



**Corporate Policy and  
Resources Committee**

**Thursday, 12 June 2025**

**Subject: Household Support Fund 7**

Report by:	Director of Finance and Assets (Section 151 Officer)
Contact Officer:	Angela Matthews Benefits Manager  angela.matthews@west-lindsey.gov.uk
Purpose / Summary:	To provide an update on Household Support Fund and the proposal for the delivery of Household Support Fund 2025-26 (HSF7).

**RECOMMENDATION(S):**

1. Approve the delivery of the Household Support Fund 7, which runs to 31 March 2026
2. Approve that where there are relatively minor amendments made to the scheme, unless these are considered 'significantly material' then the Benefits Manager in consultation with the Director of Finance and Assets (Section 151 Officer) is delegated to implement these changes after consultation with the Committee Chairman. This ensures the scheme can adapt to requirements where the need to respond promptly is required, as well as remaining consistent with principles of the Lincolnshire Districts scheme.

## IMPLICATIONS

### **Legal:**

Any awarding of funding to Voluntary & Community Sector (VCS) partner organisations will be treated as a grant award. All grant awards will be subject to a Grant Funding Agreement. Existing grant funding agreement templates used for Council funding activity will be used and have been approved for use by the Legal team

### **Financial : FIN/10/26/CPR/SL**

Grant funding will be received from the County Council to cover the fund and administration costs.

The proposals are that the County distributes vouchers direct to families in receipt of income-related free school meals as in previous schemes.

It is estimated at the time of this report that West Lindsey will receive approximately £400,000.

Income and expenditure budgets will be created to reflect the grant being received and spend activity where applicable.

### **Staffing :**

The fund will be administered by the Benefits Manager covering attendance at meetings, financial returns and general administration and the Communities Manager covering grant agreements with third parties and fund distribution. Capacity will be kept under review during delivery.

### **Equality and Diversity including Human Rights :**

The decision should not have an adverse effect on any group of people, an application can be made for assistance by any person.

### **Data Protection Implications :**

Information Sharing Agreement established for the sharing of data from DWP via Lincolnshire County Council to District Councils. Data protection included within grant funding agreements and any terms and conditions for voucher issuing providers

### **Climate Related Risks and Opportunities :**

## Section 17 Crime and Disorder Considerations :

### Health Implications:

The delivery of Household Support Fund will have a direct impact on the health and wellbeing of identified households in West Lindsey facing financial hardship. The fund will provide support aimed at helping households with the cost of food, energy and other household essentials

### Title and Location of any Background Papers used in the preparation of this report:

DWP HSF Guidance - <https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils/1-april-2025-to-31-march-2026-household-support-fund-guidance-for-county-councils-and-unitary-authorities-in-england> .

### Risk Assessment :

### Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

Yes

☐

No

x

### Key Decision:

Yes

x

No

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## **Executive Summary**

The Household Support Fund (HSF) was first introduced in October 2021 and has been renewed every 6 monthly or annually until March 2025.

West Lindsey has been successful in distributing over £2m to the residents of the district over the previous HSF schemes.

The Household Support Fund 2025-26 was announced by the Government and the details of the fund were clarified on 5 March 2025 to commence 1 April. The fund will run for 12 months up to 31 March 2026 and Lincolnshire County Council (LCC) have been awarded £9.63m

The funding will be received from the Department for Work and Pensions (DWP) who issue guidance on how the money may be spent. LCC have been through int Governance and have proposed that each District will get a fund to distribute to its residents and it is estimated that West Lindsey will receive funding of approximately £400,000.

Using the learning from the previous 6 HSF distribution processes it is known that to reach as many residents as possible we need to involve partner organisations such as food banks and charitable organisations. It is also known that a costly resource is needed if the Local Authority chooses to accept direct applications from residents wishing to apply for funding. This report recommends that to reach as many residents as possible whilst keeping the administration costs controllable, we distribute funding via food banks and voluntary organisations with at least one of the voluntary organisations administering an application-based process. Under the 2025-26 fund the DWP have asked that local authorities consider distributing some of the funds to organisations or processes that can help prevent households needing extra funding for food and utilities, we propose to partner with such organisation(s) that can help with this.

