

Agenda Item	8
Report No	CIA/19/22

## HIGHLAND COUNCIL

**Committee:** City of Inverness Area Committee

**Date:** 14 September 2022

**Report Title:** Inverness Common Good Fund: Discretionary scheme for Winter Payments 2022/23

**Report By:** Executive Chief Officer Communities and Place

### 1. Purpose/Executive Summary

- 1.1 This report follows on from the effective revision of the discretionary Inverness Winter Payments Scheme (the Scheme) for 2021/22 and proposes to maintain the same arrangements for the Inverness Winter Payments Scheme for 2022/23 to reflect the current impact of high inflation, ongoing welfare reforms and significant increase in energy costs within Inverness and surrounding area. The allocated Budget of £0.200m reflects the capacity of the Inverness Common Good Fund (ICGF) to support the Winter Payments Scheme without prejudice to other budgeted expenditure for 2022/23.
- 1.2 Some examples of good news stories from the Scheme for 2021/22 are included in **Appendix 1** to this report.

### 2.1 Recommendations

- 2.1 Members are invited to agree the following recommendations for the 2022/23 Inverness Winter Payments Discretionary Scheme:
- i. Accept applications from 1 December 2022 to 28 February 2023 inclusive.
  - ii. Increase the single tier payment for those applicants that satisfy the eligibility criteria for the Scheme for 2022/23 by the 12-month (June 2022) Consumer Price Index (9.4%) to £97.
  - iii. Provide a budget of **£200,000** as agreed by Members at Committee on 17<sup>th</sup> February 2022 to accommodate the continuing demand as a result of the cost of living crisis, ongoing welfare reforms and fluctuations in energy costs. Noting that payments for Landward Areas will be sourced from available income within the Inverness Benevolent Funds first, with the ICGF being utilised for the Landward Areas in the event that officers decide it financially prudent to do so.
  - iv. Agree that the criteria utilised for the 2021/22 scheme as set out in paragraphs 11.2 to 11.6 shall be used as the basis for the 2022/23 scheme.

- v. Agree this discretionary scheme is to be made available to residents in the City of Inverness and the Landward areas of the seven City Wards.
- vi. Agree BACS payments are to be used for this discretionary scheme as this is the most secure method of payment for recipients of the payment and the Council alike.
- vii. Note that for 2022/23 applications for grants to support Foodbank provision will be considered under the ICGF Grants Budget. All as more particularly referred to in Para 10 below

### **3. Implications**

- 3.1 Resource – resource implications for the Common Good Fund 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 the current economic climate for vulnerable customers and also to help alleviate poverty and inequalities. Again, this year, the proposals set out in this report, take cognisance of the current cost of living emergency all in the context available resources within the ICGF Budget for 2022/23.
- 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 demand may exceed the available budget. To reduce this risk, entitlements to wider benefits are being monitored and assessed against the eligibility criteria for the proposed Scheme.
- 3.6 Gaelic – There are no Gaelic implications.

### **4. Background**

- 4.1 The Scheme is discretionary and is designed to support residents 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 and Pensions and Social Security Scotland as set out in Section 6 below.
- 4.2 At the City of Inverness Area Committee held on 17<sup>th</sup> February 2022, noting that there were significant underspends as a result of the COVID-19 Pandemic on other heads of expenditure, Members agreed the following recommendations for the one-off extension of the 2021/22 Inverness Winter Payments Discretionary Scheme:

- Extend the deadline for applications to 30 April 2022 (from 28 February 2022).
- 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 agreed **£88** award level. For eligible households who already received their £88 payment, a further one-off payment of £50 was paid retrospectively.

4.3 Proposals for The Scheme for 2022/23 are set out in Section 11 below for Members' consideration.

## 5. Inverness Winter Payments discretionary scheme performance

5.1 Administration of the Scheme has been effectively administered within the Revenues & Business Support section since 2015 as has policy development and take-up. **Appendix 2** details performance of the Scheme for the 7-year period commencing 2015/16.

5.2 The Scheme opens for applications on 1 December and closes on 28 February each year; for winter 2021, the scheme was extended to 30 April 2022 on a one-off basis. In the 7-year period to 30 April 2022, demand for the scheme increased by **70.1%** with total spend increasing by **89.5%** (based on initial 21/22 Award £88).

5.3 During winter 2021/22, **1,844** households received payments totalling **£254,272** against an award budget of **£300,000**. **1,292** residents in Inverness City received a discretionary award and **552** residents in the Landwards areas benefitted from these payments. All payments being drawn from the Inverness Common Good Fund.

