

SUBJECT: COST OF LIVING SUPPORT**DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK****LEAD OFFICER: REBECCA COX, WELFARE REFORM AND PROJECT LEAD**

1. Purpose of Report

- 1.1 To provide Joint Committee with an update regarding various areas relating to the national welfare reform agenda, as well as current cost of living initiatives to support residents.

2. Executive Summary

- 2.1 This report provides Joint Committee with an update with regard to the national and local position of welfare reform/ other initiatives, with a specific focus on Universal Credit, Discretionary Housing Payments, Household Support Fund, Council Tax Support Fund and Financial Inclusion matters.

3. Background

- 3.1 The national Welfare Reform agenda has had a significant impact on residents of Lincoln and North Kesteven since 2013 when certain changes were introduced – such as Removal of Spare Room Subsidy, and Benefit Cap – and has continued as further changes have been introduced, such as the ongoing rollout of Universal Credit (UC). These changes have resulted in major changes to the operating of our shared service, to ensure a proactive and positive response to welfare reform and the impacts on residents.

The Covid-19 pandemic and cost of living related matters, have caused significant challenges to households locally and nationally. The Revenues and Benefits Shared Service plays a lead and key role in developing and delivering schemes to help mitigate some of the impacts of cost of living challenges. Some of these schemes are directly delivered by this Service, - some in partnership with other teams within the Councils, also with organisations such as those in the voluntary sector.

4. Universal Credit (UC)

- 4.1 The latest national figures published by the Department for Work and Pensions (DWP) w released on 16th January 2024, with statistics relevant to the period up to December 2023:

- 6,220,096 households receiving UC (this is an increase from 6,043,162 as reported at last meeting of this Committee).

Local authority statistics are also available:

- City of Lincoln – 11,878 (11,478 as at the last report).
- North Kesteven – 7,289 (6,946 as at the last report).

- 4.2 On 25th April 2022, then Secretary of State for Work and Pensions Therese Coffey made a statement in the House of Lords ([Written statements - Written questions, answers and statements - UK Parliament](#)) regarding managed UC migration for working-age legacy benefits – with the aim of completing this migration by the end of 2024. A 'Discovery Phase'

of migration has been taking place, with a number of areas around the country (not Lincolnshire) with a relatively small number of UC cases.

DWP released information to state those in receipt of Tax Credits would be asked to apply for UC by the end of 2024 ([Tax credits are ending - Understanding Universal Credit](#)). DWP also announced, through the Autumn Statement 2022, that the managed migration of Employment and Support Allowance (ESA) cases had been delayed to 2028/29.

A letter was published by DWP and sent to local authorities on 4th December 2023, setting out our managed migration plans in 2024/25, and beyond. As at the time of writing this report, further information is awaited from DWP in terms of anticipated numbers of cases anticipated as moving from a legacy benefit (for example, Housing Benefit (HB)) to UC in 2024/25, - as well as a more definitive timescale. Under current plans, our shared service would continue to be responsible for administering and processing HB claims for those of pension age, all Council Tax Support claims, and Exempt/temporary accommodation HB claims, - as well other related work such as Discretionary Housing Payments. Revenues and Benefits management continue to keep the whole LiNK team aware of UC managed migration and the potential impacts moving forward.

5. Discretionary Housing Payments (DHP)

- 5.1 Overall DHP funding for 2022/23 was reduced nationally from £140m to £100m. Consequently, grants for City of Lincoln and North Kesteven were also reduced by more than 29% each.

On 23rd February 2023, DWP announced DHP government grants for 2023/24. For City of Lincoln and North Kesteven, these are exactly the same amounts as for 2022/23, and the announcement also stated that the national DHP allocation for 2024/25 will be the same as for 2023/24 – so individual local authorities may well receive the same figures for 2024/25 – although this is expected to be confirmed shortly. The table below includes the confirmed 2023/24 allocations, also showing previous years' grants.

