



Rural and Communities Overview and Scrutiny Committee

Wednesday, 9 July 2025

Report of Councillor Virginia Moran,
Cabinet Member for Housing

Welfare and Financial Advice Team 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 Household Support Fund (2025/26), and the wrap around support provided by the Welfare and Financial Advice Team. This will detail the activity undertaken by the team, number of residents supported, value of support provided and an update regarding District, County and National activities.

Recommendations

The Committee is asked to:

- 1. Note the report and provide feedback on the information contained in the report.**

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Does the report contain any exempt or confidential information not for publication?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 The report sets out the specific schemes that are being implemented to support residents with the cost of living – both statutory and national initiatives. The Household Support Fund scheme identified in the report is not directly funded by the Council. The Welfare and Financial Advice team was added to the permanent staffing structure from 1 April 2025 and the work priorities will reflect both local and national issues that are facing the community.

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

Legal and Governance

- 1.2 There are no specific governance implications connected with this report. Decision-making associated with financial support schemes should follow an agreed process and should demonstrate strong governance arrangements to support their implementation.

Completed by: James Welbourn, Democratic Services Manager

Equalities, Diversity and Inclusion

- 1.3 Cost of living information is available in a variety of formats to ensure inclusivity. The Team ensures any engagement activity takes place within fully accessible venues. All reasonable adjustments continue to be made to meet the needs of residents who require support. Further diversity and inclusion considerations will be identified during the preparation of the action plan and complied with as each project/funding stream is accessed.

Completed by: Carol Drury, Community Engagement Manager

Mental Health and Emotional Wellbeing

- 1.4 The increasing cost of living is having a big impact on mental health and emotional wellbeing, and support in this area will therefore form a big part of the Welfare and Financial Advice Team workplan. There will be links to the Mental Health Working

Group, and these are being picked up internally as part of the actions for the new Welfare and Financial Advice team.

Completed by: Sam Fitt, Senior HR Officer

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 Welfare and Financial Advice Team strives to deliver these priorities.
- 2.2. Cost of Living reports have previously been presented to this committee. Following a successful budget bid, it is extremely pleasing to report that the team were funded as a permanent team from 1 April 2025 and were renamed as the Welfare and Financial Advice Team.

Household Support Fund – 1 April 2025 to 31 March 2026

- 2.3. One of the main responsibilities of the Welfare and Financial Advice Team is to administer and distribute the Household Support Fund (HSF). It 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.
- 2.4. 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 District Councils would form a Lincolnshire Working Group to discuss and agree a way forward for the distribution of the funding across the County. The Lincolnshire Working Group has continued to meet regularly since October 2021.
- 2.5. Since October 2021, there have been further HSF schemes announced and implemented and in the Autumn Budget 2024, government announced a seventh round of the Household Support Fund (HSF7) for the period 1 April 2025 to 31 March 2026.
- 2.6. The primary objective of “the Fund” continues to be the provision of support with the cost of essentials, namely energy and water, wider essentials, and food. While this is the priority, local authorities are also now encouraged to consider using the Fund to provide some form of preventative support which can have a longer term, sustainable impact.

- 2.7. HSF is intended to support a wide range of low-income households including families with children of all ages, pensioners, unpaid carers, disabled people, larger families, single and couple households and those struggling with one off financial shocks or unforeseen events and is not limited to those in receipt of benefits.
- 2.8. The scheme may be delivered through a variety of routes including proactive support, application-based support or by issuing grants to Third Party Organisations to provide support on their behalf. Every Authority must operate at least part of their scheme on an application basis throughout the duration of the HSF, either consciously over the period or at regular intervals throughout the scheme.
- 2.9. The Council has flexibility and can use discretion to identify and support those most in need. Individual awards can be whatever type and amount is deemed appropriate bearing in mind the overall scheme criteria. There is no requirement to undertake a means test or conduct a benefit check unless this specifically forms part of the Authority local eligibility criteria. However, in relation to Housing costs Authorities must establish whether other forms of support are available to the household such as Discretionary Housing Payments.
- 2.10. There must be a clear rationale or documented policy / framework outlining the approach including eligibility and how households access the HSF. The support must be clearly advertised, inclusive and accessible.

