



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

# Rural and Communities Overview and Scrutiny Committee

Tuesday, 24 March 2026

Report of Councillor Virginia Moran,  
Cabinet Member for Housing

## Crisis and Resilience Fund

### Report Author

Claire Moses, Head of Service (Revenues, Benefits and Customer Service)

 [claire.moses@southkesteven.gov.uk](mailto:claire.moses@southkesteven.gov.uk)

### Purpose of Report

Following the publication of the Crisis and Resilience Fund (CRF) Scheme guidance on 15 January 2026, this report sets out the details of the CRF guidance and work in progress to develop the required delivery plan to utilise the three-year funding.

### Recommendations

#### The Committee is asked to:

- 1. Note the outline approach to the delivery of the Crisis and Resilience Fund as detailed in the report and is invited to ask questions regarding its content.**
- 2. Note the timeline for the introduction of a formal scheme to be approved by 1 July 2026.**

### Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Enabling economic opportunities Effective council
Which wards are impacted?	All Wards

## **1. Implications**

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

### ***Finance and Procurement***

- 1.1 Funding distribution for this fund is not yet confirmed however it is anticipated that the existing methodology used for the Household Support Fund will continue to apply. Under this approach, funding is allocated by Lincolnshire County Council to South Kesteven District Council based on the Indices of Multiple Deprivation, weighted by population size. Once the funding allocation is announced, a final scheme will be developed and presented for approval in June 2026.

*Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer*

### ***Legal and Governance***

- 1.2 Legal and governance implications are currently under review by Lincolnshire County Council and the District Councils as part of the preparatory work being undertaken, utilising the framework and guidance from the Department for Work and Pensions.
- 1.3 Proportionate due diligence and eligibility checks, together with appropriate verification processes, audit trails, and data-sharing arrangements, should be implemented to safeguard public funds and ensure compliance with grant conditions.
- 1.4 The Council has the power to administer externally funded support schemes under its general power of competence (section 1, Localism Act 2011).
- 1.5 The Committee is exercising its scrutiny function under the Local Government Act 2000.
- 1.6 Implementation of the final CRF scheme must comply with the Council's financial regulations, grant conditions and relevant legal requirements, including equality and data protection obligations where applicable.

*Completed by: Graham Kitchen, Director of Law and Governance (Monitoring Officer)*

## ***Procurement***

- 1.7 Where services are specified and delivered in return for payment (including any commissioned districtwide resilience service), the arrangement is likely to constitute a public services contract and must comply with the Procurement Act 2023 and the Council's Contract Procedure Rules.
- 1.8 Financial assistance provided to third sector organisations or other external providers, as proposed, will almost certainly constitute a subsidy under the Subsidy Control Act 2022 (SCA 22). To ensure compliance with the Act, each funding stream should be properly assessed and documented to determine whether it falls outside the subsidy control regime or complies with an applicable route, such as Minimal Financial Assistance or the subsidy control principles

*Completed by: Helen Baldwin (Procurement Lead)*

## ***Equality Impact Assessment***

- 1.9 The funding directly supports a range of people experiencing financial crisis and includes a resilience component as a key mechanism to prevent future hardship. It is anticipated that the scheme will have a positive impact on a range of protected characteristic groups. An Equality Impact Assessment will be undertaken as the scheme is developed and will be reviewed and updated as the delivery plan is also developed.

*Completed by: Carol Drury, Community Engagement Manager*

## **2. Background to the Report**

- 2.1 In June 2025, the Government announced a new Crisis and Resilience Fund (CRF) which replaces the Household Support Fund (HSF) and Discretionary Housing Payments (DHPs). The new scheme covers the period 1 April 2026 to 31 March 2029 and represents a shift from short term emergency help towards a more preventative, needs based approach. The aim is to build financial resilience, enabling individuals to better manage any future financial crisis, while still providing a safety net to support low-income households who encounter an unexpected financial shock.
- 2.2 On 15 January 2026, the Department for Work and Pensions (DWP) published the framework and guidance that authorities need to work within. The guidance sets out the objectives, framework and required collaboration between the Department for Work and Pensions (DWP), Lincolnshire County Council and Lincolnshire District Councils.

