

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 regarding implementation of Household Support Fund schemes 2025/26, and delegations to make any subsequent related decisions.

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 ongoing cost of living challenges, 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) released on 13th May 2025, with statistics relevant to the period up to April 2025:
 - 7,754,473 households receiving UC (this is an increase from 7,276,191 as reported at the last meeting of this Committee).

Local authority statistics are also available, - although currently the DWP website does not appear to show updated figures, officers will endeavour to obtain these so a verbal update can be provided on 28th May 2025. Previously provided figures, were:

- City of Lincoln – 13,438 (*as at the last report to this Committee*).
- North Kesteven – 8,619 (*as at the last report to this Committee*).

- 4.2 UC Managed Migration continues – the latest update being received from DWP on 25th April 2025, being:

In light of the good progress made on Employment and Support Allowance (ESA) cases to date, with over 200,000 already successfully transitioned to UC, a decision has been made to increase the volume of Migration Notices issued each month to 83,000. This will allow a little more time before the end of March 2026 to provide support for our more vulnerable customers, and complete the migration of ESA cases to Universal Credit, with the final Migration Notices issued in September.

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 13th March 2024, DWP announced DHP government grants for 2024/25. As expected, for City of Lincoln and North Kesteven. these were the same amounts as for 2023/24. On 19th December 2024, DWP announced DHP government grants for 2025/26 – again, as expected, these rates remain ‘frozen’ for the forthcoming financial year. The table below includes shows DHP government grant allocations, for the last fourteen years.

	City of Lincoln Council central government DHP grant	North Kesteven central government DHP grant
2025/26	£132,330	£86,931
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 in quarter 4 2024/25:

DHP Applications – 2024/25	City of Lincoln	North Kesteven
Total number awarded	219 (Quarter 4 2023/24 = 278)	150 (Quarter 4 2023/24 = 153)
No. awarded for Housing Benefit	33 (Quarter 4 2023/24 = 53)	30 (Quarter 4 2023/24 = 30)
No. awarded for Universal Credit	186 (Quarter 4 2023/24 = 225)	90 (Quarter 4 2023/24 = 123)
Average DHP award	£571.63 (Quarter 4 2023/24 = £511.52)	£536.81 (Quarter 4 2023/24 = £533.67)

- 5.3 The table below shows DHP spend for quarter 4 2024/25:

	Central Government - DHP Grant 2024/25	DHP total net paid as at 6th April 2025	DHP committed as at 6th April 2025	DHP total spend as at 6th April 2025	% Grant spent
City of Lincoln	£132,330	£120,315	£4,871	£125,186	95%
North Kesteven	£86,931	£79,345	£1,176	£80,522	93%

There was a slight DHP underspend in 2024/25 partly due to a more 'cautious' approach being taken in this financial year with it being the first year Disability Living Allowance & Personal Independence incomes were not disregarded for DHP assessment to allow for more DHP being allocated to private sector cases with a 'cap' in place. This 'cap' is being raised in 2025/26, so it is not envisaged there will be a DHP underspend this 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 position in relation to Household Support Fund wave 6 ('HSF6'), as well as Household Support Fund wave 7 ('HSF7').

6.2 Household Support Fund wave 6 (HSF6)

On 2nd 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. 1st October 2024 to 31st 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 received an allocation of HSF6 from DWP for Lincolnshire, which was subsequently part-allocated to District Council to deliver local schemes.

Officers have been proactive in delivery of the HSF6 schemes in our districts, with awards made through HSF6 as follows:

City of Lincoln

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	1,123	1,498	247	1,121	
Amount of Award	£80,467	£143,520	£30,249	£73,083	Total Paid £327,319

North Kesteven

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	331	1,005	240	377	
Amount of Award	£31,358	£117,281	£27,113	£33,234	Total Paid £208,986

6.3 Household Support Fund wave 7 (HSF7)

Household Support Fund for the financial year 2025/26 was announced as part of the Autumn Statement on 30th October 2024, with guidance being made available for local authorities on 19th March 2025.

The primary objective of HSF continues to be the provision of support with the cost of essentials, namely energy and water, wider essentials, and food. While this is the priority, local authorities are also now encouraged to consider using the Fund to provide some form of preventative support which can have a longer term, sustainable impact

The government has made an allocation of £9,631,345.40 available to Lincolnshire, to be utilised between 1st April 2025 and 31st March 2026. The full guidance and grant determination be viewed at <https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils>.

Indicative allocations of HSF7 for our partner local authorities, are:

- City of Lincoln: £523,945
- North Kesteven: £360,212.

Officers are working with an established range of referral partners and application processes – as well as potentially some new partners/routes – to ensure these HSF7 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 continuing to support a drive to further increase usage of community groceries. There will also be an aim to focus on preventative support, - it should also be noted that there is no guarantee of a further Household Support Fund scheme (or of another form of local welfare provision) after March 2026.

In terms of an 'open application' scheme, officers will continue to work with 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 use of HSF7 monies, may be to open up the scheme in a number of phases, with Districts' schemes envisaged to commence in early-mid June 2025.

In terms of administrative costs incurred by the shared service for delivery of HSF7, 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.

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 are aiming to provide vital cost of living support monies to residents/partner organisations quickly and effectively, and will aim to deliver this fund/ these monies on a similar basis as previous rounds of Household Support Fund. On this basis, recommendation 10.2 in this report seeks approval of a scheme in principle, and also to delegate these decisions to the respective Chief Executive of both partner local authorities.

7. Financial Inclusion

- 7.1 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 2025/26, are:

- Appropriate communications as and when proposed/confirmed further welfare reforms are introduced (e.g. those relating to PIP), but for the meantime with a *'don't worry, get in touch'* message/approach;
- Co-ordination of 'Talk Money Week' activities in Lincolnshire during November 2025: [Talk Money Week | Money and Pensions Service](#) ;
- A conference to be held in February 2026 (date and venue TBC), to follow on from the highly successful conferences held in Boston (2023), Grantham (2024) and Skegness (2025).

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

Also, LFIP has developed a whole range of cost of living support web pages and information through a dedicated area of the Connect to Support Lincolnshire website: [Money Talk Lincs | Lincolnshire](#) .

8. Strategic Priorities

- 8.1 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.

8.2 Organisational Impacts

8.3 Finance

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

8.4 Legal Implications inc Procurement Rules

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

8.5 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

9. Risk Implications

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

10. Recommendations

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

10.2 Joint Committee:

- (i) Approves officers within the Revenues and Benefits Shared Service to deliver Household Support Fund schemes (Household Support Fund wave 7 – 'HSF7') for 2025/26, - in line with associated guidance, 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 and with a focus on preventative support.
- (ii) To delegate any further decisions required on HSF7 to the respective 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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