



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Rural and Communities Overview and Scrutiny Committee

1 February 2024

Councillor Rhea Rayside
Cabinet Member for People and
Communities

Cost of Living Update

Report Author

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Purpose of Report

The purpose of this report is to provide the Committee with a background regarding Household Support Fund, the formation of the Cost of Living Team and an update regarding the activity undertaken by the team, number of residents supported, value of support provided and an update regarding District, County and National activities.

Recommendations

That the Committee:

1. Notes the activities and levels of support being provided by the Cost of Living Team
2. To ask questions in relation to the activities and provide feedback.

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Healthy and strong communities High performing 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

- 1.1 The report sets out the specific schemes that are being implemented to support residents with the cost of living as a result of Household Support Fund.
- 1.2 Household Support Funding is provided by the Department for Work and Pension to Lincolnshire County Council. South Kesteven District Councils share of this funding is £177,342.
- 1.3 In addition, South Kesteven have received £496,200 funding to support those residents in receipt of Housing Benefit only.
- 1.4 The Cost of Living Co-ordinator is funded through the UK Shared Prosperity Fund to 31 March 2025.

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

Legal and Governance

- 1.5 There are no specific legal implications connected with this report, however all financial support schemes acceptance must follow the agreed process and governance.

Completed by: Graham Watts, Assistant Director (Governance Public Protection) and Monitoring Officer

Diversity and Inclusion

- 1.6 Cost of living information is available in a variety of formats to ensure inclusivity. The Wellbeing event was held in a fully accessible venue and publicity of the event was shared with support organisations working with the socio-economically disadvantaged, older people, people with disabilities and people whose first language is not English. Further diversity and inclusion considerations will be identified and complied with as each project/funding stream is accessed.

Completed by: Carol Drury, Community Engagement Manager

Mental Health and Emotional Wellbeing

- 1.7 The increases to cost of living and subsequent influence on financial stability is paralleled with heightened stress and anxiety levels thereby affecting mental health and emotional resilience. This forms a significant focus for the cost of living strategy.

Completed by: Fran Beckett (Head of Service – Human Resources and Organisational Development)

2. Background to the Report

- 2.1 The Council has a clear commitment in its Corporate Plan 2020-2023 to ensuring healthy and strong communities and being a high performing council. This report, and the service provided through the Council's Cost of Living Team strives to delivery these priorities.

Forming the Cost of Living Team

- 2.2 In August 2022, the South Kesteven Cost of Living Strategic Working Group (COL SWG) was formed in response to increasing cost of living concerns and energy price increases. An action plan was developed with key themes agreed by the group. The group was represented by various SK officers from the key themes as detailed below:

- Communication
- Food insecurity and poverty
- Fuel & Energy Poverty
- Financial – Benefits, Debt Support and Funding
- Health & Wellbeing (inc Welcome Warm Spaces)
- Prevention of homelessness
- Skills, Employment & Businesses

2.3 As a result of the activities undertaken by the COL SWG, it was identified a business case could be put forward for a dedicated Cost of Living Coordinator. If successful, South Kesteven would be the first council in Lincolnshire to introduce a dedicated officer to oversee cost of living related workstreams.

A bid was put forward to the UK Shared Prosperity Fund on 26 January 2023, with the following outline project description / purpose:

Creation of a Cost of Living Coordinator post. This new role will have a focus on delivering community, health and wellbeing-based initiatives as part of the UKSPF programme. Initially Year 1 funding will allow an outreach of activities across four towns and builds on some of the successful initiatives delivered through the previous ERDF-RHHSF / Welcome Back Fund.

2.4 The priorities of the UKSPF funding linked to this role are:

- Funding for impactful volunteering and/or social action projects to develop social and human capital in local places; and
- Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.

2.5 The bid was successful and recruitment for the role was undertaken. Interviews were held in April 2023, and a Coordinator was successfully appointed. Such was the calibre of candidates that a second role was offered (funded by Revenues and Benefits), and a Cost of Living Team was formed with both officers starting their roles on 5 June 2023.

2.6 Since 5 June 2023, the Cost of Living Team and the Head of Service have been working to objectives set out within the action plan, which is included within **Appendix One** of this report.

