



Rural and Communities Overview and Scrutiny Committee

Wednesday, 16 October 2024

Report of Councillor Rayside
Cabinet Member for People &
Communities

Cost of Living Team - Activities Update

Report Author

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Purpose of Report

The purpose of this report is to provide the Committee with an update regarding the activities undertaken by the Cost of Living Team, along with details of the financial support received (facilitated by the Cost of Living Team) for South Kesteven residents during 2023/24 and 2024/25. The report also provides an update regarding the support being provided to pensioners affected by the changes in the eligibility criteria for the Winter Fuel Allowance.

Recommendations

The Committee is asked to:

1. Consider the contents of the report and provide any feedback and comments.

Decision Information

Does the report contain any exempt or confidential information not for publication? N

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 The report sets out the specific schemes that have been and continue to be implemented to support residents with the cost of living – both statutory and national initiatives.
- 1.2 The majority of the schemes identified in the report are not directly funded by the Council. For the administration of some schemes, new burdens funding is provided by central Government.
- 1.3 The Cost of Living team is funded until 31 March 2025.

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

Legal and Governance

- 1.4 There are no specific legal implications connected with this report, however all financial support schemes must follow the agreed process and governance in terms of the allocation of funds.

Completed by: Graham Watts, Monitoring Officer

Equalities, Diversity and Inclusion

- 1.5 Cost of living information is available in a variety of formats to ensure inclusivity. 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

- 1.6 The increasing cost of living is having a significant impact on mental health and emotional wellbeing, and support in this area will therefore form a big part of the cost of living strategy. Internally, this links with work the Wellbeing team are doing

in line with the 'financial wellbeing' focus in our wellbeing strategy. Externally, this support is picked up as part of the actions from the Cost of Living Strategic Working Group.

Completed by: Fran Beckitt (Head of HR)

2. Background to the Report

- 2.1. The Council has a clear commitment in its Corporate Plan 2024-2027 to enable economic opportunities and be an effective council. This report, and the service provided through the Council's Cost of Living Team, strives to deliver these priorities.
- 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. As a result of this, the Cost of Living Team was formed in June 2023. This is the second report to be presented to this committee, with the first report being presented on 1 February 2024.

About the Cost of Living team

- 2.3. The Cost of Living Team is currently in place until 31 March 2025, at which point part of the funding for the team will cease (UKSPF). The remaining funding is from the Revenues and Benefits budget as part of one officer's substantive post within this service area.
- 2.4. The team consists of two officers who provide dedicated support to residents of South Kesteven through a variety of methods which are detailed further in this report.
- 2.5. The aims and objectives of the Cost of Living Team are to support 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 had such a team since June 2023.
- 2.6. The team also provides vital support to those residents who have no knowledge of the benefits and support available to them (as they have not needed to access support previously), or the various avenues available to them for debt advice and support. This is a complex area and navigation of entering into a new area can be daunting.

Cost of Living Support (Advice and Referral Process)

- 2.7. As part of the introduction of the Household Support Fund 3 (HSF), an internal, online form was put in place for SK Officers and Elected Members to complete to refer a resident into the Cost of Living team for support. This support can take the form of general advice, completion of application forms for various benefits and charities, referral to third sectors and assessment for a HSF voucher.
- 2.8. Since the referral process was launched on 24 August 2023, the Cost of Living team has received and processed a total of 1,605 referrals.
- 2.9. Each referral requires an initial appointment which takes between 30 and 60 minutes with the resident to discuss their personal and household financial circumstances, to determine whether they are receiving all support available to them – maximising their income and looking at ways in which debt support can be provided. Additional appointments may also take place to complete a budget review and applications for benefits and support from charities. The team will offer money advice and consider whether more formal debt support is needed. Additionally, the team will also provide energy advice, potentially referring them to be considered for grants for energy efficiency.
- 2.10. The team does have an holistic view of the resident's circumstances and will discuss their council tax and/or rent account balance, 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 third party organisations where bespoke support is needed, for example, appeals for other benefits, next steps to consider for debt relief orders etc. The team is also able to identify any potential 'hidden issues or support needs' the resident may have, that they may not have the full understanding of.
- 2.11. In doing this, the Cost of Living Team is providing support to other Council service areas that do not have the capacity or this level of knowledge and would historically have referred the customer to a third party organisation. The team has found that residents are more open with them, than with a specific service area – for example, someone speaking to an officer regarding council tax or rent arrears, may not feel comfortable having a more in-depth conversation. The Cost of Living team provides a 'safe space' conversation, which usually results in positive dialogue and the team being able to obtain more information to help the resident.
- 2.12. The support provided is in-depth as the team has to make an assessment as to what support is needed and which organisation is most suitable to provide that support. The team does not simply offer a blanket response to all residents as their circumstances are assessed on an individual needs basis.

Household Support Fund – October 2021 to September 2024

- 2.13. One of the main responsibilities of the Cost of Living Team is to administer and distribute the Household Support Fund.
- 2.14. Household Support Fund (HSF) was first announced by Government in October 2021 with funding starting from 6 October 2021, with the current fund ending on 30 September 2024. Government announced on 2 September 2024 a sixth Household Support Fund will open from Autumn 2024 to 31 March 2025 – this is detailed in paragraph 2.19.
- 2.15. Local Authorities have discretion on exactly how the funding is to be used (with the scope set out in the national guidance and the accompanying grant determination). The expectation of all funds has been that funding should be used to support households in the most need with food, energy, and utility costs.
- 2.16. Funding is awarded directly to tier 1 authorities, this being Lincolnshire County Council (LCC), acting as the LA Single Point of Contact (LA SPOC). In October 2021, 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.
- 2.17. Since October 2021, there have been further HSF schemes announced and implemented, with the current scheme (HSF6) due to open in Autumn. The Lincolnshire Working Group has continued to meet regularly since October 2021 and is currently considering the support which can be provided for HSF6.
- 2.18. Since October 2021, the Cost of Living Team has distributed a total of 13,720 payments / vouchers totalling £2,114,054 to South Kesteven residents. This is a total of £154 per resident. Appendix 1 provides details as to the funding available, eligibility, value of financial support, number of residents supported and how that support was provided.