Distribution of HSF7 funding across Lincolnshire

- 2.11. Lincolnshire's allocation for the grant period 1 April 2025 to 31 March 2026 is £9,631,345.40.
- 2.12. Based on the approach taken in previous rounds of the HSF, the funding is held by Lincolnshire County Council (LCC) and distributed between Lincolnshire County Council (LCC) and the District Councils. The scheme is administered locally, by each individual District Council. Each month, South Kesteven District Council will complete a financial return which allows the Council to draw down the funding issued in the previous months. LCC will reimburse the Council accordingly.
- 2.13. It is estimated that approximately 36,000 children and young people will receive support via LCC using the following distribution method.
 - Approximately 64% of the total funding will be utilised by Lincolnshire County Council (LCC) to proactively target children via schools and early years providers, based on the number of children eligible for Free School Meals (FSM); Early Years Pupil Premium' (EYPP), and families with a 2-

year-old eligible for 'Early Years Entitlement' (EYE). It is anticipated that this will be transferred via two payments during the HSF delivery period. Providers and schools will be able to distribute the funding directly to eligible children, in the most effective way to meet need. In most cases this will be in the form of a voucher. This ensures eligible children will automatically receive support with no application necessary.

- Approximately 1% of the funding will be directed to support care leavers in supported living accommodation.

2.14. District Councils are able to utilise approaches taken in previous HSF funding rounds to support the differing delivery mechanisms. District Councils may also utilise a portion of their allocation to support associated administrative costs. While the guidance recognises that there will be local variation, the DWP expects administration costs to be kept to a reasonable level and reflect the objectives. The DWP will publish administration costs alongside details of all spend and will expect supporting evidence where higher level costs are reported. The distribution method for District Councils is as follows:

- Approximately 34% will be made available to the seven District Councils to distribute under local arrangements, providing broad support across the county. This must include an application-based process, in line with the grant conditions, and may also include support delivered via third sector partners and preventative activities which prevent vulnerable households from falling into, or further into, crisis. Where an individual District Council does not fully utilise its allocation, it is intended that any remainder may be redistributed.

District Allocations (indicative)

2.15. The proportionate level of funding distributed to each District is detailed in the table below. This is currently an indicative level due to the distribution of Lincolnshire County Council (LCC) Free School Meals not yet being finalised. LCC have the level of funding indicated in the table below will not increase; any changes will result in a reduction. Once final figures are known, District allocations will be announced, and the proposed delivery plan indicated in 2.17 to 2.19 will be adjusted for distribution methods.

2.16. The initial figure provided by LCC for SKDC is £458,452. This could be subject to change as the year progresses if other districts are unable to allocate their funding. If this occurs, there will be a re-distribution to the remaining districts by LCC.

District area	% of District allocation	Approx Allocation (£)
East Lindsey	24%	£785,917

District area	% of District allocation	Approx Allocation (£)
Boston	10%	£327,465
South Holland	12%	£392,958
Lincoln	16%	£204,379
North Kesteven	11%	£360,212
South Kesteven	14%	£458,452
West Lindsey	13%	£425,705
Total	100%	£9,631,345

Delivery plan for SKDC Residents

2.17. The Council's share of the allocation is approximately £458,452 (to be confirmed by LCC) and this will be distributed using the same method as previous years.

Method	Amount	% of fund	Distributing organisation	Purpose	Period of spend
1	£9,000	2%	Lincolnshire Community Foundation (LCF)	Contribution towards Warm Packs for 2025 – as part of county-wide 'Warm welcome' working group This will be removed at source with LCC making payment direct to LCF	September 2025
2	£22,922	5%	SKDC Administration + Preventative Measures	Various administration costs of the scheme – such as printing and posting of vouchers + costs towards Preventative measures workshops.	April 2025 to March 2026
3	£45,845	10%	3 rd party Referrers	This will be set aside for referrals that have come from 3 rd party organisations	June/July 2025 to March 2026

Method	Amount	% of fund	Distributing organisation	Purpose	Period of spend
				distributed throughout the year.	
4	£59,598	13%	Outreach Work/ Pensioners	Vouchers will be distributed as an outcome of outreach visits depending on the needs. Priority will be given to pensioners.	October to December 2025
5	£91,690	20%	HSF7 Vouchers – Lincolnshire Community Foundation (LCF)	Support for residents not in receipt of an income related Benefit that are struggling financially. The payment will be made in two instalments in July and December.	August to September 2025 (Round 1) - £45,845 January to March 2026 (Round 2) - £45,845
6	£229,236	50%	SKDC HSF7 Vouchers – Welfare & Financial Advice Team	Support for those specifically in receipt of an income related benefit that are struggling. This will be split over 2 intensive periods.	August to September 2025 (Round 1) - £114,618 January to March 2026 (Round 2) - £114,618

Timeline for voucher distribution

2.18. The timeline for voucher distribution is as follows:

- April to May 2025 – approval process: Emergency Assistance will still be met from the current emergency fund that has been created from uncashed vouchers from previous funds.
- June to July 2025 – open for third party referrals and support agency applications. Assistance will be predominantly by supermarket vouchers. As of 24 June 2025, a total of **102** referrals had been received.

