

Agenda Item	5.
Report No	CIA/2/22

HIGHLAND COUNCIL

Committee: City of Inverness Area Committee

Date: 17 February 2022

Report Title: Inverness Common Good Fund: Discretionary Scheme for Winter Payments 2021/22 extension

Report By: Joint Report by Interim Head of Revenues & Business Support and Inverness City Area Manager

1. Purpose/Executive Summary

- 1.1 Following the effective implementation of the Inverness Winter Payments Scheme for 2021/22, this report sets out proposals for a one-off extension of the 2021/22 Scheme to reflect energy cost price increases and cost of living increases for eligible residents in Inverness and landward areas.

2. Recommendations

- 2.1 Members are invited to agree the following recommendations for the one-off extension of the 2021/22 Inverness Winter Payments Discretionary Scheme:
- i. Extend the deadline for applications to 30 April 2022 (the deadline is currently 28 February 2022).
 - ii. As a one-off for the 2021/22 Scheme, increase the single tier payment for those applicants that satisfy the eligibility criteria to **£138** from the current **£88** award level. For eligible households who have already received their £88 payment, a further one-off payment of £50 will be paid retrospectively.
 - iii. Provide an additional one-off budget of up to **£100,000** to accommodate the continuing demand arising from the increased energy costs. This budget will provide for the retrospective payments to those who have already received payments, the increased amount for those who have not yet received payment/are still to apply and to ensure that there are sufficient funds available for increased demand.
- 3.1 Resource - resource implications for the Common Good Fund are set out in the report. In addition, the 2021/22 grant from the Inverness Common Good Fund for foodbank provision within the City is drawn from the Winter Payments Budget in the event of sufficient funds being available. This is without detriment to the Winter Payments Budget being able to fund applicants.

This will impact the 21/22 estimated outturn. Funds would be drawn down from the current Budget allocation of £200,000 of which £128,280 was spent to Dec 2021 (£139,480 at Jan-22), leaving a balance of £71,720.

We anticipate that the final allocation will exceed this £71,720 and additional payment will be drawn from the extra £100,000 allocated and any balance from this £100,000 will be carried forward to the 22/23 financial year to complete the scheme in April 2022.

As the overall outturn on the Budget is expected to be an underspend of £914k, the additional allocation of £100,000 to Winter Payments will be afforded from this underspend.

- 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. The one-off scheme extension 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, an extension to 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 the energy cost increases for vulnerable customers and to help alleviate poverty and inequalities.
- 3.4 Climate Change/Carbon Clever - Those accessing support from Home Energy Scotland will receive energy advice, creating opportunities to raise awareness regarding fuel efficiency measures.
- 3.5 Risk – There is a risk that the budget will be insufficient for this purpose. To mitigate this risk, Officers have examined current take-up of the Scheme and forecast future take-up based on business intelligence and broader benefits data.
- 3.6 Gaelic - There are no implications.

4. Background

- 4.1 This Scheme is discretionary and is designed to support eligible residents in need of financial assistance during the coldest months of the year when extra fuel is needed.
- 4.2 The approved eligibility for the Inverness Winter Payment Scheme 2021/22 is set out in **Appendix 1** of this report.
- 4.3 The energy price cap is the backstop protection from the UK Government, calculated by Ofgem. It applies if a household is on a default energy tariff, whether this is paid by direct debit, standard credit or a prepayment meter.
- 4.4 The energy price cap will increase from 1 April 2022 for approximately 22 million customers by **54%**. Those on default tariffs paying by direct debit will be subject to an increase of **£693** from **£1,277** to **£1,971** per year and prepayment customers will experience an increase of **£708** from **£1,309** to **£2,017**. The increase is driven by a record rise in global gas prices over the past 6 months, with wholesale prices increasing fourfold in the last year.
- 4.5 Members will wish to note in the 6-year period to 28 February 2021, when energy costs were significantly lower, demand for the Inverness Winter Payment Scheme increased by **59%** (1,718 households) with total spend increasing by **73%** (£147,748).

5. Budget Implications

- 5.1 At the time of writing this report, there has been **1,585** successful applications to the Scheme with an overall spend of **£139,480**. The 2021/22 Scheme has an approved budget of up to **£200,000** which includes a provision for foodbank support.
- 5.2 To support the recommendations set out in this report, Officers propose a one-off **£100,000** increase to this year's Winter Payments budget. These additional monies would provide an overall budget up to **£300,000** for the 2021/22 Scheme.
- 5.3 The increased funding would enable the **£50** retrospective payments to be made to all successful applicants requiring an additional budget of **£79,250** and ensure sufficient funds are available for eligible households to apply and receive the **£138** grant until 30 April 2022.

Designation: Interim Head of Revenues & Business Support and Inverness City Area Manager

Date: 4 February 2022

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Eligibility Criteria for Winter 2021/22

The Inverness Winter Payments Scheme is open to eligible households within the Aird and Loch Ness, Inverness West, Inverness Central, Inverness Ness-side, Inverness Millburn, Culloden and Ardersier and Inverness South Wards,

- 1 Automatic awards to be made for those aged 90 years or over and those that receive a Scottish Welfare Fund Crisis Grant between 1 December 2021 and 30 April 2022 inclusive. (This is currently 28 February 2022 when the scheme is scheduled to close).
- 2 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 Seeker's Allowance (JSA IB)
 - Income-Related Employment and Support Allowance /Incapacity Benefit (ESA IR & IB)
 - Universal Credit for non-earners.
- 3 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
- 4 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 Seeker's Allowance, Income-Related Employment and Support Allowance or Universal Credit to be eligible for the Scheme.
- 5 Except for those described in paragraph 1, 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 calendar month, and no-one in the household has capital in excess of £6,000.

Abbreviation

Benefit

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| • UC | • Universal Credit |
| • IS | • Income Support |
| • JSA(IB) | • Jobseekers Allowance (Income-based) |
| • ESA(IR) | • Employment and Support Allowance (Income-related) |
| • IB | • Incapacity Benefit |
| • PCGC | • Pension Credit Guarantee Credit |
| • PCSC | • Pension Credit Savings Credit |