

Agenda Item	17
Report No	CIA/28/18

## HIGHLAND COUNCIL

**Committee:** City of Inverness Area Committee

**Date:** 31 May 2018

**Report Title:** Inverness Common Good Fund : Discretionary Scheme for Winter Payments 2018/19

**Report By:** Joint Report by Depute Chief Executive/Director of Corporate Resources and Inverness City Area Manager

### 1. Purpose/Executive Summary

- 1.1 This report follows on from the effective revision of the discretionary Inverness Winter Payments Scheme for 2017/18 and proposes to maintain similar arrangements for the Inverness Winter Payments Scheme for 2018/19.

### 2. Recommendations

- 2.1 Members are invited to agree the following recommendations for the 2018/19 Inverness Winter Payments Discretionary Scheme.
- i. An increase in a single tier payment from £81 to £82 to be made to those applicants that satisfy the eligibility criteria for the 2018/19 scheme. This recommendation is based on the 0.4% increase in the Consumer Price Index (CPI).
  - ii. An increase in budget from £105,000 to £132,000 to take into account the proposed increase in payment to £82.00 for 2018/19 and the anticipated increase in demand during 2018/19 arising from ongoing welfare reforms and energy costs.
  - iii. That the criteria utilised for the 2017/18 scheme as set out in paragraphs 4.1 to 4.4 shall be used as the basis for the 2018/19 scheme.
  - iv. This discretionary scheme is to be made available to residents in the City of Inverness and the Landward areas of the seven City Wards.
  - v. Promote payment by BACS for this discretionary scheme as this is the most secure method of payment for recipients of the payment and the Council alike.

### **3. Background**

3.1 The Inverness Winter Payments Discretionary Scheme (the scheme) is a discretionary scheme designed to support members of the community most in need of financial assistance during the coldest months of the year when extra fuel is needed. At this time of welfare reform, there is still an increasing demand for this type of financial assistance which is expected to continue during 2018/19.

### **4. Scheme for Winter 2017/18**

4.1 For Winter 2017/18 the scheme made payment to those that qualified for Pension Credit Guarantee without the requirement to have a disability benefit. The scheme also paid out to those in receipt of one of the following benefits listed below:

- Pension Credit Savings Credit (PCSC)
- Income Support (IS)
- Income Based Job Seekers Allowance (JSA IB)
- Income Related Employment and Support Allowance /Incapacity Benefit (ESA IR & IB)
- Universal Credit for non-earners.

4.2 In addition to the above, a resident in the property must have been entitled to one of the following:

- Attendance Allowance
- Disability Living Allowance (middle or high rate care component)
- Personal Independence Payment (daily living component – standard or enhanced rate)
- Armed Forces Independence Payment
- War Pension

4.3 The scheme was also available to people over 90 years of age, people in receipt of Pension Credit (Guarantee Credit) and those that received a Scottish Welfare Fund Crisis Grant between 1 December 2017 and 28 February 2018 inclusive. To alleviate hardship for the most vulnerable, the scheme is also available for residents with children under the age of 5 years who also receive Income Support, Income Based Job Seekers Allowance, Income Related Employment and Support Allowance or Universal Credit.

4.4 Applicants also had to confirm that there were no people in the household in receipt of a wage at the time of the application or in the previous 6 months. If anyone in the household had capital in excess of £6,000, the applicant did not qualify for a payment.

4.5 During winter 2017/18, 1,387 households received payments totalling £112,347 against a budget of £105,000. 1,072 residents in Inverness City received a discretionary award and 315 residents in the Landwards areas benefitted from these payments. Funding comprised £88,000 from the Common Good Fund plus a £25k contribution from the Benevolent Funds.

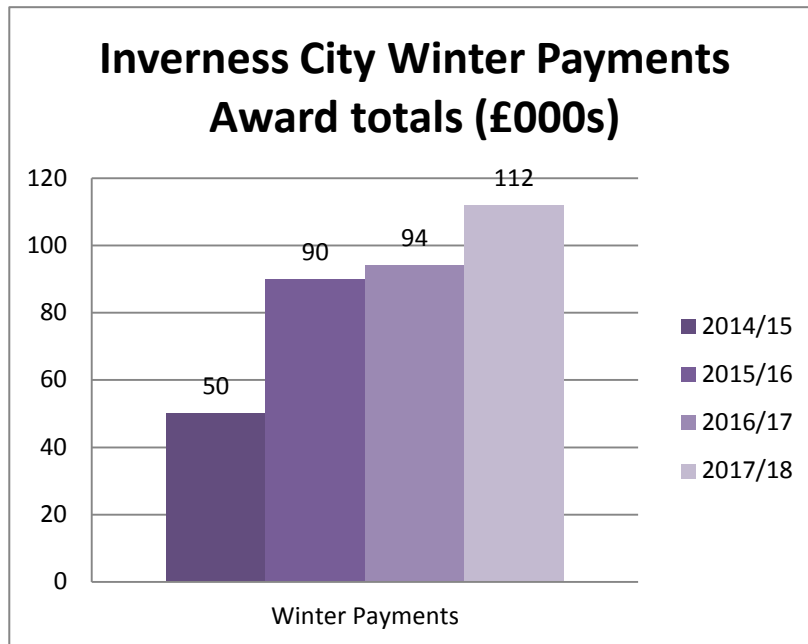
4.6 A breakdown of award by category is provided in table 1 below.

