



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Officer Delegated Decision

1 July 2025


Richard Wyles, Deputy Chief Executive
and S151 Officer

Household Support Fund 7 (HSF) Grant – Financial Support – April 2025 to March 2026

To provide an update with regard to matters relating to the Household Support Fund 7 (April 2025 to March 2026) and request authorisation to move forward with the existing voucher scheme.

Contact

Funmi Reilly, Welfare and Financial Advice Coordinator

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Decision made by:	Richard Wyles – Deputy Chief Executive and Section 151 Officer
Decision:	To distribute round 7 of the Household Support Fund using the Charis voucher scheme for issuing funding to South Kesteven residents for the period 1 st April 2025 to 31 March 2026.
Public or Exempt:	Public
Reasons for exemption:	N/A
Conflicts of interest:	No
Policy compliant:	Yes
Details of delegation:	The Council's Contract Procedure Rules allow for contracts with a total value of up to £200,000 to be approved by the Director.

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 Total funding of £458,452 will be paid by Lincolnshire County Council (LCC) in arrears of spending. Payments and awards made by Districts are currently being submitted to LCC each month. Standard returns template will be submitted splitting the spend by household (children or non-children), disability and type of assistance awarded. This will help track countywide spending to date and whether other options should be explored to ensure overall grant spent.
- 1.2 The funding will be distributed using a variety of methods, with no individual contract exceeding £200k, as detailed in paragraph 2.12 of this report.
- 1.3 Reimbursement of district spend will be made in arrears:
 - (a) Returns will be made to LCC monthly during the period of July 2025 to April 2026

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

Legal and Governance

- 1.4 The full legal and governance implications have been reviewed by the Household Support Fund District and County Working group (SKDC representation by the Welfare & Financial Advice Coordinator).
- 1.5 The District group have met with Legal Services Lincolnshire and received advice regarding the legal and procurement requirements for the use of Charis vouchers. Legal Services Lincolnshire do not foresee any concerns but have acknowledged Districts will be required to seek their own legal, data protection and procurement advice.
- 1.6 Charis are an approved provider of the vouchers by the Department for Work and Pension and are named as a supplier on Crown Commercial Services (CCS) Voucher Schemes Framework (RM6255).
- 1.7 The District group have considered other suppliers, and the use of Charis meets the needs in rural and digitally excluded areas. The District and County group have

also taken into account the comparative costs for administration and third-party provider.

- 1.8 In comparison, the benefits of Charis are: -
- No lengthy lead in time for set up;
 - No set up fees;
 - No admin fees (on top of the per transaction fee);
 - No fixed term contracts;
 - Offers more than cash only support; and
 - No condition for those excluded i.e. some suppliers do not provide vouchers to be issued through the post.
- 1.9 Any changes to internal procedure and guidance will be undertaken in line with the regulations. In addition, communication of the changes will be efficient and effective.

Completed by: James Welbourn, Democratic Services Manager and Deputy Monitoring Officer

Equality and Safeguarding Implications

- 1.10 The eligibility criteria is set out in national guidance from the Department for Work and Pensions.
- 1.11 The local scheme will support all residents who meet these criteria.
- 1.12 Information relating to the scheme will be provided in alternative formats on request to meet the needs of the individual.

Completed by: Carol Drury, Community Engagement Manager

2. The Purpose of the Report

- 2.1 The Government has announced a seventh round of the Household Support Fund (HSF) for the period 1 April 2025 to 31 March 2026. 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
- 2.2 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.

- 2.3 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
- 2.4 Authorities have 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.
- 2.5 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 funding across Lincolnshire

- 2.6 Lincolnshire's allocation of £9,631,345.40 is to support residents as set out within the guidance. The grant period is from 1st April 2025 to 31st March 2026.
- 2.7 Lincolnshire's approach to the distribution of the funding has been:
 - 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.
 - 1% will be utilised to cover administrative costs.
- 2.8 Based on the approach taken in previous rounds of the HSF it is estimated that approximately 36,000 children and young people will receive support via this mechanism. The exact number will be based on the number of eligible children when the data is extracted for payment to be made.

- 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.