	City of Lincoln Council central government DHP grant	North Kesteven central government DHP grant
2023/24	£132,330	£86,931
2022/23	£132,330	£86,931
2021/22	£186,707	£122,652
2020/21	£250,113	£172,612
2019/20	£178,674	£113,943
2018/19	£208,624	£126,693
2017/18	£242,505	£140,972
2016/17	£173,675	£107,514
2015/16	£139,678	£99,977
2014/15	£194,308	£107,365
2013/14	£199,741	£98,229
2012/13	£98,865	£42,589

- 5.2 The table below breaks down the number of DHP applications received and determined in Quarter 3 2023/24.

DHP applications – Quarter 3 2023/24	City of Lincoln	North Kesteven
Total number awarded	246 (Quarter 3 2022/23 = 281)	133 (Quarter 3 2022/23 = 179)
No. awarded for Housing Benefit	64 (Quarter 3 2022/23 = 98)	27 (Quarter 3 2022/23 = 67)
No. awarded for Universal Credit	182 (Quarter 3 2022/23 = 183)	106 (Quarter 3 2022/23 = 112)
Average DHP award	£540.26 (Quarter 3 2022/23 = £374.31)	£573.83 (Quarter 3 2022/23 = £412.83)

The average award for both City of Lincoln and North Kesteven have increased for 2023/24 compared to 2022/23 due to more applications being turned down this financial year because of officers now including Personal Independence Allowance, Disability Living Allowance and Attendance Allowance into consideration, meaning more customers have income that exceeds their outgoings. This is allowing officers to award larger DHP payments to those customers living in the private sector where rents have significantly increased, whilst the Local Housing Allowance (LHA) figures have remained the same. However, it should be noted that LHA rates have recently been announced as increasing for 2024/25 [Local Housing Allowance \(LHA\) rates applicable from April 2024 to March 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/local-housing-allowance-lha-rates-applicable-from-april-2024-to-march-2025) .

5.3 The table below shows DHP spend for 2023/24 up to the end of Quarter 3.

	Central Government - DHP Grant 2023/24	DHP net spend as at 31st Dec 2023	DHP committed as at 31st Dec 2023	DHP total spend as at 31st Dec 2023	% Grant spent
City of Lincoln	£132,330	£98,151	£34,757	£132,908	100.44 %
North Kesteven	£86,931	£56,467	£19,851	£76,318	87.79%

As the full government grant for the City of Lincoln has been spent, an extra £10,000 has been provided out of the Homeless Prevention Fund to help support the DHP budget for Lincoln residents until the end of the current financial year.

6. Household Support Fund

- 6.1 Previous reports to this Committee updated on Household Support schemes going back as far as October 2021. This report updates on the current position in relation to Household Support Fund wave 4.
- 6.2 In his Autumn statement the Chancellor of the Exchequer announced an extension to the Household Support Fund, running from 1 April 2023 to 31 March 2024. Guidance was issued to local authorities on 20 February 2023, and allocations for this round of funding.

- 6.3 For Lincolnshire, Household Support Fund 2023/24 funding is £10,929,370 – to cover the whole financial year.

In Quarter 1 2023/24, Lincolnshire County Council confirmed plans in respect of Household Support Fund wave 4 2023/24 (HSF4), and updated its HSF website page ([Household Support Fund – Lincolnshire County Council](#)), including the following:

- *Approximately 43% of the funding will be delegated to schools and early years providers to support for children eligible for benefit-related free school meals, early years pupil premium and families with a 2-year-old eligible for early years entitlement.*
- *Approximately 44% will be directed through Lincolnshire's district councils to provide financial support to housing benefit only claimants not in receipt of other support provided via the national scheme.*
- *1% of the grant funding will be used to provide financial support to eligible care leavers in supported living accommodation.*
- *The remaining grant funding will be directed towards other vulnerable households via local schemes, with approximately 11% of the local grant made available to district councils on a proportionate basis. District councils and other third sector/voluntary organisations will work to provide an application-based process to ensure this funding is distributed through local channels in line with the grant conditions. Further details on this process will be published on district council websites once agreed.*

