

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.
- 1.2 To seek support for and approval of implementation with regard to Household Support Fund wave 5.

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. The report also sets out proposals for Household Support Fund wave 5.

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.

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) were released on 16th April 2024, with statistics relevant to the period up to February 2024:
 - 6,458,756 households receiving UC (this is an increase from 6,220,096 as reported at last meeting of this Committee).

Local authority statistics are also available:

- City of Lincoln – 12,495 (11,878 as at the last report).
- North Kesteven – 7,857 (7,289 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 further announcement was made on the 19th April 2024 with plans to bring forward the managed migration of ESA cases. Notifications for this group are now planned to commence in September 2024 with the aim of notifying everyone to make the move to UC by December 2025, - however no definitive timescale has yet been announced and could change.

As at the time of writing this report, further information is awaited from DWP in terms of estimated 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 On 13th March 2024, DWP announced DHP government grants for 2024/25. As expected, for City of Lincoln and North Kesteven. these are the same amounts as for 2023/24. The table below includes the confirmed 2024/25 allocations, also showing previous years’ grants.

	City of Lincoln Council central government DHP grant	North Kesteven central government DHP grant
2024/25	£132,330	£86,931
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 for 2023/24.

DHP applications – 2023/24	City of Lincoln	North Kesteven
Total number awarded	278 (Quarter 4 2022/23 = 327)	153 (Quarter 4 2022/23 = 262)
No. awarded for Housing Benefit	53 (Quarter 4 2022/23 = 105)	30 (Quarter 4 2022/23 = 77)
No. awarded for Universal Credit	225 (Quarter 4 2022/23 = 222)	123 (Quarter 4 2022/23 = 185)
Average DHP award	£511.52 (Quarter 4 2022/23 = £429.99)	£533.67 (Quarter 4 2022/23 = £351.42)

The average award for both City of Lincoln and North Kesteven has increased for 2023/24 compared to 2022/23 due to more applications being turned down this financial year because of officers now taking Personal Independence Allowance, Disability Living Allowance and Attendance Allowance into consideration, meaning more customers have income that exceeds their outgoings. This has allowed 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:

	Central Government - DHP Grant 2023/24	DHP total spend as at 31st March 2024	% Grant spent
City of Lincoln	£132,330	£142,202	107.46 %
North Kesteven	£86,931	£81,652	93.93%

As the full government grant for the City of Lincoln has been spent, an extra £10,000 was provided out of the Homeless Prevention Fund to help support the DHP budget for Lincoln residents until the end of the 2023/24.

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, as well as proposed plans in respect of Household Support wave 5.

In his Autumn statement the Chancellor of the Exchequer announced an extension to the Household Support Fund, running from 1st April 2023 to 31st March 2024. Guidance was issued to local authorities on 20th February 2023, and allocations for this round of funding.

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.*

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 and final wave was delivered in February 2024 with a payment of £299 to eligible households. A total of £174,616 was awarded to 584 households within the City of Lincoln and £171,925 awarded to 575 households within North Kesteven.

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 was initially allocated, and for North Kesteven £139,340. In March 2024 a further £60,458 was awarded to City of Lincoln and £30,940 to North Kesteven.

The first wave of the open scheme online application process opened for two weeks from 2 October 2023; applications continued to be paid after that date until a second wave of the online process was delivered in January 2024. Households continued to be supported after that date by making telephone applications to the fund or being referred for support by established partners.

Officers worked 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.) were delivered to those identified as in need. A key focus was again 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, was also to try and leave a 'legacy' of impact – as there was no guarantee of HSF5 (or of another form of local welfare provision) from 2024/25 onwards.

Between October 2023 and March 2024, the following awards were made through Household Support Fund 4 to support with the cost of Food, Energy & Water, Wider Household Essentials & Housing Costs – the figures include those payments delivered as part of our Cost-of-Living equivalent payment.

City of Lincoln

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	270	556	1,660	1,582	
Amount of Award	£51,578	£78,949	£478,596	£185,339	Total Paid £794,462

North Kesteven

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	219	383	1,709	597	
Amount of Award	£50,906	£68,798	£499,022	£77,893	Total Paid £696,619

7. Household Support Fund wave 5 (HSF5) 2024/25

- 7.1 In the Spring 2024 budget, the Government confirmed that a further £421 million would be made available to county councils and unitary authorities in England via the Household Support Fund (HSF) for the period 1st April to 30th September 2024. The fund is intended to support vulnerable households most in need with the cost of essentials, such as food, energy and water.