<b>Table 1 Award by Category</b>	<b>Number of applicants awarded</b>
<b>Qualifying Criteria</b>	
Pension Credit Guarantee Credit (PCGC)	520
Children under 5 and in receipt of IS/JSA(IB)/ESA(IR) or UC	134
PCSC, IS, Universal Credit, JSA(IB), ESA(IR), IB plus with additional qualifying criteria	601
Over 90 years of age	47
Crisis Grant between 1 <sup>st</sup> Dec 2017 to 28 <sup>th</sup> Feb 2018	85
<b>Total number of Winter Payment awards 2017/18</b>	<b>1,387</b>

- 4.7 During 2017/18 the number of Scottish Welfare Fund (SWF) Crisis Grants awarded in the Highlands was 3,287. As the title indicates these awards are available to assist the most vulnerable residents who are experiencing crisis and as a result, the numbers are difficult to predict on an annual basis.
- 4.8 The administration of this discretionary scheme has been effectively delivered within the Revenues & Customer Services section by the Service Delivery Team since 2015. This approach continues to deliver efficiencies as the team is able to draw on their considerable experience of administering Housing Benefit, Council Tax Reduction, Scottish Welfare Fund, Education Maintenance Allowance, Discretionary Housing Payments etc.
- 4.9 Embedding administration of the scheme within the Council's single financial assessment team has also enabled automatic awards to be made for 2017/18 **without** the need for applications from residents who had received payments in the 2016/17 scheme and whose circumstances continued to meet the 2017/18 eligibility criteria. This approach provided advantages for the elderly and the most vulnerable members in the community who had no significant change to their circumstances.
- 4.10 For the 2017/18 discretionary scheme, payment by BACS was offered to all applicants alongside payment by cheque. The aim was to encourage applicants to receive, where appropriate, their payment by BACS as this is a more secure and efficient method for the applicant and the Council alike. For the 2017/18 scheme more than 70% of applicants elected to be paid by BACS, an increase of 11% from 63% the previous year. BACS will continue to be promoted as the Council's preferred payment method for this purpose in future years, including the 2018/19 scheme.
- 4.11 During 2017/18, 41 households benefitted from advice from Home Energy Scotland.
- 4.12 Where an applicant qualified in the previous year and it was identified in the pre-qualification checks that the applicants' circumstances had changed, a new form was issued inviting the applicant to re-apply.
- 4.13 The Welfare Support Team, based within the Revenues & Customer Services

section, continues to effectively support customers to (re)-apply for this scheme and other entitlements that may be available.

- 4.14 Members will wish to note the positive growth in the number of local households who are receiving payments since 2014/15 when the Revenues & Customer Services section assumed responsibility for strategic development and administrative delivery of the scheme. The 124% increase in take-up when comparing 2014/15 to 2017/18 demonstrates the advantages for customers of adopting the strategic and single operational delivery approach to financial assessments as being delivered by the Revenues & Customer Services section.



## 5. Scheme Review for Winter 2018/19

- 5.1 The objectives for 2018/19 remain the same as in previous years which are to:

- Provide assistance to alleviate hardship being experienced by those people most at risk within the community;
- Establish a discretionary payment level within the resources available, whilst still remaining meaningful to applicants;
- Ensure that the scheme will be sustainable for future years without the need to liquidate Fund assets; and
- Recognise the impact of welfare reform and the changing costs of living expenses, including energy bills.

- 5.2 It is proposed to retain the Scheme for Winter Payments for 2018/19 as described in section 4.

- 5.3 For the 2018/19 discretionary scheme, it is proposed that households, where at least one person is in receipt of a wage, or has received a wage in the previous 6 months, are not eligible for an award from the scheme.

Households with capital in excess of £6,000 will not be eligible under the 2018/19 scheme.

