

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 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 (DWF) released on 12 November 2024, with statistics relevant to the period up to September 2024:

- 7,078,771 households receiving UC (this is an increase from 6,757,693 as reported at the last meeting of this Committee).

Local authority statistics are also available:

- City of Lincoln – 13,142 (12,900 as at the last report).
- North Kesteven – 8,475 (8,172 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 the 19th April 2024 with plans to bring forward the managed migration of ESA cases. Notifications for this group commenced in September 2024.

DWP issued a letter to local authorities on 12 November 2024, which stated the aim of issuing the last UC migration notices in early December 2025, so that all in scope customers could be moved to UC and close legacy benefits (where appropriate) by the end of March 2026.

There have been numerous changes to the UC rollout/ migration timeline over the last decade, and the latest stated aimed timeline could be subject to change.

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 2 2024/25.

DHP applications – 2024/25	City of Lincoln	North Kesteven
Total number awarded	119 (Quarter 2 2023/24 = 182)	79 (Quarter 2 2023/24 = 97)
No. awarded for Housing Benefit	14 (Quarter 2 2023/24 = 46)	10 (Quarter 2 2023/24 = 21)
No. awarded for Universal Credit	105 (Quarter 2 2023/24 = 136)	69 (Quarter 2 2023/24 = 76)
Average DHP award	£666.56 (Quarter 2 2023/24 = £567.03)	£656.18 (Quarter 2 2023/24 = £604.76)

Local Housing Allowance (LHA) rates increased from 2024/25 ([Local Housing Allowance \(LHA\) rates applicable from April 2024 to March 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/local-housing-allowance-lha-rates-applicable-from-april-2024-to-march-2025)), having previously been ‘frozen’ for several years. Increased LHA rates may help affordability of rents for some private sector (and some social sector) tenants.

5.3 The table below shows DHP spend for quarter 2 2024/25:

	Central Government - DHP Grant 2024/25	DHP total net paid as at 30th September 2024	DHP committed as at 30th September 2024	DHP total spend as at 30th September 2024	% Grant spent
City of Lincoln	£132,330	£46,472	£32,840	£79,321	60%
North Kesteven	£86,931	£30,328	£21,510	£51,838	60%

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 position in relation to Household Support Fund wave 5 (‘HSF5’), as well as the current wave of Household Support Fund – i.e. wave 6 (‘HSF6’).

6.2 Household Support Fund wave 5 (HSF5)

HSF5 covered the period 1 April to 30 September 2024. Allocated (from DWP, then Lincolnshire County Council) shares of HSF5 for our shared service local authorities, were:

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

Working hard as a shared service, and with a range of fantastic, trusted partner organisations, distributing HSF5 to those in need of assistance with support for food, fuel and wider essentials, these monies were distributed as follows, (the remaining funding was,

in line with scheme guidelines, allocated and distributed as reasonable administrative expenses amongst delivery partners, as appropriate).

City of Lincoln

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	639	1,696	575	1,588	
Amount of Award	£24,780	£105,965	£26,750	£59,685	Total Paid £217,180

North Kesteven

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	268	725	234	350	
Amount of Award	£26,218	£82,221	£20,918	£13,868	Total Paid £143,225

6.3 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 \(www.gov.uk\)](#)).

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.

Lincolnshire County Council has now received an allocation of HSF6 from DWP for Lincolnshire, and has recently updated their website as follows:

As with earlier rounds, Lincolnshire County Council has worked with district councils to decide how the funding can be most effectively targeted to the Lincolnshire residents most in need, in line with government guidance.

Approximately 64% of the grant funding will be provided to schools and early years providers, targeting children eligible for benefit-related free school meals, early years pupil premium and families with a two-year eligible for early years entitlement. Those eligible will be contacted directly by their school or early years provider and will not have to apply for support. Eligible families should receive the support before the end of the year.

1% of the grant funding will be used to provide financial support to eligible care leavers in supported living accommodation. Again, those eligible will be contacted directly.

Approximately 34% of the grant funding to be made available to Lincolnshire's 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.

Indicative allocations of HSF6 have now been made by Lincolnshire County, and have been accepted by our shared service local authorities, as below:

- City of Lincoln Council: £296,862
- North Kesteven District Council: £204,093.

Officers have been proactive in preparing for delivery of the HSF6 schemes in our districts, and a verbal update will be provided to this Committee on 5th December 2024.

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/winter-fuel-payment-eligibility)), as shown in paragraph 7.2 (below).

Lincolnshire Financial Inclusion Partnership (see Section 8 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 9 September 2024 (["You could get Pension Credit" – Week of Action to drive take up - GOV.UK \(www.gov.uk\)](https://www.gov.uk/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 29th 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. Officers are working as part of a small working group with national DWP as to what this closer working might mean and how it could best be delivered.

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. Autumn Budget 2024

9.1 A number of announcements as part of the Chancellor's Autumn Budget on 30 October 2024 impacts on benefits and cost of living support, with highlights being:

- *The settlement provides £1 billion in 2025-26 to extend the Household Support Fund in England and Discretionary Housing Payments in England and Wales. Local authorities will use this funding to support households facing the greatest hardship.*
- *The government is also helping low-income households on Universal Credit (UC) by creating a new Fair Repayment Rate. This will cap UC repayments at 15% of the standard allowance, benefiting 1.2 million households by allowing them to keep more of their UC award each month.*
- *The settlement also allocates additional funding to increase the take up of Pension Credit and support work to allow the administration of Pension Credit and Housing Benefit to be brought together for new claimants from 2026.*

Following the Autumn Budget, The Secretary of State for Work and Pensions has confirmed in a written statement to Parliament:

- *I have concluded my statutory annual review of state pension and benefit rates under the Social Security Administration Act 1992. The new rates will apply in the tax year 2025/26 and will mainly come into effect from 7 April 2025.*
- *I am pleased to announce that the basic and new state pensions, and the standard minimum guarantee in pension credit, will be increased by 4.1%, in line with the increase in average weekly earnings in the year to May-July 2024. Other state pension and benefit rates covered by my statutory review will be increased by 1.7%, in line with the increase in the consumer prices index in the year to September 2024. This includes universal credit and other benefits and statutory payments linked to participation in the labour market; and additional state pension and pension credit elements other than the standard minimum guarantee.*
- *Although not covered by my statutory review of state pension and benefit rates, I can also inform the House that local housing allowance rates for 2025/26 will be maintained at the 2024/25 levels, following their increase in April 2024; and that the benefit cap has not been reviewed for 2025/26 and will also be maintained at the 2024/25 levels.*

9.2 Officers will continue to keep abreast of the detail relating to these announcements, proactively responding as appropriate.

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 and Household Support Fund payments and 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 Shared Revenues and Benefits Shared Service.

12. Recommendation

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.

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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