## Funding and grant conditions

- 2.3 The CRF is a consolidated revenue grant that will be delivered through the Local Government Finance Settlement from the financial year ending (FYE) March 2027. The Ministry of Housing, Communities and Local Government is providing funding to Authorities under Section 31 of the Local Government Act 2003 to administer the fund.
- 2.4 Authorities have discretion on exactly how this funding is used within the scope set out in the guidance and the Grant Determination Letter (“the Grant Determination”)
- 2.5 The grant conditions require Lincolnshire County Council to submit a delivery plan which outlines the planned activity across Lincolnshire for each strand to the DWP by 1 July 2026.
- 2.6 The guidance states that Authorities should seek to implement all elements of the CRF as far as possible by 1 April 2026. Where this has not been possible, the revised timeline and any interim mitigations must be stated in the delivery plan.
- 2.7 The three-year funding for Lincolnshire is provisionally **£9.9 million**, per year in Years 1 and 2 and **£11m** in year 3 (including Housing Payments). The Housing Payments funding has been confirmed at **£155,861**, ring-fenced outside Finance Settlement baseline funding for Years 1 and 2. Funding will be distributed via the Local Government Finance Settlement to Lincolnshire County Council with Districts’ allocation subject to the final scheme delivery.

## Objectives and key principles

- 2.8 DWP advise *“The primary objective of The Fund is to both provide a safety net for those on low incomes who encounter a financial shock and to invest in building local financial resilience to enable individuals and communities to better deal with crises in the long-term, reducing crisis need”*
- 2.9 This signals a clear shift in national policy, away from short term crisis firefighting and towards building long term financial resilience in low-income households. The CRF is a tool for councils to stabilise people’s lives, reduce repeat crises and build stronger local safety nets if implemented strategically.
- 2.10 Councils are encouraged to invest in resilience services, not just emergency payments. That means using CRF funding to reduce repeat applications, help people maximise income, stabilise housing and connect residents to the right local support at the right time.

## Outcomes Councils are expected to achieve

### 2.11 The fund will focus on three main outcomes

- **Outcome 1:** Councils must provide **effective crisis support**, including help with essential living costs and shortfalls in housing costs when people cannot meet their basic needs.
- **Outcome 2:** Councils should invest in **improving financial resilience**. This includes funding services that prevent crises from occurring, recurring or escalating, and that help people stabilise their income, reduce debt and improve financial security.
- **Outcome 3:** The CRF should be used to build a strong, **joined up local support system**. Councils are encouraged to create visible local safety nets with clear referral pathways between local authorities and their partners. The fund should act as the front door into wider support, not sit in isolation.

## Principles that must shape delivery

### 2.12 The following principles should be adopted to delivery CRF schemes

- **Person-centred** to ensure that people's preferences, needs and values stay central to professional decisions, providing support that is respectful to them.
- **Needs-based** to recognise the varied circumstances that individuals may experience, seeking to meet the underlying needs, not just the crisis symptoms.
- **Holistic** to provide integrated support that helps the individual and their households, with Authorities considering the wide range of services and actions they have access to.
- **Encompass a no wrong door approach** to connect individuals to the right service and support through warm referrals, regardless of their initial point of contact.
- **Trauma informed:** Authorities should adopt a Trauma Informed Approach when working with people and families in crisis.

2.13 In practice, this means people should not be turned away because they came through the wrong route, struggled with digital access or were unable to explain their situation clearly.

## **Crisis Payments**

- 2.14 The CRF is deliberately flexible, with the crisis payment covering a wide range of essentials, including food, water, energy, hygiene products, housing costs, clothing, furniture and appliances, transport and digital connectivity.
- 2.15 This allows councils to respond to real world need rather than narrow benefit categories. The scheme is to be open for applications throughout the year. Payments are to be person centred and based on individual needs-based circumstances.
- 2.16 Support is not limited to those on benefits, however, consideration is to be given to the resources available to the applicant and their household, such as savings or other assets that could be readily accessed

## **Housing Payments**

- 2.17 Providing financial support towards housing needs to those who face a shortfall in meeting their housing costs. This replaces the DHP administered by District Councils but closely replicates existing DHP guidelines.
- 2.18 In Years 1 and 2, District Councils will continue to receive a separate allocation, from Year 3 onwards, Unitary Authorities (and County Councils that continue to operate in the FYE March 2029) will receive allocations for Housing Payments.
- 2.19 The application-based payment can provide financial support towards housing costs for people receiving Housing Benefit or Universal Credit (with a rental element) facing shortfalls in meeting housing costs. This can include deposits and moving costs. However, the fund cannot be used for rent arrears, benefit sanctions or overpayment recovery.
- 2.20 Where households are placed out of the district, for example families with children in temporary accommodation, discussions should take place between the relevant authorities, so support is not blocked by boundaries.

