SOUTH KESTEVEN DISTRICT COUNCIL

Finance and Economic Overview and Scrutiny Committee

Tuesday, 21 July 2026

Report of Councillor Bridget Ley, Cabinet Member for Finance

Housing Payment Policy Proposal - 2027/28

Report Author

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

claire.moses@southkesteven.gov.uk

Purpose of Report

To provide an update on Housing Payments (HP) expenditure to review the scheme ahead of the Financial Year 2027/28, to seek feedback from the Committee regarding the proposed public consultation.

Recommendations

The Committee is asked to:

1. **Consider and comment on the proposed Housing Payment Policy prior to its inclusion within the consultation on the Localised Council Tax Support Scheme 2027/28.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Enabling economic opportunities Housing 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 for Housing Payments (HP) is determined by the Department for Work and Pensions on an annual basis. Funding for 2026/27 was received as part of the Crisis Resilience Fund which came into effect on 1 April 2026.

1.2 Given the demands on the General Fund, it is not recommended that any significant expenditure above the HP grant allocation of £155,861 is made.

1.3 When HRA tenants apply for and are successful in their application for HP grant this is beneficial for the HRA as the payment of the grant towards housing costs can stop arrears from forming or reduce the level of arrears.

Completed by: David Scott, Assistant Director of Finance and Deputy S151 Officer

Legal and Governance

1.4 The Council's practices, in relation to the allocation of HP payments, are in line with its legal duties. The Council is not obliged to contribute any additional funding from its own resources.

1.5 As the proposed policy for 2027/2028 does not contain any material amendments, there are no legal implications. However, the Council is adhering to best practice by reviewing the policy and keeping it up to date.

Completed by: James Welbourn, Democratic Services Manager

2. Background to the Report

2.1 The Council's Corporate Plan 2024-2027 has a clear commitment to healthy and strong communities and being a high performing council. The Housing Payment Scheme is designed to support delivery of these priorities.

2.2 Housing Payments are formerly known as 'Discretionary Housing Payments (DHPs)'. The introduction of the Crisis Resilience Fund (CRF) resulted in DHPs coming to an end on 31 March 2026 and being replaced by the Housing Payment strand of the CRF from 1 April 2026. Details of the CRF scheme and its implementation have been presented to Rural and Communities Overview and Scrutiny Committee during 2025/26, and most recently on 6 May 2026.

2.3 The CRF requires that the new scheme must be named ‘’Housing Payment’’. The Housing Payment will closely replicate the previous DHP guidelines and will adopt a phased transition over the 3-year funding period.

2.4 Currently, this phased transition (from 1 April 2026) means, in Years 1 (2026/27) and 2 (2027/28), the Council will continue to receive an allocation to be spent on Housing Payments. From Year 3 (2028/29) onwards, Unitary Authorities (and County Councils that continue to operate in the financial year ending March 2029 will receive allocations for Housing Payments.

2.5 The amount of HP that a council can provide in a financial year is cash limited by the Secretary of State. Each council receives a grant from the Government to fund part of this amount but also has the option to pay over and above this amount, up to a maximum of two and a half times the grant allocation. However, any additional funding on this basis would have to be made from the Council’s own finance.

2.6 The administration and payment of HP is at the discretion of each LA. South Kesteven District Council reviewed their existing DHP policy against the CRF guidance in March 2026 and the new Housing Payment Policy, effective from 1 April 2026, was approved by Officer Delegated Decision. There were minor changes to the new policy (removal of ‘’Discretionary’’). This policy continues to set out eligibility and the application process, as detailed in paragraphs 2.13 to 2.17.

2.7 Housing Payments are intended to help people with housing costs, providing financial assistance in situations where the Council considers that additional help is required. This may include situations where a claimant is affected by one or more of the welfare reform measures (such as the benefit cap, removed of the spare room subsidy in the social rented sector and those affected by Local Housing Allowance Rates). In these circumstances it is possible the benefits the claimant receives are insufficient to cover their housing costs even after Housing Benefit or the housing costs element of Universal Credit have been awarded.

