promoting Building Financial Capability (BFC) services and redesigning the referral process (Underway)

Activities are underway to increase staff and client awareness of the breadth and value of BFC services. Conversations with BFC providers have occurred to get them ready for increased referrals. Internal information about BFC services has been refreshed to provide better guidance for staff making referrals. Digital signage about BFC has been placed on high rotation at service centres. We are currently working through timeframes to update client-facing collateral and distribute to service centres.

The current referral process for BFC is manually intensive. While promoting services, we are also redesigning the referral process for BFC services to make it easier for staff, clients, and BFC providers.

We will begin designing the technical solution behind these changes in July 2021 and will update you on the delivery timeframe once the solution is confirmed.

Updating reporting on Hardship Assistance (Underway)

Hardship Assistance reporting will be updated to include:

- Client outcomes for those in integrated case management,
- Clients potentially suitable for case management, and
- Food grants by food balance

Implementing system improvements to support decision making (Underway)

We are exploring future improvements to our systems to support staff with better access to information. These include: Improvements to the hardship summary screen to increase visibility into clients' past hardship use.

Quality checks for Hardship Assistance (Commencing Aug 2021)

We will conduct monthly end to end sample quality checks on grants for car repairs, stranded travel and 'other' payments. The review will be an end-to-end check looking at client circumstance and the decision making applied. Insights from these checks will inform future service responses and guidance to staff and managers.

¹ A hardship event is a unique day on which a client received at least one grant.
² The number of clients assigned a case manager in this cohort has reduced by ~35 clients after accounting for those who have left New Zealand, been imprisoned, or have passed away since the cohort was identified.

OVERVIEW OF ONE-OFF HARDSHIP ASSISTANCE

OVERALL HARDSHIP ASSISTANCE

Distribution of clients by hardship grant band in the last 12 months, as at 31 May 2021 (excludes EH SNG hardship grants)

Hardship band	Clients	Proportion of Clients	Grants	Proportion of Grants	Amount	Proportion of expenditure
1-5 grants	220,947	60%	535,524	21%	\$164,794,471	28%
6-10 grants	71,970	20%	553,776	22%	\$124,832,150	22%
11-20 grants	54,513	15%	788,319	31%	\$164,372,079	28%
21-30 grants	14,862	4%	363,729	14%	\$72,997,455	13%
31-50 grants	5,922	2%	218,976	9%	\$42,128,105	7%
51-70 grants	678	0.2%	38,931	2%	\$7,399,315	1%
71-100 grants	111	0.0%	8,895	0.4%	\$1,717,098	0.3%
101+ grants	6	0.0%	1,002	0.0%	\$213,425	0.0%
Total	369,006	100%	2,509,149	100%	\$578,454,098	100%

Below is an overview by common Hardship Reason groups - there are 27 Hardship Reason group types

Remaining hardship reason groups (not detailed below) account for less than 0.4% of total grants, but include groups like funeral grants, urgent house repairs and maintenance, and ambulance fees.

1 Food

- Grants: 1,366,485 (54%)
- Clients: 284,202 (77%)
- Expenditure: \$132,519,318 (23%)

2 Other Emergency Situations

- Grants: 758,703 (30%)
- Clients: 227,436 (62%)
- Expenditure: \$316,671,675 (55%)

Transition to Work Grant

- Grants: 100,923 (4%)
- Clients: 47,949 (13%)
- Expenditure: \$22,128,384 (4%)

Advances

- Grants: 49,335 (2%)
- Clients: 34,774 (9%)
- Expenditure: \$15,407,376 (3%)

Medical and Associated Costs

- Grants: 102,432 (4%)
- Clients: 80,256 (22%)
- Expenditure: \$44,404,884 (8%)

Driver License

- Grants: 14,790 (1%)
- Clients: 12,099 (3%)
- Expenditure: \$1,413,771 (0.2%)

Re-establishment Grants

- Grants: 11,277 (0.4%)
- Clients: 9,534 (3%)
- Expenditure: \$3,965,499 (1%)

School Education Costs

- Grants: 52,347 (2%)
- Clients: 27,456 (7%)
- Expenditure: \$13,136,418 (2%)

- Caveats**
- The data included in this report is pulled from operational reporting and may differ slightly from business reporting.
 - All data in this report covers the 12 months ending 31 May 2021.
 - All data in this report excludes Emergency Housing Special Needs Grants.
 - A client is considered to be in case management if they have a relevant service tag and an assigned case manager as at 31 May 2021.
 - Hardship Reason Groups are high-level groupings of need types used for business reporting.
 - The food grants in this analysis (and the total Hardship grants) include approximately 900 grants for food made under Civil Defence Payments.
 - All of the figures have been randomly rounded to preserve client confidentiality.

1 FOOD

Food grants make up 54% of all hardship grants in the past 12 months as at May 2021, (1,366,485 grants). This was across 284,202 clients.