- 5.4 These proposals will retain the objective to help the elderly and most vulnerable people in the community and enable the continuation of automatic awards where appropriate.
- 5.5 It is important to stress that Officers will continue to promote Home Energy Scotland and to encourage applicants to seek valuable advice on energy efficiency.
- 5.6 It is proposed that the £81 payment rate is increased to £82 for the 2018/19 period. This is to reflect the Consumer Price Index (CPI), calculated as follows:
- The Consumer Price Index (CPI) increased by 0.4% from 2.3% in March 2017<sup>1</sup> to 2.7% in February 2018;
  - Home energy prices for Quarter 4 2017 were not available at the time of writing this report.
- 5.7 The identified potential increase in demand coupled with the proposed payment increase to £82 will require an increase to this budget. Members are therefore invited to approve a budget increase to £132,000 for the 2018/19 discretionary scheme. As in previous years, payments to residents in Landward areas will be met by a contribution from the Benevolent Funds, subject to the availability of funds.

## 6. Publicity

- 6.1 The total cost of publicity for the 2017/18 scheme is detailed below:

Inverness Courier	£1,104.00
Moray Firth Radio	£960.00
<b>Total</b>	<b>£2,064.00</b>

- 6.2. It is proposed to continue the successful approach adopted in previous years to promote the scheme. This included a public notice in the Inverness Courier, a news release on Moray Firth Radio, promotion via a prominent space on The Highland Council website and messaging via social media. The Welfare Support Team will adopt the same strategy used in prior years to identify and support customers that potentially meet the scheme's qualifying criteria. Appendix 1 to this report provides examples of the support provided by the team during the 2017/18 scheme.

## 7. Budget management

- 7.1 During 2017/18, total spend was £7,347 (+0.07%) in excess of the ring-fenced budget. A budget increase to £132,000 is recommended for 2018/19. The budget will continue to be managed closely including reports to Members as

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<sup>1</sup> Office for National Statistics

part of the overall budget monitoring process of the Common Good Fund as it is important to manage the expenditure in a manner that safeguards the Common Good Fund's assets and ensures this important scheme remains sustainable.

## **8. Implications**

8.1 **Resource** – reflecting on the 2017/18 overspend plus increased demand during 2017/18, it is considered necessary to request a budget increase.

There is a proposed provision of £132,000 to be made available for 2018/19 which will be drawn from the Common Good Fund.

**Legal** – the type of support and recommendations set out in this policy mean that the Council will be in full compliance with all its legal obligations as it will be putting a Scheme in place that is financially sustainable and meets all audit standards.

**Community (Equality, Poverty and Rural)** – By being inclusive of both the City and Landward Areas, the scheme will help address the particular needs of urban and rural communities with regard to home heating and energy efficiency. This policy aims to mitigate some of the challenges presented by welfare reform for vulnerable customers.

**Climate Change/Carbon Clever** – There are no Climate Change/Carbon Clever Implications

**Risk** – There are no risk implications.

**Gaelic** – There are no Gaelic implications

Designation: Depute Chief Executive/ Director of Corporate Resources and Inverness City Area Manager

Date: 10 May 2018

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Background Papers: Internal budget monitoring reports

**Inverness Winter Payment Scheme 2017/18**

**Examples of support provided by the Welfare Support Team**

A Welfare Support Officer identified a recently retired disabled gentleman in an Inverness Landward Ward as being under the applicable amount (the amount the Government states a pensioner should live on).

The client was in receipt of a Personal Independence Payment and he lived alone in a rented property. The Welfare Support Officer secured a disability premium as part of his Pension Credit Guarantee Credit award resulting in a payment of £27.58 per week. His entitlement to Pension Credit Guarantee Credit led to a weekly award of £13.80 for Council Tax Reduction and a weekly award of £57.69 for Housing Benefit.

As a result of his new entitlement to Pension Credit Pension Credit together with his entitlement to Personal Independence Payment the Welfare Support Officer identified he would qualify for the Inverness Winter Payment Scheme. The client's application was successful and he was awarded £81.00.

A disabled lady in her early 60's who lives alone, in the Inverness Landward area contacted the Welfare Support Team seeking advice about the Inverness Winter Payment Scheme that was due to close that day (28 February 2018). A friend had made her aware of the scheme.

A Welfare Support Officer established her circumstances and confirmed she satisfied the criteria for payment from the scheme. The Welfare Support Officer arranged to visit her at home, due to her disability, to complete the application form. The prompt action by the Welfare Support Officer ensured that the client's application was completed on time and she was awarded the payment of £81.00 for the Inverness Winter Payment Scheme. The benefit check identified no additional benefit entitlement at that time.