Introduction to Household Support Fund

2.7 One of the main responsibilities of the Cost of Living Team is to administer and distribute the Household Support Fund.

2.8 Household Support Fund (HSF) was first announced by Government in October 2021 with funding covering the period 6 October 2021 to 31 March 2022. Local Authorities had discretion on exactly how this funding was to be used (the scope set out in the national guidance and the accompanying grant determination). The expectation was that it should primarily be used to support households in the most need with food, energy, and water bills.

2.9 It was confirmed the funding would be awarded directly to Tier 1 authorities, this being Lincolnshire County Council (LCC), acting as the LA Single Point of Contact (LA SPOC). It was agreed LCC and Lincolnshire's District Councils would form a

Lincolnshire Working Group to discuss and agree a way forward for the distribution of the funding across the County.

- 2.10 Since October 2021, there have been further HSF schemes announced and implemented, with the current scheme (HSF4) open for 2023/24. The Lincolnshire Working Group has continued to meet regularly since October 2021.
- 2.11 On 20 February 2023, the Department for Work and Pensions (DWP) confirmed the extension of Household Support Fund from 1 April 2023 to 31 March 2024, with the distributing of a further £842m to Local Authorities in England to help households with the cost of essentials such as food, clothing and utilities.
- 2.12 Lincolnshire's allocation of £10,929,370 was to support residents as set out within the guidance. The grant period covers 1st April 2023 to 31 March 2024. The approach to the distribution of the fundings was as follows:
 - i. Circa 43% of the HSF through appropriate delegation to schools and Early Years providers targeting children eligible for benefit-related 'Free School Meals' (FSM), 'Early Years Pupil Premium', (EYPP) and families with a 2-year-old eligible for 'Early Years Entitlement' (EYE)
 - ii. Circa 44% directed through the Lincolnshire's District Councils to provide financial support to housing benefit-only claimants not in receipt of other support provided via the national scheme
 - iii. Circa 1% of the grant funding to provide financial support to eligible care leavers in supported living accommodation via County Council commissioned providers.
- 2.13 The remaining grant funding would be directed at other vulnerable households via local schemes with:
 - i. Circa 11% of the total grant made available to DC's on a proportionate basis to enable the funds to provide support to other households in need throughout the grant period. DC's and other third sector/Voluntary organisations will support in the need to provide an application-based process to ensure this funding is distributed through local channels in line with the grant conditions across local areas.
 - ii. Circa 1% of the grant will cover administration of the grant.
- 2.14 The distribution of funding across Lincolnshire is as follows:

District area	Proportionate allocation of funding to be utilised up to and including 31 March 2024 for application-based locally	Allocation of £1,266,726
Boston	10%	£126,673
City of Lincoln	16%	£202,676
East Lindsey	24%	£304,014
North Kesteven	11%	£139,340
South Holland	12%	£152,007
South Kesteven	14%	£177,342
West Lindsey	13%	£164,674
Total	100%	£1,266,726

2.15 South Kesteven's share of the allocation is £177,342 – this includes £7k administration. Therefore, of the remaining £170,342:

- £65,411 has been distributed to South Kesteven residents; and
- £104,589 has been allocated to various schemes for distribution to residents between 1 January 2024 and 31 March 2024

In addition, £496,200 has been allocated for housing benefit-only recipients. Further detail of these schemes is included within paragraph 2.22 to 2.52.

Funding Amount	Distribution	Purpose	Distributed as at 31 December 2023	
			Recipients	Value (£)
£7,000	SKDC Administration	Various administration costs of the scheme – such as post office letter template, printing and posting of vouchers, admin costs associated with Charis vouchers and printing of resource material for staff and residents.	Not applicable – this is administration funding	
£9,000	Lincolnshire Community Foundation (LCF)	Contribution towards Warm Packs – as part of county-wide 'Warm welcome' working group	100	£9,000
£10,000	Housing Support Fund (HSF) Vouchers	Direct support for those where applications have been specifically received from Carers First	0	£0

