

Agenda Item	11b
Report No	CIA/42/19

HIGHLAND COUNCIL

Committee: City of Inverness Area Committee

Date: 29 August 2019

Report Title: Inverness Common Good Fund : Discretionary scheme for Winter Payments 2019/20

Report By: Joint Report by Acting Head of Revenues and Customer Services and Inverness City Area Manager

1. Purpose/Executive Summary

- 1.1 During the May 2019 Committee, Members agreed to defer consideration of the single tier award level of £82 as proposed for the 2019/20 discretionary scheme. *Appendix 1* of this report sets out the financial impacts of increasing the single tier payment and also the effects of potential additional demand from households for the 2019/20 discretionary scheme.
- 1.2 Following the effective revision of the discretionary Inverness Winter Payments scheme for 2018/19, it is recommended no change to the qualifying criteria for the Inverness Winter Payments scheme for 2019/20.

2.1 Recommendations

- 2.1 Members are invited to agree:
- i. The level of the single tier award (currently £82) to be made to those applicants that satisfy the eligibility criteria for the 2019/20 scheme.
 - ii. Provide an overall budget which recognises any increase in the single tier award to take into account the demand from ongoing welfare reforms and energy costs.
 - iii. That the criteria utilised for the 2018/19 scheme, as set out in paragraphs 7.2 to 7.6, shall be used as the basis for the 2019/20 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. Implications

- 3.1 Resource – resource implications are set out in the main body of the report.
- 3.2 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.
- 3.3 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.
- 3.4 Climate Change/Carbon Clever – There are no known Climate Change/Carbon Clever Implications
- 3.5 Risk – There are no risk implications.
- 3.6 Gaelic – There are no Gaelic implications

4. Background

- 4.1 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. Scheme payments are in addition to the winter payments provided by the Department for Work Pensions as set out in paragraph 6 below.
- 4.2 During the May 2019 Committee, the Committee agreed to defer consideration of the single tier payment of £82 as proposed for the 2019/20 discretionary scheme. Officers were asked to provide a financial impact assessment of increasing the amount payable to eligible households.
- 4.3 Proposals for Members' consideration are set out in Paragraph 10 and detailed in *Appendix 1* of this report.

5. Inverness Winter Payments discretionary scheme performance

- 5.1 The administration of this discretionary scheme has been effectively administered within the Revenues & Customer Services section by the Service Delivery Team since 2015. The following table details performance of the Inverness Winter Payments scheme over the past 4 years:

Year	15/16	16/17	17/18	18/19
Single tier award level	£79	£79	£81	£82
Number of awards	1,084	1,184	1,386	1,517
Approved award budget	£85,000	£85,000	£105,000	£132,000
Total spend on awards	£85,636	£93,536	£112,266	£124,394

5.2 During winter 2018/19, **1,517** households received payments totalling **£124,394** against a Scheme budget of **£132,000**. Members will wish to note the increased uptake of the winter payment scheme when comparing 2015/16 to 2018/19:

- Single tier award level has increased by **3.8%** from £79 to £82 over the 2 year period commencing 2015/16;
- Number of awards has increased by **39.9%** from 1,084 households to 1,517;
- Allocated budget has increased by **55.3%** from £85,000 to 132,000.

5.3 At this time of welfare reform, there is still an increasing demand for this type of financial assistance which is expected to continue during 2019/20.

6. Financial support from the Department for Work and Pensions (DWP)

6.1 In addition to the Inverness Winter Payment scheme payments, and dependent on the circumstances of the household, a resident may qualify for extra financial support during the winter from the DWP. The following paragraphs provide further information on these benefits.

6.2 **UK Government's Winter Fuel Payment:** A Winter Fuel payment is a one-off, tax-free payment of between **£100 and £300** made during the winter to help with heating costs; it is made to households with someone over Pension Credit age. Most payments are made automatically during November and December. If someone applies for the first time they will receive their payment by Christmas. The amount a household will receive each winter can vary according to their personal circumstances. For example, age or other people living in the house who are also eligible can increase the eligible amount.

6.3 **UK Government's Cold Weather Payment:** A Cold Weather payment is a **£25** payment to help with fuel costs during periods of very cold weather. The period of cold weather must cover seven consecutive days, between 1 November and 31 March, when the average temperature must be zero degrees Celsius or below. The £25 can be paid multiple times if the 7 consecutive day criteria are met.

Someone might qualify for a Cold Weather Payment if they do not live in a care home and are claiming:

- Pension Credit; or
- Income Support, Income-related Employment and Support Allowance or Income-based Jobseeker's Allowance or Universal Credit and one of the following statements also applies:
 - they get an extra amount in benefit (a premium) for having a disability or for being over state pension age;
 - they have a child under five;
 - they have a child and you get Child Tax Credit with an extra amount for their disability.

