

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 Shared Revenues and Benefits 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 in principle regarding implementation of an extended Household Support Fund/delegation to make this decision.

2. Executive Summary

- 2.1 This report provides Shared Revenues and Benefits 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 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 9 July 2024, with statistics relevant to the period up to May 2024:
 - 6,757,693 households receiving UC
(this is an increase from 6,458,756 as reported at the last meeting of this Committee).

Local authority statistics are also available:

- City of Lincoln – 12,900 (12,495 as at the last report).
- North Kesteven – 8,172 (7,857 as at the last report).

- 4.2 On 25 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 19 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 timeline for the next 18-24 months. 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 13 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 in quarter 1 2024/25.

DHP applications – 2024/25	City of Lincoln	North Kesteven
Total number awarded	70 (Quarter 1 2023/24 = 104)	54 (Quarter 1 2023/24 = 53)
No. awarded for Housing Benefit	10 (Quarter 1 2023/24 = 30)	6 (Quarter 1 2023/24 = 12)
No. awarded for Universal Credit	60 (Quarter 1 2023/24 = 74)	48 (Quarter 1 2023/24 = 41)
Average DHP award	£699.76 (Quarter 1 2023/24 = £622.14)	£709.93 (Quarter 1 2023/24 = £783.94)

Local Housing Allowance (LHA) rates increased from 2024/25 ([Local Housing Allowance \(LHA\) rates applicable from April 2024 to March 2025 - GOV.UK \(www.gov.uk\)](#)), having previously been ‘frozen’ for several years. Increased LHA rates may help affordability of rents for some private sector (and some social sector) tenants, however as things stand this is only a ‘one year unfreeze’.

5.3 The table below shows DHP spend for quarter 1 2024/25:

	Central Government - DHP Grant 2024/25	DHP total net paid as at 30th June 2024	DHP committed as at 30th June 2024	DHP total spend as at 30th June 2024	% Grant spent
City of Lincoln	£132,330	£14,457	£34,526	£48,983	37%
North Kesteven	£86,931	£11,087	£27,248	£38,335	44%

6. Household Support Fund

6.1 There are 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 5 (‘HSF5’), as well as the recently-announced extension to Household Support Fund – i.e. wave 6 (‘HSF6’).

6.2 Household Support Fund wave 5 (HSF5)

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 1 April to 30 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 2 April 2024, Lincolnshire County Council presented a report to its Overview and Scrutiny Management Board ([H \(moderngov.co.uk\)](#)), 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 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.

6.3 Allocated shares of HSF5 for our shared service local authorities, are:

- City of Lincoln: £252,352.96
- North Kesteven: £173,492.66.

Officers are again working with an established range of referral partners and application processes – as well as 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 is again on reducing foodbank dependency wherever possible, working with partners to help residents to access other means of support (e.g. money advice), - as well as supporting a drive to further increase usage of community groceries. Also, a strategic aim of HSF5, is to try and leave a ‘legacy’ of impact – as there is no guarantee of a Household Support Fund scheme (or of another form of local welfare provision) beyond 2024/25.

In terms of an ‘open application’ scheme, officers have worked 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.

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

Between April 2024 and July 2024, the following awards were made through HSF5 to support with the cost of Food, Energy, Water & Wider Household Essentials.

City of Lincoln

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	288	1,271	268	1,101	
Amount of Award	£11,690	£71,865	£9,300	£41,915	Total Paid £134,770

North Kesteven

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	73	298	22	178	
Amount of Award	£10,600	£26,105	£3,200	£5,950	Total Paid £45,855

6.4 Extension of Household Support Fund – wave 6 (HSF5)

On 2 September 2024, the Government announced an extension to the Household Support scheme (press release [Government support extended to help struggling households with bills and essential costs over winter - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/press-releases/2024/09/02/government-support-extended-to-help-struggling-households-with-bills-and-essential-costs-over-winter)).

Department for Work and Pensions (DWP) stated there would be an extension to the Household Support Fund, for the next six months – i.e. 1 October 2024 to 31 March 2025, and provided the following information:

The £421m extension gives certainty to Local Authorities across England over the winter months – up until April 2025 – as they work to help those struggling with the cost of energy, food, and water. An estimated £79 million will be given to devolved administrations.

Pensioners and others struggling to heat their homes or afford other essential items over the colder months should contact their local council to see what support may be available to them. Details on the latest scheme for local authorities and councils will be communicated in the coming weeks.

As at the time of writing this report, officers await further information in respect of the scheme – i.e. guidance, financial allocation for Lincolnshire (which will then follow with allocations for Lincolnshire District Councils, following discussion with Lincolnshire County Council). Officers are starting to make indicative plans how and when such a fund could be allocated, including to any potential targeted cohorts, and will look to deliver these vital funds as soon as guidance, decision-making processes and guidance allows.

