



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Finance and Economic Overview and Scrutiny Committee

Tuesday, 21 July 2026

Report of Councillor Virginia Moran,
Cabinet Member for Housing

Asylum Dispersal Grant Funding

Report Author

Karen Whitfield, Assistant Director (Leisure, Culture and Place)

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Purpose of Report

The Finance and Economic Overview and Scrutiny Committee is invited to consider the Cabinet report to determine how the Council's allocation of Asylum Dispersal Grant Funding will be allocated.

Recommendations

The Finance and Economic Overview and Scrutiny Committee is asked to:

- 1. Consider the report which is to be presented to Cabinet on Tuesday 21 July 2026 and provide any recommendations or alternative proposals to Cabinet.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Connecting Communities Housing
Which wards are impacted?	All Wards



Asylum Dispersal Grant Funding

Report Author

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Purpose of Report

To seek approval to accept the Asylum Dispersal Grant funding awarded to South Kesteven District Council and agree a proposed spending allocation framework.

Recommendations

Cabinet is asked to:

1. Approve the allocation of proposed asylum dispersal funding as detailed within Table Two in this report.
2. Provide delegated authority to the Section 151 Officer in consultation with the Cabinet Member for Housing to allocate the remaining funding, or reallocate any elements of the funding in Table Two which are not required or under-utilised to other permitted activity, subject to the relevant financial thresholds.
3. Approve the adoption of the SK Community Fund process to award any elements of available funding to community organisations as detailed in paragraph 3.2 of this report.

Decision Information

Is this a Key Decision?	Yes
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Connecting Communities Housing

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 As outlined in table 1 of this report the Council has formally received funding of £666,000 up to the end of 2025/26, with a further £321,600 forecast for 2026/27 resulting in a total grant allocation of £987,600.
- 1.2 The grant award notices stipulate the areas this grant can be spent on which is outlined in para 2.5 and based on the proposals summarised in Table 2 totals £854,060.
- 1.3 As a result, £133,540 would remain unallocated at this time for future use and consideration.

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

Legal and Governance

- 1.4 The forecasted funding for 2026/2027 is over £200,000 and therefore this is a Key Decision.
- 1.5 If any funding is under-utilised or subsequently not needed for the purpose set out in Table 2 the Section 151 Officer could re-allocate the funds through delegated authority; however, this would be subject to the relevant financial thresholds, depending on the level of underspend.

Completed by: James Welbourn, Democratic Services Manager

Equalities, Diversity and Inclusion

- 1.6 Asylum seekers in England are protected by the Equality Act 2010 under the protected characteristic of **race** (which legally covers nationality, colour, and ethnic or national origins). The law makes it illegal for service providers, employers, and public authorities to discriminate against individuals based on these grounds.
- 1.7 While individuals are protected from unfair treatment like harassment or discrimination, immigration status itself is not a protected characteristic. Schedule 3 of the Equality Act 2010 outlines exceptions which allow direct or indirect nationality discrimination, or indirect discrimination based on place of

residence/length of residence, when it is done to comply with another law i.e. where the public authority has no choice other than to act in a certain way. For example, when making decisions about placing people on housing registers.

- 1.8 Specific immigration laws mean that asylum seekers do not automatically have the same rights to work, housing, or mainstream social security benefits as UK citizens or recognised refugees while their claim is being processed. The denial of these services under immigration laws does not count as unlawful discrimination under the Equality Act. However, the Public Sector Equality Duty states that public bodies are required to consider how their immigration and support policies affect asylum seekers.
- 1.9 In providing the services and grant opportunities outlined within this report the Council is meeting its duties under the Equality Act and also promoting integration and community cohesion.

Completed by: Carol Drury, Community Engagement Manager

Community Safety

- 1.10 This proposed use of the Asylum Dispersal Grant funding is a positive step to support community cohesion and protect community safety. Anti-Social Behaviour Officers and increased Safer Streets Patrols will provide a visible presence, and alongside working with our Police Partners, will support the prevention and detection of crime. The proposed use of the funding will provide resources to enhance safety for all members of the community, particularly within Grantham.

Completed by: Ayeisha Kirkham Head of Service-Public Protection

2. Background to the Report

- 2.1 The Asylum Dispersal Scheme is a UK government policy managed by the Home Office to distribute asylum seekers across local authorities throughout England, Scotland, and Wales while their asylum applications are being processed and considered. Asylum seekers, who are referred to as service users by the Home Office, are provided accommodation which typically consists of self-contained flats or shared houses.
- 2.2 The Home Office contracts regional service delivery partners to source and maintain dispersal properties. For South Kesteven, Serco is the delivery partner.
- 2.3 To mitigate the impact on local services, the Home Office provides participating Councils with financial grants based on an annual funding amount per asylum seeker being housed alongside additional bed space funding.

- 2.4 The amount of funding already received by the Council and an estimated total amount of funding to be received in the current financial year is detailed in **Table One** below:

Table One – Asylum Dispersal Funding		
Financial Year	Amount	
2023/24	£190,500	Received and in reserves
2024/25	£280,500	Received and in reserves
2025/26	£195,000	Received and in reserves
2026/27	£321,600	Forecasted amount to be received
TOTAL	£987,600	

- 2.5 The funding allocated cannot be used for any other purposes. Examples of what the funding can be used for include, but are not limited to, the following:

The provision of statutory services:

- Education services
- Children and adults social care
- Waste collection
- Public Health services
- Planning and housing services
- Library services

The provision of non-statutory services:

- Leisure services
- Community initiatives
- Wellbeing services
- Interpreting provision
- Intervention services
- Signposting/orientation services.