Distribution of clients by grant band for Food in the past 12 months, as at 31 May 2021

Hardship band	Clients	Proportion of Clients	Grants	Proportion of Grants	Amount	Proportion of expenditure
1-5 grants	194,566	68%	468,957	34%	\$50,774,811	38%
6-10 grants	59,911	21%	457,242	33%	\$44,150,237	33%
11-20 grants	26,818	9%	367,185	27%	\$31,523,960	24%
21-30 grants	2,579	1%	61,483	4%	\$5,027,611	4%
31-50 grants	326	0.1%	11,450	1%	\$1,012,359	1%
51-70 grants	3	0.0%	168	0.0%	\$30,339	0.0%
Total	284,202	100%	1,366,485	100%	\$132,519,318	100%

22% of clients who receive more than 11 grants are in dedicated case management, this includes all clients with 50+ grants.

Proportion of Food grants by positive or negative balance at time of grant

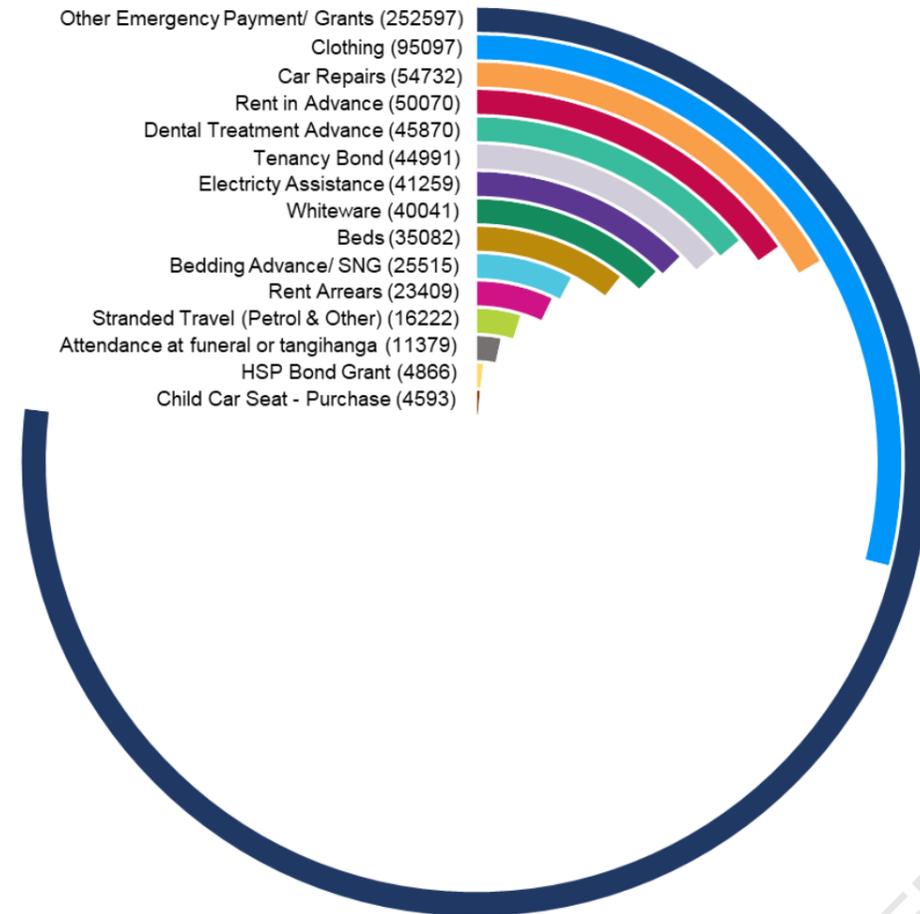
The hardship data spans from 1 June 2020- 31 May 2021

Food hardship grants	Positive Balance		Proportion of Manager Approval	Negative Balance		Subtotal
	Manager Approval			Manager Approval	Proportion of Manager Approval	
	No	Yes	Yes			
All 1-5 grants	643,735	108,022	14%	162,297	100%	917,142
All 6-10 grants	111,875	34,515	24%	158,658	100%	306,317
All 11-20 grants	22,057	7,146	24%	98,587	100%	128,085
All 21-30 grants	390	76	16%	12,714	100%	13,193
All 31-50 grants	18	0	0%	1,710	100%	1,730
All 51-70 grants	0	0	-	18	100%	18
Total Food grants	778,077	149,757	16%	433,983	100%	1,366,485

2 OTHER EMERGENCY SITUATIONS

Other Emergency Situations make up 30% of all hardship grants in the past 12 months, with 758,703 grants being made to 277,434 clients (62% of all clients who accessed hardship assistance). There are a total of 42 need types under the 'Other Emergency Situations' hardship reason group – other need types (not detailed below) include safety footwear, board advance, home help and cycle helmet assistance.