Funding Amount	Distribution	Purpose	Distributed as at 31 December 2023	
			Recipients	Value (£)
	Carers First			
£45,000	HSF Vouchers SKDC Cost of Living Team	Support for those who are in receipt of DWP Benefits, Housing Benefit and Council Tax Support who have been referred by SKDC Teams and Members.	586	£45,000
£46,000	HSF Vouchers Lincolnshire Community Foundation (LCF)	Support for those who have specifically not received the DWP Cost of Living Payments. LCF is able to provide additional wrap-around support for these residents.	149	£21,892
£60,000	Energy Vouchers SKDC Cost of Living Team	Eligible recipients i. Identified by staff and Members using the Cost of Living referral form ii. Residents who have attended a registered warm space venue	0	£0
£496,200	Post Office Voucher £300 SKDC Cost of Living Team	In receipt of Housing Benefit-only and therefore did not qualify for the national DWP Cost of Living Payment	1,364	£409,200

Cost of Living Support (Advice and Referral Process)

2.16 The aim of the Cost of Living Team is to enable our most vulnerable residents who cannot access any other income to sustain their home, health, family, and security. The Cost of Living Team is very aware of how important this support is to residents, and this is why the Council has introduced such a team since June 2023. One of the key activities for the team was to review the existing referral process from previous HSF schemes and to refine this process to ensure the best possible outcomes for our residents.

- 2.17 An internal, online, form has been produced for SK Officers and Councillors to complete, to refer a resident into the Cost of Living team for support. This support can take the form of general advice, referral to third sectors and assessment for a HSF voucher.
- 2.18 Each referral requires between a 20 and 30 minute appointment with the resident to discuss their personal, and household, financial circumstances to determine whether they are receiving all support available to them. The officer will discuss Council Tax Support, Housing Benefit, Foodbank vouchers, top-ups for shortfall in rent/council tax, tenancy support (if SKDC tenant – will be referred in to Tenancy Support Team) and other wider support such as referrals into Citizens Advice. The support provided is in-depth as officers need to make an assessment as to what is needed – the team simply cannot offer a blanket response to all residents as their circumstances are on an individual needs basis.
- 2.19 In comparison to other Districts within Lincolnshire, it is understood South East Lincolnshire authorities and West Lindsey have moved the majority of their funding over to Lincolnshire Community Foundation (LCF), which is administering the support on their behalf (LCF have a 4 to 6 week turnaround). City of Lincoln and North Kesteven opened their household support fund in October 2023.
- 2.20 Since the referral process was launched on 24 August 2023, the Cost of Living team has received a total of 682 referrals (over 18 weeks) of which:
- 563 have been responded to; and
 - 119 are to be responded to
- 2.21 Once the referral has been completed and the triage discussion has been undertaken with the resident, details are then passed to the HSF Officer (within the Cost of Living Team) who will process the HSF voucher. The voucher is issued the same day it is processed. The HSF voucher process is detailed further in paragraph 2.24 to 2.28.

Cost of Living Support (£49,088)

- 2.22 Of the residents who have been supported via the referral and HSF process, a total of £49,088 of additional wrap-around financial support has been provided so far.
- 2.23 The 235 residents have received financial support though a variety of results such as Discretionary Housing Payment, Foodbank vouchers, reduction in council tax, funding towards the purchasing of goods (through referral to third party), reduction in utility bills and reduction in telephone bills.

Household Support Fund (HSF) through the SKDC Cost of Living Team (£45,000)

- 2.24 The cohort of residents the Cost of Living team is directly supporting are those who have already received the Government's national Cost Of Living payment. This was determined because the team has the dataset available to them to see what other support has been provided during the previous HSF schemes.
- 2.25 A total of £45,000 has been allocated to support these residents from the HSF funding for 2023/24.
- 2.26 To ensure we are able to support as many residents as possible, we have agreed financial levels of support of as follows – this is a one off voucher payment:
- £60 single households
 - £100 couples
 - £125 families

HSF is not designed to be an emergency payment – other financial assistance is available for this – such as Foodbank referrals and support from third sector organisations.