## **1 Introduction**

- 1.1 The Household Support Fund (HSF) was first introduced in October 2021 and was renewed every 6 months apart from in 2023 when an annual HSF scheme was administered. West Lindsey has been successful in distributing £2.1m to the residents of the district over the previous six HSF schemes.
- 1.2 The Household Support Fund 2025-26 (round 7) has been announced and the details of the fund were clarified on 5 March 2025 to commence 1 April. The fund will run for the full year up to 31 March 2026 and Lincolnshire County Council (LCC) have been awarded £9.63m (approximately 10% less than in previous funds)
- 1.3 The funding will be claimed from the Department for Work and Pensions by Lincolnshire County Council, the DWP issue guidance on how the money may be spent. LCC will distribute vouchers to every Lincolnshire family entitled to free school meals and will administer a HSF scheme for care leavers and the remainder of the funds (33%) will be divided between the seven Districts to distribute to its residents and it is estimated that West Lindsey District Council will receive funding of approximately £400k.

## **2 Options for Distribution**

- 2.1 Under the previous six HSF schemes different distribution methods have been tested by the District Councils in line with the guidance given by the DWP on each fund. Learning from the previous schemes, it is known that WLDC have been most successful and economic when distributing the funding via 3<sup>rd</sup> party organisations.
- 2.2 In HSF 2025-26 the Department for Work & Pensions have suggested that Local Authorities spend a portion of the funds on 'preventative' measures rather than on emergency aid. West Lindsey D C can provide funding to organisations that are able to supply preventative action and are currently investigating organisations that offer this service across Lincolnshire.
- 2.3 West Lindsey has previously used several different methods of distributing funding, these include:
  - a direct application process,
  - an internal and an external customer referral process,
  - issuing grants to 3<sup>rd</sup> parties to distribute vouchers and/or food parcels direct to residents,
  - using a 3<sup>rd</sup> party organisation to administer an 'application-based' scheme
  - using DWP data to identify certain groups of residents and issuing cash vouchers direct via the Post Office 'PayOut' system

- 2.4 As the funding can and will be accessed by a high volume of households due to there being no DWP Cost of Living payments, it is noted that we need resilient, professional low risk options for awarding the funding and goods to households most in need.

### **3 Preferred Distribution Model**

- 3.1 Having administered the HSF funds since 2021, using different distribution methods, producing different results it is recommended that the HSF 2025-26 fund is distributed to residents via several different experienced channels and processes, all being administered by 3<sup>rd</sup> party organisations.
- 3.2 The food bank and voluntary organisation distribution route has been tried and tested over the last 4 years of HSF and has proved very successful needing very low levels of intervention by West Lindsey officers. These trusted voluntary organisations can now be expanded to include those able to provide 'preventative' support to residents.
- 3.3 An application- based process via a 3<sup>rd</sup> party charitable organisation has been tested during HSF4, HSF5 and HSF6 and has proved extremely successful and attracts an administration fee of 15% (however, we know the application-based process is very labour-intensive to deliver as we managed the process in-house in a previous scheme).
- 3.4 The District Council should retain a small percentage (5%) of the funding for contingencies, the cost of monitoring the spend and reporting to the County each month.

### **4 Recommendations**

- 4.1 Members agree the officer proposals to distribute the HSF 2025-26 funding as follows:
- 50% via an application-based process administered by a 3<sup>rd</sup> party charitable organisation with the process being managed over the full period to March 2026
  - 45% via food banks and 3<sup>rd</sup> party organisations/Charities
  - 5% for WL administration and contingencies
- 4.2 Approve that where there are minor amendments made to the scheme, unless these are considered 'significantly material' then the Benefits Manager in consultation with the Director of Finance and Assets (Section 151 Officer) is delegated to implement these changes after consultation with the Committee Chair