6.4 The Warm Home Discount scheme: The Warm Home Discount scheme (WHDS) offers a one-off payment of **£140** (inclusive of VAT) towards the energy bills of those who need it most. The scheme was introduced by the UK Government in April 2011 and managed by energy suppliers. The money isn't paid directly to the customer; it is a one-off discount that is credited to the customer's energy account, prepayment card or key, during the winter.

There are 2 ways to qualify for the Warm Home Discount Scheme:

- if someone gets Pension Credit Guarantee Credit; or
- someone on a low income who meets their energy supplier's criteria for the scheme.

How someone applies for the Warm Home Discount Scheme depends on how they qualify for the discount.

7. Social Security Scotland: Cold Spell and Winter Heating Assistance

7.1 From 2020, as part of *The Social Security (Scotland) Act*, the Scottish Government, through their new agency Social Security Scotland will be responsible for the payment of Winter Heating Assistance (to replace Winter Fuel Payment) and Cold Spell Heating Assistance (to replace Cold Weather Payment).

7.2 Winter Heating Assistance: The Scottish Government plan to develop and design Winter Heating Assistance based upon the existing Winter Fuel Payment including keeping the payment consistent with the current Winter Fuel Payments and not means testing or taxing Winter Heating Assistance.

7.3 An addition to those eligible for Winter Heating Assistance will see from April 2020, any family living in Scotland with a child who is in receipt of the higher rate component of Disability Assistance for Children and Young People will be eligible for Winter Heating Assistance (WHA). Gradually from November 2021 onwards, Social Security Scotland will pay Winter Heating Assistance to everyone who qualifies in Scotland as they reach the State Pension age.

7.4 **Cold Spell Heating Assistance:** This new benefit will be designed and delivered based upon the existing Cold Weather Payment. The Scottish Government do not intend to amend the current eligibility for this benefit or to change the amount of benefit paid. First payments of this benefit are expected to be made from November 2021 onwards.

8. **Proposed Scheme for Winter 2019/20**

8.1 Officers recommend that the 2018/19 eligibility criteria be adopted for the 2019/20 scheme as set out in paragraphs 8.2 to 8.6 below.

8.2 An automatic award for those aged 90 years or over and those that receive a Scottish Welfare Fund Crisis Grant between 1 December 2019 and 28 February 2020 inclusive.

8.3 Those in receipt of one of the following benefits to be eligible for a scheme payment:

- 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.

8.4 In addition to the criteria set out at paragraph 8.3 above, a resident in the property must be 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

8.5 People in receipt of Pension Credit (Guarantee Credit), without the requirement to have a disability benefit, and households with children under the age of 5 years who were in receipt of Income Support, Income Based Job Seekers Allowance, Income Related Employment and Support Allowance or Universal Credit to be eligible for the scheme.

8.6 With the exception of those described in paragraph 8.2, all applicants will be required to confirm that there are no people in the household in receipt of a wage at the time of the application or in the previous 6 months, and no-one in the household has capital in excess of £6,000.

9. Scheme objectives for Winter 2019/20

9.1 The objectives for the 2019/20 remain the same as in previous years:

- 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.

10. Budget Implications

10.1 The current **£82** award level has an approved budget of **£132,000**. At the request of this Committee, *Appendix 1* of this report provides a financial impact assessment of options for increasing the rates of the single tier payment with provision for increasing take-up levels.

10.2 For example, a **£1** increase to the current £82 single rate coupled with a hypothetical **5%** increase in take-up, would result in a small overspend of around **£200** of the approved **£132,000** budget. In contrast, a **£9** increase would require an annual budget of **£143,370** based on a **5%** increase in demand.

10.3 Financial planning requires essential control of the allocated budget in a manner that safeguards the Common Good Fund's assets and ensures this important scheme remains sustainable. Accordingly, Members will wish to consider the impacts of increasing the scheme's single rate within the broader context of identified and potential unforeseen additional costs to the Fund.

10.4 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 these funds.

Designation: Acting Head of Revenues and Customer Services and Inverness City Area Manager

Date: 19 August 2019

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Appendix 1

Potential increase in awards	Number of awards	Single tier award level								
		£82	£83	£84	£85	£86	£87	£88	£89	£90
-	1,517	£124,394	£125,911	£127,428	£128,945	£130,462	£131,979	£133,496	£135,013	£136,530
5%	1,593	£130,626	£132,219	£133,812	£135,405	£136,998	£138,591	£140,184	£141,777	£143,370
10%	1,669	£136,858	£138,527	£140,196	£141,865	£143,534	£145,203	£146,872	£148,541	£150,210
15%	1,745	£143,090	£144,835	£146,580	£148,325	£150,070	£151,815	£153,560	£155,305	£157,050
20%	1,820	£149,240	£151,060	£152,880	£154,700	£156,520	£158,340	£160,160	£161,980	£163,800

*CPI Inflation 2% = £1.64 increase on current award (£82)