- 2.6 Currently the majority of Serco maintained properties are concentrated in Grantham. In consideration of this the Council has made representations to the Home Office and Serco that no further properties should be sourced in Grantham. Subsequently the Council has received confirmation that no further properties will be procured in Grantham, however the potential remains for properties elsewhere within the district to be secured for asylum accommodation.
- 2.7 **Table Two** below contains some proposed uses for the grant funding with indicative costs for consideration and approval.

Table Two – Proposed Use of Asylum Dispersal Funding		
Activity	Cost	
Additional Safer Streets patrols	£25,000	This will provide an additional 10 hours of patrols on a Friday and Saturday in key locations where there is a concentration of asylum dispersal accommodation or incidents of anti-social behaviour.
Anti-Social Behaviour Officers	£100,000	This would provide two Officers on a fixed term contract for one year. The roles could be extended if future funding is received from Central Government.
50% contribution to the additional Environmental Health Officer	£27,720	This is the remaining 50% of the additional post agreed by Council when setting the revised House of Multiple Occupation licence fee structure for 2026/27 which cannot be recovered by the income received.
Environmental Health Officer for HMO inspections	£55,440	Additional Officer to cover HMO/private rented housing inspections.
Homelessness Officer	£45,000	Additional Officer to cover housing requirements once asylum seekers have been processed and allowed to remain.
Moveable CCTV cameras	£33,000	Provides 5 moveable cameras to be mounted on lampposts in key areas. (NB. permission would be required from Lincolnshire County Council).
Mobile CCTV	£11,000	To be hired in as and when necessary.
Article 4 Direction	£50,000	To cover the cost of evidence gathering and formal process if the evidence supports this.
Investment in Infrastructure	£50,000	To address any enhancements in green open spaces or parks to support increased use.
Voluntary Sector	£100,000	To provide community-based support for organisations facing increased demand, eg. Foodbanks.
English language lessons	£10,000	To be delivered within the community.
Rent Deposit Scheme	£25,000	To provide initial deposits for private rented sector houses should asylum seekers wish to settle in the district after they have been processed and allowed to remain.
Management of waste	£25,000	Additional resources and educational material required to tackle problem areas.
Leisure activity	£25,000	To provide a fund for community organisations to bid into to provide diversionary leisure activities. Activity could be in Council facilities or community settings.

Activity	Cost	
Arts and cultural activity	£25,000	To provide a fund for community organisations to bid into to provide diversionary cultural activities. Activity could be in Council facilities or community settings.
Contribution to SKDC Officer time	£246,900	25% of total amount of grant funding received to cover additional duties or administration costs to be assessed retrospectively and looking forward.
TOTAL	£854,060	

3. Key Considerations

- 3.1 The proposals above contain some elements of support that will not be delivered by the Council directly. Therefore, it is proposed that the community elements of funding, namely the voluntary sector funding and leisure and cultural activities are established as funding pots for interested community organisations to bid into.
- 3.2 As Cabinet recently approved the maximum grants available and the application process for the SK Community Fund, it is proposed that these arrangements are mirrored to administer any element of community funding (See **Background Papers**). Furthermore, it is proposed that the responsibility for administering community elements of funding is assigned to the Community Development Team.
- 3.3 This will ensure that funding bids are evaluated in a transparent manner and that the proposed outcomes and activity are eligible for funding. As the Council already supports community activity through the SK Community Fund it will also ensure that there is no possibility of organisations receiving double funding.
- 3.4 For the proposed £25,000 pots of funding available for leisure and cultural activity it is proposed that the application process should follow the SK Community Small Grants Fund. This would make grants available up to £5,000 to constituted community groups, charities, community interest companies and charitable incorporated organisations. Whilst any application should focus on providing activity for asylum seekers, priority will be given to those applications which promote cohesion with wider communities and help reduce social isolation and help improve community cohesion.
- 3.5 It is proposed that for the £100,000 pot of funding available for voluntary groups the application process should mirror the SK Community Large Grants Fund. Grants would therefore be available for up to £10,000 and follow a two-stage application process including an initial expression of interest, with eligible submissions being able to progress to an application. Again, the funding would be available to constituted community groups, charities, community interest companies and charitable incorporated organisations.

- 3.6 All applications would be managed on the grant register to minimise any risk and be reviewed by the existing Award Panel for the SK Community Fund.

4. Other Options Considered

- 4.1 The Council has received funding specifically to support asylum seekers and the wider community in relation to the Government's Asylum Dispersal Scheme. It will be necessary to report on how the funding has been allocated and spent. Therefore the 'do nothing' option has been discounted.

5. Reasons for the Recommendations

- 5.1 The Council has been awarded £666,000 of Government funding and is projected to receive a further amount of £321,600 in financial year 2026/27. The funding can only be utilised to mitigate the impact of asylum seekers in dispersal accommodation within the district of South Kesteven. Therefore, it is necessary to determine how the funding can be best utilised to support asylum seekers and the wider community.
- 5.2 The amounts allocated in **Table Two** are estimated amounts and may be subject to change. Therefore, it is recommended that delegated authority be provided to reallocate any elements of the funding which are under-utilised or not required.
- 5.3 As the proposals include elements which will be delivered by community organisations (Voluntary Sector fund, and leisure and cultural activities) it will be important that the Council establishes a clear and transparent process for community groups to bid for the monies available.

6. Background Papers

- 6.1 Community Fund - [Report to Cabinet 7 April 2026](#)