Following the publication of the scheme guidance on 2nd April 2024, Lincolnshire County Council presented a report to its Overview and Scrutiny Management Board (modern.gov.co.uk), setting out details of the scheme and options to utilise the Lincolnshire allocation of £5,464,685.20 for the benefit of residents most in need of support. This is the fifth round of funding and as with earlier rounds, collaboration with District Councils is required to effectively deliver the scheme. Relationships with delivery partners and mechanisms are now well established with learning taken from previous funding rounds. As with previous rounds, Lincolnshire County Council has proposed that funding is allocated to schools and early years providers to distribute to targeted cohorts and to support eligible care leavers in supported living accommodation. The remainder would be allocated to District Councils using the Indices of Multiple Deprivation (IMD), to support the delivery of an application-based element and locally determined schemes that meet the specific needs of communities.

Lincolnshire County Council has proposed, as follows:

- Approximately 64% of Lincolnshire grant funding will be provided to Schools and Early Years providers, targeting children eligible for benefit related 'Free School Meals' (FSM), 'Early Years Pupil Premium' (EYPP) and families with a 2-year-old eligible for 'Early Years Entitlement' (EYE).
- 1% of the grant funding will be used to provide financial support to eligible care leavers in supported living accommodation.

- Approximately 34% of the grant funding to made available to Lincolnshire district councils to provide support to vulnerable households via local schemes. District councils (or third sector/Voluntary organisations operating on their behalf) will provide an application-based process to ensure the funding is distributed in line with the grant conditions across local areas.
- 1% of the grant funding will be used to support the administration of the scheme.

7.2 The indicative shares of HSF5 for our shared service local authorities, are:

- City of Lincoln: £297,278
- North Kesteven: £204,379.

Officers are working with an established range of referral partners and application processes – as well as potentially some new partners/routes – to ensure these HSF5 monies (through vouchers, food parcels, energy top-ups, etc.) are delivered to those identified as in need. A key focus will again be on 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 HSF5, is also to try and leave a ‘legacy’ of impact – as there is no guarantee of a further Household Support Fund scheme (or of another form of local welfare provision) after September 2024.

In terms of an ‘open application’ scheme, officers will continue to work other District Council colleagues to try and ensure a consistent approach wherever possible, but with reference to City of Lincoln and North Kesteven specific requirements and available funding too. It is envisaged that the best way to ensure the most effective used of HSF5 monies, will be to open up the scheme in a number of phases, with Districts’ schemes envisaged to commence in late May/ early June 2024.

In terms of administrative costs incurred by the shared service for delivery of HSF5, it is proposed that in the region of 5% of Lincoln and North Kesteven’s allocations be allocated to these costs – as is allowable under the scheme. A range of % administrative costs have been claimed by District Councils, in previous rounds of HSF.

8. Council Tax Support Fund 2023/24

- 8.1 On 23rd 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 were £222,803 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 was to be allocated via local schemes in 2023/24; £101,705 for City of Lincoln, and £38,628 for North Kesteven.

- 8.2 Officers have worked proactively to ensure this fund is allocated to accounts as appropriate, and moving into 2024/25 only relatively small percentages of original funding are left to be allocated.

9. Financial Inclusion

- 9.1 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 2024/25, will be:

- Co-ordination of 'Talk Money Week' activities in Lincolnshire during November 2024: [Talk Money Week | Money and Pensions Service \(maps.org.uk\)](#) ;
- A conference to be held in February 2025, date and venue to be confirmed, to follow-up from the highly successful conferences held at the Jakemans Community Stadium in Boston in February 2023, and Jubilee Church Life Centre in Grantham in February 2024.

- 9.2 In terms of the well-documented ongoing 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 \(n-kesteven.gov.uk\)](#) .

- 9.3 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.

10. Strategic Priorities

- 10.1 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.

10.2 Organisational Impacts

10.3 Finance

Discretionary Housing Payments, Household Support Fund payments and Council Tax Support Fund payments are funded through local government grants (subject to specified limits).

10.4 Legal implications inc Procurement Rules

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

11. Risk Implications

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

11.2 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.

12. Recommendations

12.1 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.

12.2 That Members note the updates with regard to Household Support Fund wave 5, approving and supporting implementation as outlined.

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?	Yes
If Yes, how many Appendices?	One – Anonymised Lincoln and North Kesteven case examples 2023/24
List of Background Papers:	No
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