## **Resilience Services**

- 2.21 Funding for services delivered by Authorities or external providers to improve financial resilience. This will be a programmes and activities that support building financial resilience.

- 2.22 Expected to be used as a gateway to wider support for Crisis and Housing Payment recipients where there is an underlying need, but this is not a condition of access and pathways should work in both directions.
- 2.23 Funding can be used to provide new services, supplement or expand existing provision, but cannot be used to deliver or maintain existing government funded activity. Given the emphasis on building financial resilience, Authorities are expected to use a significant amount of their total allocation on this strand. Activity is expected to positively impact on one or more of the following:
- Increased savings
  - Reduced priority debt
  - Reduced need for emergency food parcels
  - Reduced material deprivation (inability to afford essentials)
  - Maximised income
  - Fewer repeat Crisis Payment applications
  - Increased access to appropriate and quality advice services

### **Community Coordination**

- 2.24 Investment in activities that connect and enhance the local support landscape. These can include:
- Connecting services to better work together, filling gaps by setting up new services or making current ones stronger to meet demand.
  - Strengthening referral pathways and local partnerships can help people find the right support quickly and prevent them from having to repeat their story to multiple services.
- 2.25 The CRF is designed to support people facing financial shocks such as disasters, health crises or accidents, domestic abuse, theft, essential household items breaking, and short-term income gaps.
- 2.26 DWP guidance also confirms that councils can use CRF to cover reasonable administration costs, including those delivered by partner organisations, provided these are reported separately through management information returns. This can include staff time, communications and accessibility costs, data and analytics to support targeting, digital and IT systems for referrals and monitoring, and the production of Management Information (MI) reports. Administration costs for the Housing Payment strand are set out in Table 1 for years 1 and 2. In year 3 these will be at the discretion of the authority as part of the CRF allocation

## The delivery plan

- 2.27 This is a new scheme requiring a major shift from the established delivery mechanisms for the Household Support Fund.
- 2.28 This requires significant input across partners to interpret guidance, design and develop the strands, attend ongoing DWP development sessions, commission services (where necessary) and complete governance processes. The delegated authority allows for this work to be undertaken and supports accelerated delivery.
- 2.29 The delivery plan for Lincolnshire is currently under development with partners, with Lincolnshire County Council taking the lead as recipient of the funding and having overall responsibilities for the planned activity.
- 2.30 The guidance recognises that year 1 of the delivery plan may be different to subsequent years as needs change and services are developed, with plans to be reviewed annually. Current outline proposals are:
- **Crisis Payment** – Funding will be made available to District Councils to provide the required application-based support under local arrangements, utilising consistent eligibility criteria to support a range of people and families experiencing unexpected financial shocks. The level of funding to be distributed to Districts Councils has not yet been confirmed, however, it is likely the total amount will be split based on the Indices of Multiple Deprivation, weighted by population. If areas are unable to fully utilise allocations, it is intended that any remainder may be redistributed within this strand to maximise the funding. This builds on the successful delivery model for payments made through the HSF.
  - **Housing Payment** – as set out in the conditions, District Councils will deliver this strand in years 1 and 2, utilising a separate government allocation outside of the main CRF allocation. Total funding for each year for South Kesteven is £155,861 with administration funding of £22,853.
  - **Resilience Services** – Funding to be used for new services or to increase capacity/fill gaps in existing services, programmes and activities that support building financial resilience. The level of funding to be distributed to Districts Councils has not yet been confirmed, however, it is likely the total amount will be split based on the Indices of Multiple Deprivation, weighted by population. If areas are unable to fully utilise allocations, it is intended that any remainder may be redistributed within this strand to maximise the funding. Current proposals to deliver this strand include:
    - A single countywide service (commissioned by LCC), with a focus on reducing priority debt and serious debt issues, which require Financial Conduct Authority (FCA) accredited support. This will include targeted

outreach, for example through Family Hubs and Food Banks and other services which target the most vulnerable.