Household Support Fund – Autumn 2024 to March 2025

- 2.19. On 2 September 2024, Government confirmed the extension of a sixth Household Support Fund to run from Autumn 2024 to 31 March 2025: [Government support extended to help struggling households with bills and essential costs over winter - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/support-extended-to-help-struggling-households-with-bills-and-essential-costs-over-winter)
- 2.20. As a result, the Cost of Living Team will continue to support our poorest residents, providing vital support for energy, food and essential items. Once full guidance and details of the scheme have been released, all Lincolnshire Councils will continue to work together, along with Lincolnshire County Council to determine how the funding will be allocated across the County. In addition, the Councils will work together to

review the criteria for the support and agree the best mechanism for the support to be provided to residents.

Household Support Fund – voucher re-use

- 2.21. There are occasions where a voucher will not be redeemed by the recipient. This could be due to a change in the recipient's circumstances or, on occasions where the voucher was issued as part of a mandatory requirement (such as for all residents in receipt of pension credit or those in receipt of housing benefit only), where the recipient has advised us they do not wish to redeem the voucher.
- 2.22. Where this situation occurs, once the voucher has expired, the Cost of Living Team is able to re-issue the voucher. The voucher must be re-issued to the same cohort as originally intended i.e. if a voucher was for someone in receipt of pension credit or housing benefit only, the re-issued voucher must also be issued to someone with those same circumstances.
- 2.23. It will therefore be expected that vouchers issued as part of HSF6 (Autumn 2024 to March 2025) will expire after the scheme closes. These can be re-issued as stated above, resulting in ongoing financial support being available post scheme closure from 1 April 2025.

Removal of the Winter Fuel Payment - identification of support for those who do not receive pension credit

- 2.24. On 29 July 2024, the Government announced that, from Winter 2024/25, households in England and Wales will no longer be entitled to the Winter Fuel Payment (WFP) unless they receive Pension Credit (as of 23 September 2024) or certain other means-tested benefits, as detailed here: [Winter Fuel Payment: Overview - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/winter-fuel-payment-overview). As a result, Regulations were laid in Parliament on 22 August 2024.
- 2.25. As a negative Statutory Instrument, the regulations would become law unless Parliament passes a motion to annul it within a specified period. An Opposition motion to do that failed on 10 September 2024, and the regulations came into force on 16 September 2024.
- 2.26. On 20 August 2024, the Ministry of Housing, Communities and Local Government (MHCLG) wrote to all Local Authority Chief Executives and Revenues and Benefits Managers to ask Housing Benefit Teams to work closely with the Department for Work and Pensions (DWP) to help them reach those pensioners who could benefit from Pension Credit and therefore continue to receive an annual Winter Fuel Payment.

- 2.27. On 18 September 2024, the Department for Work and Pensions wrote to all Local Authority Chief Executives to advise of their "Bringing together the administration of Pensioner Housing Benefit and Pension Credit" 'campaign.
- 2.28. Officers have reviewed information detailing the pensioner demographics within South Kesteven. The key information is as follows:
- The total Pension caseload for South Kesteven is 31,971.
 - Of those, 2,541 (7.95%) South Kesteven pensioners are eligible for means tested Winter Fuel Payments and 92.05% (29,430) of pensioners have lost the payment.
 - There are an estimated 5,582 pensioners who are in receipt other benefits that do not qualify under the new rules. This is 18.97% of the non-qualifying total of 29,430 or 17.46% of the total caseload.
 - 57.8% (1,310) of Housing Benefit claimants are also receiving Pension Credit.
- 2.29. **Appendix Two** provides details of all activities which will have been taking place from 16 September 2024 to 23 December 2024. This is a key period as any pensioner who makes a successful claim for Pension Credit between this time, would be eligible for the Winter Fuel Payment (providing the Pension Credit claim is backdated to the eligibility date of 23 September 2024 – the allowable limit for a backdate is 3 months).
- 2.30. In addition to the Winter Fuel Payment, the team will also consider eligibility for a warm home discount. The scheme will re-open again in October 2024 - [Warm Home Discount Scheme: Overview - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/schemes/warm-home-discount-scheme). This is a one off £150 discount from electricity bills. The utility provider must be signed up to the scheme, and residents will qualify if they:
- receive the [Guarantee Credit element of Pension Credit](https://www.gov.uk/government/schemes/warm-home-discount-scheme); or
 - [are on a low income](https://www.gov.uk/government/schemes/warm-home-discount-scheme) and have high energy costs

3. Key Considerations

- 3.1. These are included throughout the report and members of the Rural and Communities Overview and Scrutiny Committee are asked to consider the report and are invited to ask questions regarding its content.

4. Other Options Considered

- 4.1 The report is for information only.

5. Appendices

- 5.1 Appendix One – Financial support for residents facilitated by the Cost of Living Team from December 2021 to September 2024.
- 5.2 Appendix Two – Action and communication plan