- 6.4 For Housing Benefit recipients in Lincolnshire who were not entitled to the national Cost of Living Payment 2023/24 ([Cost of Living Payments 2023 to 2024 - GOV.UK \(www.gov.uk\)](#)), this payment is being replicated in three phases, the first payment of (£301) was issued in August through Post Office vouchers with a total of £184,212 awarded to 612 eligible households within the City of Lincoln and £181,804 awarded to 604 eligible households within North Kesteven. A second wave of the scheme was delivered in December 2023 with a payment of £300 to eligible households. A total of £172,500 was awarded to 575 households within the City of Lincoln and £174,300 awarded to 581 households within North Kesteven. The third wave (£299 per payment) of these payments is being made in February 2024.
- 6.5 In terms of District Councils' separate allocations of HSF4 to be utilised to work with partners to provide payments, including through an application-based process in part (a requirement of the national HSF4 guidance), these were communicated to District Councils' HSF4 lead officers, - for City of Lincoln £202,676 has been allocated, and for North Kesteven £139,340.
- 6.6 The first wave of the open scheme online application process opened for two weeks from the 2 October 2023; applications continued to be paid after that date until a second wave of the online process opened on the 15 January 2024.
- 6.7 Officers are working in partnership with an established range of referral partners and application processes – as well as some new partners/routes – to ensure these HSF4 monies (through vouchers, food parcels, energy top-ups, etc) are delivered to those identified as in need. A key focus is again with regard to reducing foodbank dependency wherever possible, working with partners to help signpost residents to other means of support (e.g. money advice), - as well as supporting a drive to further increase usage of community groceries. A strategic aim of HSF4, is also to try and leave a 'legacy' of impact – as there is no guarantee of HSF5 (or of another form of local welfare provision) from 2024/25 onwards. It should be noted that this matter was discussed in Parliament on 31 January 2024: [Household Support Fund - Hansard - UK Parliament](#) .

- 6.8 Between October 2023 and December 2023, the following awards were made to support with the cost of Food, Energy & Water, Wider Household Essentials & Housing Costs.

City of Lincoln

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	121	130	60	85	
Amount of Award	£17,880	£24,021	£9,500	£11,550	Total Paid £62,951

North Kesteven

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	561	194	40	39	
Amount of Award	£9,400	£34,100	£6,850	£6,050	Total Paid £56,350

7. Council Tax Support Fund 2023/24

- 7.1 On 23 December 2022, central government provided guidance to local authorities regarding a £100 million Council Tax Support Fund for 2023/24, whereby awards of up to £25 are to be made to Council Taxpayers in receipt of Council Tax Support (CTS), - with an element of funding also to be made for discretionary local funds in 2023/24. Funding allocations for City of Lincoln and North Kesteven are £222,303 and £142,500, respectively.

Payments of up to £50.00 (the prescribed maximum was £25.00) were made to City of Lincoln and North Kesteven taxpayers as part of the 2023/24 Council Tax annual billing process. Remaining funding will be considered for local schemes in 2023/24. These figures are £101,705 for City of Lincoln, and £38,628 for North Kesteven.

- 7.2 The remaining funding is to be allocated as follows:

- **New CTS Cases (Lincoln and North Kesteven):**
 - Where a taxpayer has become (or becomes during the financial year) in receipt of CTS since annual billing in 2023/24, they are to be awarded up to £50 which will be credited to their Council Tax account. The award cannot be higher than their outstanding 2023/24 Council Tax charge (following the award of CTS). If a taxpayer has already received an award under the prescribed scheme (e.g. they were on CTS at annual billing 2023, their CTS awarded ended – but then they became eligible for a new CTS award during 2023/24) – they will not be able to receive an award under this Discretionary scheme.
- **Discretionary Awards (Lincoln and North Kesteven):**
 - Outstanding funding (once the new CTS cases have been identified and profiled for the remainder of 2023/24) will be retained as a ‘discretionary pot’ for taxpayers who have been identified by a member of LiNK (although referrals can come through other Council teams – for example, Housing, Customer Services), up to

£50 may be awarded to an account – but only if they have not received an award previously under either the prescribed or discretionary scheme.