- Enhancements to existing services, to extend provision of nonregulated financial support, such as household budgeting and income maximisation, alongside assistance to develop and implement plans, utilising the most appropriate support available.
- Match funding of £90,000 over the three years for a test a learn project to support care experienced young people to develop and enhance life skills, transition to independent living and increase employability skills and confidence.
- An allocation to be made available to Lincolnshire District Councils to fund local activity which may include support delivered via third sector partners to help people withstand and recover from financial shocks.
- **Community Co-ordination** – In line with the guidance, an assessment of the robustness of the current support landscape and local services is underway. Work will be undertaken which will help guide decisions on which activities to prioritise and the level of funding required for this strand to enhance or sustain effective co-ordination, referral pathways and local partnerships. An ongoing review of resilience services and reasons for accessing crisis payments will help inform the understanding of longer-term gaps, which could be effectively met through this strand to further help people to move smoothly through the support system and support a legacy beyond the funding period

### **Current position and next steps**

- 2.31 Lincolnshire County Council and District Councils are meeting regularly to discuss the guidance and consideration as to the best way to deliver each of the fund strands. These meetings are ongoing to develop core eligibility and delivery of a scheme across the County. South Kesteven District Council are represented by the Head of Service (Revenues, Benefits and Customer Service).
- 2.32 The Head of Service has led several meetings with South Kesteven's Welfare & Financial Advice Team and Technical Support Team who currently administer existing HSF and DHP applications.
- 2.33 An internal CRF working group will be established, which will include officers from a number of key service areas. The Head of Service will be supported by the Deputy Chief Executive & Section 151 Officer (Crisis Payments and Housing Payments) and Assistant Director, Leisure, Culture and Place (Resilience Services and Community-Co-ordination).

2.34 Lincolnshire County Council (LCC) Executive took place on 3 March 2026 (details are included in Section 6 of this report). One recommendation was amended and approved, with the proposal for an LCC Members workshop to take place on 17 March 2026.

### **3. Key Considerations**

3.1 LCC and Districts will be required to agree a three-year delivery plan. LCC will be responsible for providing the delivery plan to DWP.

3.2 The proposed key dates for delivery are:

- 1 April 2026 – Housing Payments
- 1 April 2026 (or as soon after) – Resilience Services
- 1 July 2026 – Crisis Payments
- During 26/27 – Community co-ordination gap analysis activity will be throughout Year 1 and will shape any changes to delivery in years 2 and 3

3.3 The South Kesteven Crisis and Resilience Fund scheme will be presented to Rural & Communities Overview and Scrutiny Committee on 6 May 2026, for recommendation to Cabinet on 2 June 2026 for formal approval of the full scheme from 1 July 2026.

3.4 To ensure compliance with the introduction of Housing Payments from 1 April 2026, delegation for approval of the changes to the existing Discretionary Housing Payment policy will be given to the Deputy Chief Executive and Section 151 Officer.

### **4. Other Options Considered**

2.1 Option 1: Do nothing – however funding has been provided, and the requirement of the funding is to provide residents with support during times of crisis.

2.2 Option 2: To continue to work with Lincolnshire County Council, Districts and support organisations to progress with the delivery of a scheme from 1 April 2026 and contribute to the submission of a delivery plan no later than 1 July 2026.

### **5. Reasons for the Recommendations**

5.1 The DWP expect authorities to commence delivery of the scheme from 1 April 2026 and submit a delivery plan by 1 July 2026. Joint working has been in place between Lincolnshire County Council, District Councils and Support organisations during all stages of Household Support Fund. It is recognised a joint approach to

this level of support will achieve the desired outcomes as set out in the framework and guidance.

## **6. Background Papers**

- 6.1 Crisis and Resilience Fund: Guidance for Local Authorities in England 1 April 2026 – 31 March 2029: <https://www.gov.uk/government/publications/crisis-and-resilience-fund-guidance-for-local-authorities-in-england-1-april-2026-to-31-march-2029>
- 6.2 Lincolnshire County Council Executive meeting – 3 March 2026 (item 6): [Agenda for Executive on Tuesday, 3rd March, 2026, 10.30 am](#)