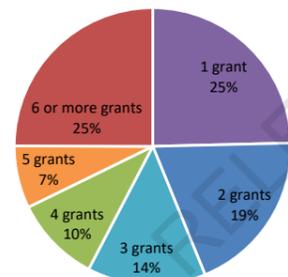
The chart below shows the top 15 most common need types granted under 'other emergency situations'



The following provides a more detailed breakdown of the need types: Other Emergency Grants and Payments, Car Repairs, Whiteware, Electricity Assistance, Beds, and Stranded Travel.

Key Stats: Other Emergency Grants and Payments

Grants: 252,597 (10%)
Clients: 227,436 (31%)
Expenditure: \$57,130,314 (10%)
Average grants per client: 2.18
Average value per grant: \$226



1,330 clients (1.2% of clients who received grants for Other Emergency Payments of Grants) received 11 or more.

- 58% (771 clients) are already in case Management
- 42% (561 clients) will be reviewed to identify those potentially suitable for case management.

Note: Other Emergency Payments and Grants are broad categories generally used to cover costs that do not have a specific need type (eg phones, skip bins, televisions).

Key Stats: Car Repairs

Grants: 54,732 (2%)
Clients: 39,486 (11%)
Expenditure: \$37,442,707 (6%)
Average grants per client: 1.38
Average value per grant: \$684

Key Stats: Whiteware

Grants: 40,041 (2%)
Clients: 30,906 (8%)
Expenditure: \$21,744,498 (4%)
Average grants per client: 1.30
Average value per grant: \$543

Key Stats: Electricity Assistance

Grants: 41,259 (2%)
Clients: 28,899 (8%)
Expenditure: \$17,166,146 (3%)
Average grants per client: 1.43
Average value per grant: \$416

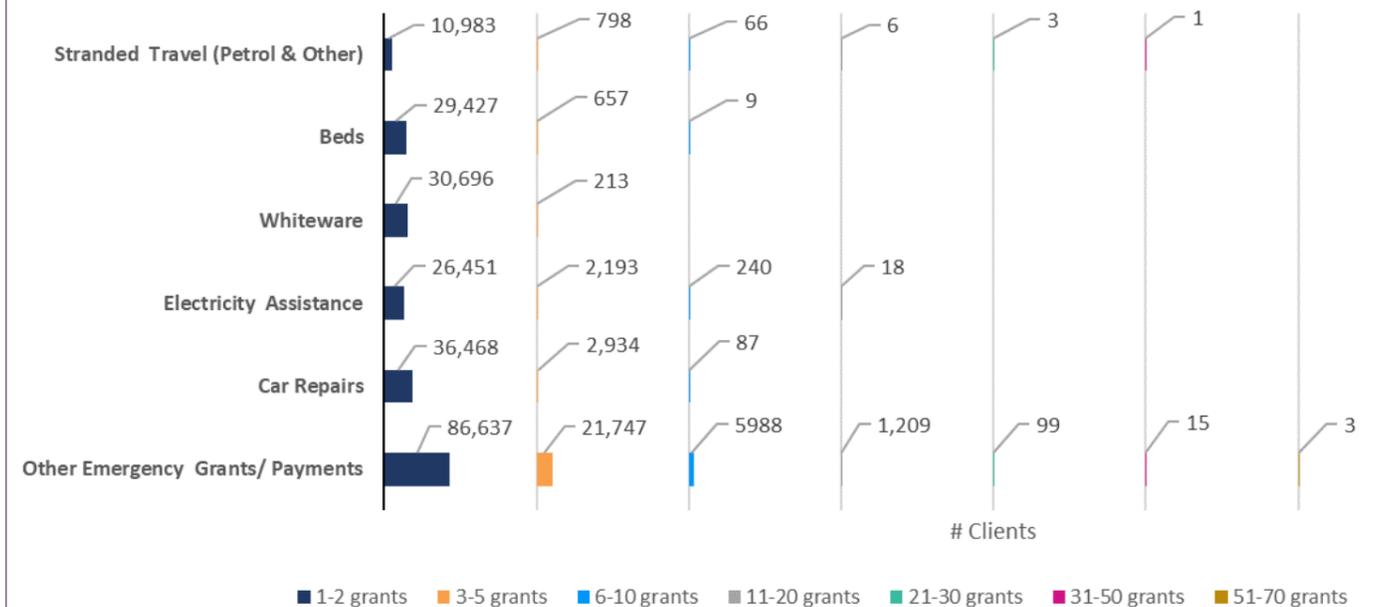
Key Stats: Beds

Grants: 35,082 (1%)
Clients: 35,082 (1%)
Expenditure: \$21,543,330 (4%)
Average grants per client: 1.17
Average value per grant: \$614

Key Stats: Stranded Travel (Petrol & Other)

Grants: 16,222 (1%)
Clients: 11,853 (3%)
Expenditure: \$1,617,038 (0.3%)
Average grants per client: 1.37
Average value per grant: \$100

Distribution of clients by grant band for need types under Other Emergency Situations for the past 12 months, as at 31 May 2021



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