2.9 To support the differing delivery mechanisms, districts may 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.

District Allocations

2.10 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 2.11 will be adjusted for distribution methods.

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

2.11

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

Proposed delivery plan for SKDC Residents

2.12 South Kesteven'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	Distribution	Purpose
1	£9,000	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
2	£22,922	SKDC Administration + Preventative Measures	Various administration costs of the scheme – such as printing and posting of vouchers + costs towards Preventative measures workshops.
3	£91,690	HSF 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 2 instalments in July and December.
4	£114,698 (Aug-Sept) £114,698 (Jan-Mar)	SKDC HSF 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.
5	£59,599	Outreach Work/ Pensioners	Vouchers will be distributed on visits depending on the needs. Priority will be given to pensioners.
6	£45,845	3 rd party Referrers	This will be set aside for referrals that have come from 3 rd party organisations distributed throughout the year.

Distribution Plan for Household Support Fund 7

2.12 The plan for distributing funding to SK residents is as follows:

- The allocation of HSF7 will be 100% application based. Residents can contact us directly by speaking to customer services or being referred to by a 3rd party Organization.
- The process for distribution will be as follows
 - April /May/ June - Approval Process. Emergency Assistance will still be met from the current emergency fund that has been created from uncashed vouchers from previous funds.
 - June /July – Open for 3rd party referrals and support agency applications. Assistance will be predominantly by supermarket vouchers.
 - Aug/Sept – 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/ Nov/Dec - Open for 3rd party referrals from support agencies and low-income pensioners.
 - Jan /Feb/March - Open to public application till funding ends. Assistance will be predominantly by supermarket vouchers and Energy Vouchers.

The breakdown of funds by percentage will be as follows :

Percentage of Fund	Method of Distribution	Period of Spend
5%	Administration + Preventative Measures (Budgeting Workshop Planning)	April 2025 -March 2026
2%	Warm Homes Contribution	September 2025
10%	3 rd Party Referrals during June/July	June /July
25%	SKDC applications	August /September
10%	Lincolnshire Community Foundation	August/September
13%	Outreach Visits /3 rd Party referrals / Pensioners	October/November /December
10%	Lincolnshire Community Foundation	January/February/March
25%	SKDC applications	January/February/March

- 70% of our allocated funding will be distributed by in-house applications. These will be for residents in receipt of a benefit that will receive the added advantage of speaking to the Welfare and Financial Advice team for additional advice and support.
- Lincolnshire Community Foundation (LCF) will be reaching households that are not in receipt of a benefit. This organization has assisted in the past schemes as we have struggled to reach this cohort of residents. Applicants must be struggling financially due to a crisis to receive an award and have a household income of less than £50,000.
- Supermarket vouchers will be awarded at a value of £100 for singles and couples and £200 for families.
- All support provided from applications processed “inhouse” will be in the form of supermarket/ Energy /Cash vouchers which will be purchased from Charis Grants, These will be awarded either as a single voucher or as a combination of vouchers up to the allotted value per household.
- Lincolnshire Community Foundation will also be providing support by supermarket vouchers
- For reporting purposes to LCC our vouchers will be split between food, Energy and Wider household essentials.
- Any household that is struggling financially within the district with a household income of less than £50k will be eligible to apply.
- Priority will be given to residents that are going through a crisis or are on a low income.
- We will cater for Families with children, households with disabilities, single households, couples and pensioners.

Rural and Communities Overview and Scrutiny Committee

- 2.13 A report will be presented to the Committee on 9 July 2025 to update on the HSF outturn for schemes 6 and 7, along with an update for HSF7 and the agreed distribution method and approach to the scheme.

3. Available Options Considered

- 3.1 Option 1: Do nothing – however, funding have been provided, and the requirement of the funding is to provide residents with support during times of crisis.
- Option 2: To distribute the funding as recommended in paragraph 2.11 and 2.12.

4. Preferred Option

- 4.1 Option 2 is the preferred option for immediate implementation.

5. Reasons for the Decision(s)

- 5.1 These are set out in the report.

6. Consultation

- 6.1 There has been consultation with Lincolnshire County Council (as funding is provided by them) and all other District Councils within Lincolnshire.

Signed by: Richard Wyles

Dated: 01.07.25