- August to September 2025 – open to public application with both Lincolnshire Community Foundation (LCF) will assist in reaching low-income households not in receipt of an income-related benefit. Assistance will be predominantly by supermarket vouchers
- Oct to December 2025 - open for third party referrals from support agencies and low-income pensioners.
- January to March 2026 - open to public application until funding ends. Assistance will be predominantly by supermarket vouchers and Energy Vouchers.

Distribution Plan for Household Support Fund 7

2.19. The criteria and distribution method was the same as previous years:

Criteria	Distribution
The allocation of HSF7 will be 100% application based	<p>Residents can contact the Council directly by speaking to the Customer Service Team or being referred by an approved third party (front facing SKDC teams, SKDC Elected Members and Citizens Advice).</p> <p>The team also receive referrals from NHS Teams, Charities, Foodbanks and a number of other organisations they have built relationships with.</p>
Eligibility criteria	<p>Any household that is struggling financially within the district with a household income of less than £50k will be eligible to apply.</p> <p>Priority will be given to residents that are going through a crisis or are on a low income, with support being given to families with children, households with disabilities, single households, couples and pensioners.</p>
70% of the Councils allocated funding will be distributed by in-house applications	<p>These will be for residents in receipt of a benefit. The resident will be able to speak to the Welfare and Financial Advice Team for additional advice and support.</p> <p>Supermarket / Energy /Cash vouchers will be issued to the applicant which will be purchased from Charis Grants.</p>

Criteria	Distribution
	<p>These will be awarded either as a single voucher or as a combination of vouchers up to the allotted value per household.</p> <p>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.</p> <p>These will be purchased from Charis Grants (trusted administrator for many essential funds and grants) and awarded as either a single voucher or as a combination of vouchers up to the allotted value per household.</p>
Voucher Information and reporting	<p>Awarded at a value of</p> <ul style="list-style-type: none"> • £100 for single households • £200 for couples and families
20% of SKDC allocated funding will be distributed on behalf of SKDC by Lincolnshire Community Foundation (LCF)	<p>For reporting purposes to LCC and DWP the vouchers will be split between food, energy and wider household essentials.</p>
	<p>Support will be provided to households that are not in receipt of an income related benefit and are in need due to financial crisis.</p> <p>This organisation has assisted in previous schemes as the Welfare and Financial Advice Team have struggled to reach this cohort of residents.</p> <p>LCF are 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.</p>
	<p>Supermarket vouchers will be issued to the applicant.</p>
	<p>Applicants must be struggling financially due to a crisis to receive an award and have a combined household income of less than £50,000, with support being given to families</p>

Criteria	Distribution
	with children, households with disabilities, single households, couples and pensioners.

Welfare and Financial Advice Team (Advice and Referral Process)

- 2.20. The aim of the Welfare and Financial Advice Team is to enable the Council's most vulnerable residents, who cannot access any other income, to sustain their home, health, family, and security. The team is very aware of how important this support is to residents, and this is why the Council has had such a team in place 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 the Council's residents.
- 2.21. An internal online form has been produced for SK Officers and Elected Members to complete, to refer a resident into the Welfare and Financial Advice Team for support. This support can take the form of general advice, referral to third sectors and assessment for a HSF voucher.
- 2.22. Each referral requires an initial 20 to 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 the team has to make an assessment as to what is needed. The team –cannot offer a blanket response to all residents as their circumstances are on an individual needs basis.
- 2.23. 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 Welfare and Financial Advice Team) who will process the HSF voucher. The vouchers are processed in bulk and issued on a weekly basis (unless urgent need has been established).

Action plan – 2025/26

- 2.24. The action plan for additional activities to be undertaken by the Welfare and Financial Advice Team during 2025/26 is detailed in **Appendix One**.

2.25. The plan will be monitored throughout 2025/26, and a further update as to the progress and outcome of the activities will be provided to this committee at the next meeting in October 2025.

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 Welfare and Financial Advice Team continue to review the financial impacts of cost of living and implement activities within the action plan to support residents of South Kesteven.

4. Other Options Considered

- 4.1. There are no other options – this report is for information only.

5. Reasons for the Recommendations

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

6. Appendices

- 6.1. Appendix One – Welfare and Financial Advice Team action plan.