- 2.27 Vouchers will be issued via Charis. Charis is a trusted administrator for many essential funds and grants. Lincolnshire's District Councils engaged with Charis for HSF1 and have continued to issue vouchers via this method during all HSF schemes. It is an efficient service for the safe distribution of financial support for our residents. HSF vouchers can be issued for all major supermarkets, energy top-up, energy payment cards, DIY, home essential (those organisations signed up are Argos, B&M, Carpet Right and Currys).
- 2.28 To date, a total of 514 HSF vouchers have been issued for a sum of £45,000

Lincolnshire Community Foundation (LCF) – HSF vouchers (£11,411)

- 2.29 The Authority has engaged LCF to also support in the administration of the HSF vouchers for those residents who have not received the Government's national Cost of Living payment.
- 2.30 A total of £46,000 has been allocated to support these residents from the HSF funding for 2023/24.
- 2.31 These are the harder to reach customers and LCF has extensive experience in supporting these residents. LCF is well placed to undertake financial assessments for these residents and identify other support that would benefit them – this could be a mix of financial support, financial management mentoring, supporting with budgets and supporting with job seeking activities.

- 2.32 LCFs turn-around for the voucher to be issued is 4 to 6 weeks from the date of application – this is their standard operating model and has been used by other Districts in previous and current years for HSF.
- 2.33 To date, HSF vouchers totalling £11,411 have been issued by the Lincolnshire Community Foundation.

Lincolnshire Community Foundation - warm packs (£9,000)

- 2.34 The warm pack project is part of the county-wide Warm Welcome Spaces Working Group, with North Kesteven District Council taking the lead for Warm Spaces and Warm Packs.
- 2.35 Each Council across Lincolnshire has used £9,000 of their Household Support Fund to contribute towards warm packs. A total of 1,200 packs have currently been procured and are being split fairly across the County.
- 2.36 They are being stored in 10 'Warm Welcome Host' storage hubs throughout the county – the current host location for South Kesteven is the Jubilee Church Grantham, they are currently holding 100 packs for distribution. The hubs that are acting as storage points were selected based on a) their storage capacity, b) their location, c) their opening hours and d) their capacity to be able to facilitate this on behalf of the partnership. The Warm Welcome Spaces Working Group will consider other storage points, should the scheme continue for 2024.
- 2.37 Warm packs have been procured by "His Church" in addition to this. Generous additions have been added from SafeLincs , St John Ambulance service and the NHS.
- 2.38 There are two pathways into the Warm Pack scheme through the county-wide referral system, each of which has a variant on the warm pack contents available, so they are tailored to the needs of the resident. Referring partners for the two pathways are:
- AgeUK – for those aged over 50 and over – the packs can include a fleece blanket, electric heated throw, hat, socks, gloves, hot water bottle, insulated travel mug, slow cooker and torch; and
 - NHS Health Partners – the packs can include electric blankets, sim card, water saving devices, carbon monoxide detectors, blankets, slipper socks, wearable blankets, draft excluders for doors, draft excluder tape, radiator insulation, radiator foil, insulation film for windows, hot water bottles, radiator keys and Cost saving brochure.
- 2.39 Warm packs started to be issued in December 2023. The referring partner will collect the warm pack they have ordered for the resident from the Jubilee Church and this will be delivered to the resident.

Cost of Living Payment for those in receipt of Housing Benefit (HB) only (£496,00)

- 2.40 The Lincolnshire Working Group agreed that residents in receipt of Housing Benefit only, and no DWP benefits would be supported as they will not have received the Government's national Cost Of Living payment. This was first introduced for HSF3 (October 2022 to March 2023), where the Lincolnshire Districts Working Group agreed to support these residents with a one-off payment, funded through HSF.
- 2.41 This approach was approved once again for HSF4, with eligible South Kesteven residents being identified for a £300 payment.
- 2.42 Two payments have been issued to far, with eligibility for the payments requiring the resident to be in receipt of Housing Benefit on 1 September 2023 and 1 December 2023. The number of eligible residents and payments issued were:
- First payment (£300) – 879 eligible residents with a total award of £263,700
 - Second payment (£300) – 775 eligible residents with a total award of £232,500
- 2.43 Payments were issued by the Post Office, in the form of a voucher, which can be redeemed at any Paypoint / Payzone nationally. This is a trusted payment method of distribution and has been successfully used for previous HSF and energy schemes.
- 2.44 Of the 1,654 vouchers issued, only 290 (17.5%) have not been redeemed. Recipients have until 14 March 2024 to redeem the vouchers. The Cost of Living Team will be contacting these recipients during January and February 2024 to ensure these are redeemed.
- 2.45 Any vouchers that are not redeemed, will expire and can be re-issued – providing this is to the same cohort of residents i.e. those in receipt of Housing Benefit.