- **Review of Discretionary Scheme (Lincoln):**

Spend and impacts of the scheme will be monitored by the Revenues and Benefits Management Team (RBMT) on a monthly basis, and where amendments to the scheme need to be considered – or it is deemed a specific cohort needs to be targeted under this scheme – recommendation/s will be made through the Assistant Director Shared Revenues and Benefits, for consideration/approval by the Chief Finance Officer.

- **Review of Discretionary Scheme (North Kesteven):**

Spend and impacts of the scheme will be monitored by the Revenues and Benefits Management Team (RBMT) on a monthly basis, and where amendments to the scheme need to be considered – or it is deemed a specific cohort needs to be targeted under this scheme – recommendation/s will be made through the Assistant Director Shared Revenues and Benefits, for consideration/approval by the Director of Resources.

- 7.3 Officers are working proactively to ensure this fund is allocated to accounts as appropriate, and it is anticipated this fund will be exhausted for both Lincoln and North Kesteven, within 2023/24.

8. Financial Inclusion

- 8.1 Financial inclusion continues to be a key objective and factor in many areas of LiNK's work. The Lincolnshire Financial Inclusion Partnership (LFIP) is currently chaired by the Assistant Director Shared Revenues and Benefits for North Kesteven District Council and City of Lincoln Council, - which brings together organisations and partners to promote and raise the profile of financial inclusion across the county.

Two key areas of high-profile engagement by LFIP in 2023/24, are:

- Co-ordination of 'Talk Money Week' activities in Lincolnshire during the week commencing 6th November 2023: [Talk Money Week | 6–10 Nov 2023 | The Money and Pensions Service \(maps.org.uk\)](#) ;
- A conference to be held on 20th February 2024 in Grantham ([Lincolnshire Financial Wellbeing Conference Tickets, Tue 20 Feb 2024 at 09:30 | Eventbrite](#)), to follow-up from the highly successful conference held at the Jakemans Community Stadium in Boston, in February 2023.

- 8.2 In terms of the well-documented national cost of living pressures, both our partner Councils continue to review and update web pages dedicated to initiatives to try and assist our residents with cost of living support:

- [Cost of Living Support – City of Lincoln Council](#)
- [Cost of Living Support | North Kesteven District Council \(n-kesteven.gov.uk\)](#) .

- 8.3 As at the time of writing this report, it is unclear what cost of living support funding will be made available to local authorities during 2024/25, with Household Support Fund due to end, also no announcement on national Cost of Living Payments beyond 2023/24. The Spring Budget on 6 March 2024 could be a key date in terms of whether any future support of this type is announced, otherwise a potential 'cliff edge' of such support could occur from

April 2024. City of Lincoln Council has approved funding for some cost of living projects through the UK Shared Prosperity Fund, for 2024/25. Appendix 1 to this report gives some actual anonymised Lincoln and North Kesteven cases, showing how LiNK has been able to support residents during 2023/24 through the Household Support Fund and other means.

9. Strategic Priorities

9.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Three that have an impact on the Revenues and Benefits Service are:-

- Lincoln: "Let's reduce all kinds of inequality".
- North Kesteven: "Our Communities", "Our Economy".

The Benefits Service plays a key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice. The Revenues Section is also mindful of the strategic priorities when engaging with business ratepayers as they recover business rates – and also promoting and encouraging growth in the districts. Digital Inclusion, Channel Shift / Customer Experience, Financial Inclusion, Employment, Skills and Partnership Working are all key priorities for the shared service.

9.2 Organisational Impacts

9.3 Finance

There are no direct financial implications arising as a result of this report.

9.4 Legal implications inc Procurement Rules

There are no direct Legal or Procurement implications arising from this report.

10. Risk Implications

10.1 A Risk Register is in place for the Revenues and Benefits Shared Service.

10.2 If Central Government does not announce extension of cost of living support schemes, such as Household Support Fund, for 2024/25 – there is a real risk that residents may suffer financial hardship without local or national welfare provision to further support.

11. Recommendation

11.1 That Shared Revenues and Benefits Joint Committee notes this report, also that a further update will be presented at the next meeting of this Committee.

Key Decision No

Do the Exempt Information Categories Apply No

Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

Does the report contain Appendices? One

If Yes, how many Appendices? None

List of Background Papers: No

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