2.8 Where an individual cannot access a HP, either because they are not eligible (in other words, not entitled to a qualifying benefit or owner-occupiers) or the HP allocation has been exhausted, they may be able to access further financial assistance through the Crisis Payment scheme which is administered by the Welfare and Financial Advice Team (if they are deemed eligible).

Expenditure 2025/26 and 2026/27

2.9 HP funding for 2025/26 was confirmed at a national level of £100 million per year. The DWP stated this is consistent with the total funding provided to LAs in previous years (since 2022/23). As a result of that decision, in 2025/26 the Council received the same allocation level as in 2024/25.

2.10 The methodology for HP allocation for 2026/27 onwards is confirmed in paragraph 2.4 (£155,861).

2.11 The table below shows: the amount of government contribution received in recent years; the total permitted spend (top-up limit) that the Council could make in each year; and the actual level of expenditure. The 'remaining' figure in the table is the difference between the government contribution and the expenditure. The remaining amount for 2026/27 is as of 31 May 2026.

	2024/25	2025/26	2026/27 (31.05.2026)
Government Contribution	£155,861	£155,861	£155,861
Top-up limit	£389,653	£389,653	£389,653
Expenditure as at 31/05/26	£155,861	£155,861	£26,460
Remaining funding for 2026/27	£0	£0	£129,401

2.12 Any underspend in HP below the level of government contribution received is known to have an adverse effect on the allocation of future grants. It is, therefore, essential to carefully balance the risk of underspending the grant allocation versus any overspend that results in a contribution from the Council's own funds. Rigorous monthly budget monitoring is crucial to managing the risks involved.

Proposed Housing Payments Policy – 2027/28

2.13 The administration and payment of HP is at the discretion of each LA. The Council has a HP Policy which sets out eligibility for the scheme and the application process. The proposed policy for 2027/28 is outlined in Appendix 1.

2.14 Awards of HPs may be made where a resident has a short-term financial difficulty or has continuing and unavoidable needs that mean they are unable to pay their rent. Awards will normally be for a defined period.

2.15 Consideration will be given to whether all other discounts and sources of help have been exhausted. Where appropriate, decisions will be deferred until other avenues have been explored. Where longer term support is required, this is achieved through identification of additional longer term financial support – such as income top-ups, referrals to the Councils Welfare and Financial Advice Team and referrals to external support organisations. For South Kesteven tenants, liaison with our Housing Team is important to ensure a holistic approach to prevent homelessness and ensure the resident is supported through our Tenancy Support Team.

2.16 The current policy has been reviewed to ensure it is fit for purpose and achieves the aim to enable our most vulnerable residents, who cannot access any other income, to sustain their home and health.

2.17 The proposed policy for 2027/28 is included within Appendix 1 to this report.

3. Key Considerations

3.1 The Council's current policy has been in place for some time and has been updated annually in line with delegated powers. It is appreciated this is an important policy, which provides detail of additional financial support available to our residents. Therefore, it is important this policy is reviewed on an annual basis, not only to ensure the policy is fit for purpose, but to be reactive to any issues our residents are facing.

4. Other Options Considered

4.1 There are no alternative options to consider. The Council is required to adopt and maintain a Housing Payments Policy to ensure compliance with the requirements outlined in the Crisis Resilience Fund guidance

5. Reasons for the Recommendations

5.1 The Committee are asked to comment and feedback on the contents of this report in readiness for the policy to be included within the public and stakeholder consultation as part of the Localised Council Tax Support Scheme 2027/28.

6. Consultation

6.1 The purpose and aims of the fund will be included within the public consultation for the Localised Council Tax Support Scheme 2026/27.

7. Background Papers

7.1 Crisis Resilience Fund guidance: [Crisis and Resilience Fund (1 April 2026 to 31 March 2029) - GOV.UK]

8. Appendices

1.1. Appendix 1: Housing Payment Policy – 2027/28 (proposed).