Energy Vouchers

- 2.46 The Autumn Statement did not make provision for energy support this winter and the £400 energy assistance that was available last winter has not been offered this year. No other scheme has replaced it.
- 2.47 Over 70% of the people the Cost of Living Team speak to have advised they are suffering financially as a result of Pay As You Go (PAYG) meters for their energy. They have limited disposable income which does not leave a margin to cover the additional cost for the extra energy needed over the winter months.
- 2.48 Residents on PAYG meters do not have the option of a delayed payment for their energy. If they do not top up the meter, they do not have energy to use. Even if they try to reduce their usage with the cost of the standing charge bills are still high.

- 2.49 Some residents the Cost of Living Team speak to only have electricity in their properties which can mean they are spending in excess of £70 per weekly over the winter months.
- 2.50 In line with the Council's decision making procedures, the Head of Service (Revenues, Benefits, Customer and Community) issued an Officer Delegated Decision report to the Deputy Chief Executive and Section 151 Officer, Richard Wyles, proposing the remaining £60,000 of HSF be allocated for emergency energy vouchers as follows:
- (i) Voucher value of £100
 - (ii) Two vouchers to be issued to each eligible resident (maximum of £200)
 - (iii) To be issued mid-December 2023 and end-January/early February 2024
- 2.51 Eligible recipients will be identified by:
- (iv) SKDC referral by staff and Members using the Cost of Living referral form
 - (v) Those residents who have attended a registered warm space venue
- 2.52 This decision was approved on 18 December 2023, and energy vouchers started to be issued in January 2023.

Identification of support for those who do not receive pension credit

- 2.53 As part of HSF2 (April 2022 to September 2022), residents in receipt of pension credit were awarded a £110 HSF voucher. There was an underspend across the County, including South Kesteven. It was agreed by LCC that the underspend could be retained by each District, providing ongoing identification of support was undertaken and vouchers issued.
- 2.54 The Cost of Living Team is identifying these residents and where a successful claim for pension credit is made, a £110 voucher is being issued. The award of pension credit also leads to additional financial support such as reductions in bills (BT, Anglian Water etc)

Household Support Fund and the Cost of Living Team – 2024/25

- 2.55 There has been no announcement so far that HSF will continue in 2024/25. Any HSF funding which has not been issued in 2023/24 i.e. vouchers not redeemed, can be issued during 2024/25, providing it is for the same cohort of residents. This will ensure the Council is able to provide some financial support to SK residents. Any such decision would need to be approved by Lincolnshire County Council, as the recipient and distributing authority of the HSF funding. Once the residual funding

amount is known, and a decision has been made, the Cost of Living Team will propose a scheme of support for 2024/25.

- 2.56 The Cost of Living Team is currently funded to 31 March 2025. The team's activities, as detailed in **Appendix One**, will continue and a further update as to additional activities for 2024/25 will be provided to this Committee at its meeting in May 2024.

3. Key Considerations

- 3.1 Members of Rural and Communities Overview and Scrutiny Committee are asked to consider the report and are invited to ask questions regarding its content.
- 3.2 It is recommended to Rural and Communities Overview and Scrutiny Committee that the Cost of Living Team continues to review the impacts of cost of living and implement activities within the action plan to support businesses and residents of South Kesteven.

4. Other Options Considered

- 4.1 The Council disband the Cost of Living Strategic Working Group and cease any future activities.

5. Reasons for the Recommendations

- 5.1 The recommendation will ensure businesses and residents of South Kesteven will have access to the support they need, with the Cost of Living Team being able to monitor progress against the action plan.

6. Appendices

- 6.1 Appendix One – Cost of Living Team action plan.