Cost of living pressures are likely to remain high – locally and nationally – and increase, through the winter months. With the extension of Household Support Fund now having been announced, officers will need to mobilise quickly with the aim of providing vital cost of living support monies to residents/partner organisations quickly and effectively. Depending on associated guidance with this extended scheme, officers will aim to deliver this fund/ these monies on a similar basis as previous rounds of Household Support Fund. On this basis, recommendation 11.2 in this report seeks approval of a scheme in principle, and also to delegate these decisions to the Chief Executive of both partner local authorities.

7. Winter Fuel Payments and Pension Credit

- 7.1 On 29 July 2024, the Chancellor announced that Winter Fuel Payments would become means-tested from 2024/25. Eligibility information has subsequently been made available on GOV.UK ([Winter Fuel Payment: Eligibility - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/press-releases/2024/07/29/winter-fuel-payment-eligibility)), as shown in paragraph 7.2 (below).

Lincolnshire Financial Inclusion Partnership (see Section 9 of this report) had already planned a countywide Pension Credit take-up campaign in Autumn 2024, - this announcement has brought forward this activity, and communications and take-up activities are now taking place to encourage and assist residents in claiming Pension Credit as soon possible. A national Pension Credit Week of Action also took place in week-commencing 9th September 2024 ([“You could get Pension Credit” – Week of Action to drive take up - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/press-releases/2024/09/09/you-could-get-pension-credit-week-of-action)).

7.2 **Eligibility**

You can get a Winter Fuel Payment for Winter 2024 to 2025 if you were born before 23 September 1958.

You must also live in England or Wales and get one of the following:

- *Pension Credit*
- *Universal Credit*
- *Income-related Employment and Support Allowance (ESA)*
- *Income-based Jobseeker's Allowance (JSA)*
- *Income Support*

If you live in Scotland, you might get an annual Pension Age Winter Heating Payment instead.

In some circumstances, you might be eligible [if you live abroad](#).

When you will not be eligible

You will not be eligible if you:

- *live in Scotland*
- *have been in hospital getting free treatment for more than a year*
- *need permission to enter the UK and your granted leave says that you cannot claim public funds*
- *were in prison for the whole of the week of 16 to 22 September 2024*

If you live in a care home

You can get Winter Fuel Payment if you live in a care home. You will not be eligible if both of the following apply:

- *you get Pension Credit, Income Support, income-based Jobseeker's Allowance (JSA) or income-related Employment and Support Allowance (ESA)*
- *you lived in a care home for the whole time from 24 June to 22 September 2024 .*

7.3 In the Chancellor's statement on 29 July 2024, the potential of Housing Benefit and Pension Credit being 'merged' was mentioned. Any merger (whether this be into Housing Benefit, or into Pension Credit), would be likely to take several years, if not longer. No further detail is available at this time, however officers will continue to engage with Department for Work and Pensions colleagues.

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.

Three key areas of high-profile engagement by LFIP in 2024/25, are:

- A co-ordinated countywide approach to Pension Credit take-up activity;
- Co-ordination of 'Talk Money Week' activities in Lincolnshire during November 2024: [Talk Money Week \(moneyhelper.org.uk\)](https://moneyhelper.org.uk) ;
- A conference to be held on 27 February 2025, at The Storehouse in Skegness ([HOME | The Storehouse](#)), 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.

Representatives of LFIP also presented a well-received session at the Lincolnshire Suicide Prevention Conference held at Bishop Grosseteste University in Lincoln, on 4 September 2024, in respect of the links between Money and Mental Wellbeing.

- 8.2 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 \(n-kesteven.gov.uk\)](#) .

- 8.3 City of Lincoln Council approved funding for some cost of living projects through the UK Shared Prosperity Fund, for 2024/25, and this work continues to deliver effective initiatives working with a range of partners.

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

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

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.

11. Recommendations

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

11.2 Joint Committee:

- (i) Approves officers within the Revenues and Benefits Shared Service to deliver an extended Household Support Fund scheme from October 2024, - depending on associated guidance with the scheme, officers to deliver this fund/these monies on a similar basis as in previous rounds of the Household Support Fund scheme, with reference to any specific identified cohorts where appropriate.
- (ii) To delegate the decision on the extended scheme from October 2024, to the Chief Executive of both partner local authorities, - to enable prompt and effective delivery of these vital cost of living support monies.

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?	None
If Yes, how many Appendices?	N/A
List of Background Papers:	No

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