5.4 A breakdown of award by category is provided in table 1 below:

<b>Table 1: Award by Category Qualifying Criteria</b>	<b>Number of applicants awarded</b>
PCSC, IS, Universal Credit, JSA(IB), ESA(IR), IB plus with additional qualifying criteria	852
Pension Credit Guarantee Credit (PCGC)	614
Children under 5 and in receipt of IS/JSA(IB)/ESA(IR) or UC	159
Over 90 years of age	94
Crisis Grant between 1 Dec 2021 to 30 Apr 2022	125
<b>Total number of Winter Payment awards 2021/22</b>	<b>1,844</b>
Received advice from Home Energy Scotland	162

a glossary of the abbreviations is provided at *Appendix 3*

5.5 Table 2 below details the number of applications made in each ward, with take-up increased across all wards when comparing the Scheme for winter 2021/22 with 2020/21.

<b>Table 2: Ward</b>		<b>2020/21</b>	<b>2021/22</b>	<b>% increase</b>
12	Aird and Loch Ness	<b>170</b>	<b>172</b>	<b>1.2%</b>
13	Inverness West	<b>245</b>	<b>287</b>	<b>17.1%</b>
14	Inverness Central	<b>580</b>	<b>611</b>	<b>5.3%</b>
15	Inverness Ness-Side	<b>170</b>	<b>182</b>	<b>7.1%</b>
16	Inverness Millburn	<b>209</b>	<b>212</b>	<b>1.4%</b>
17	Culloden and Ardersier	<b>197</b>	<b>225</b>	<b>14.2%</b>
19	Inverness South	<b>147</b>	<b>155</b>	<b>5.4%</b>
<b>Totals</b>		<b>1,718</b>	<b>1,844</b>	<b>7.3%</b>

These increases will have been influenced by several factors including increased awareness, automatic awards for specific groups and householders' entitlements to welfare benefits.

- 5.6 The Council's single financial assessment principles enabled automatic awards to be made for 2021/22 **without** the need for applications from households who received payments in the 2020/21 Scheme and continued to meet the eligibility criteria. Those aged over 90 years and those in receipt of a Crisis Grant payment during the period that the Scheme operates, also received automatic awards.
- 5.7 Where an applicant qualified in the previous year and it was identified in the pre-qualification checks that the applicant's circumstances had changed, a new form was issued inviting the applicant to re-apply.
- 5.8 The Council continues to promote and encourage applicants to receive, where appropriate, their payment by BACS as a secure and efficient method for the applicant and the Council alike. For the 2021/22 scheme more than **95%** of applicants elected to be paid by BACS, an increase of **5%** from the previous year.
- 5.9 The Council's Welfare Support Team, based within the Revenues & Business Support section, continues to support the elderly and the most vulnerable members in the community to (re)-apply for this scheme and other entitlements that may be available.

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

- 6.1 In addition to the Scheme payments, and depending upon household circumstances, 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 **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 is 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 As part of *The Social Security (Scotland) Act 2018*, the Scottish Government, through their agency, Social Security Scotland, became responsible for the payment of Winter Heating Assistance (to replace Winter Fuel Payment) and Low Income Winter Heating Assistance (to replace Cold Weather Payment).

7.2 **Winter Heating Assistance:** The Scottish Government will replace the UK Government's Winter Fuel Payment in winter 2024, and plan to develop and design Winter Heating Assistance based upon the existing UK Winter Fuel Payment. This includes keeping the payment consistent with the current Winter Fuel Payments and not means testing or taxing Winter Heating Assistance.

7.3 Child Winter Heating Assistance is a payment for children and young people up to the age of 18. To get the payment they must meet two criteria on at least one day in the third full week of September (called the "qualifying week"). On that day they must:

- get the highest rate care component of Disability Living Allowance for children
- be resident in Scotland

If there is more than one child or young person in your household who qualifies, they will all get the payment.

7.4 Members will wish to note in Highland **830** children received the **£202** Child Winter Heating Assistance payment in 2021. In 2022, the payment will increase to **£214.10** per eligible child.

7.5 **Low Income Winter Heating Assistance:** The Scottish Government will invest an annual £20 million in Low Income Winter Heating Assistance. A guaranteed annual winter heating benefit of **£50** will be paid for the first time in February 2023 to around 400,000 low income households.

7.6 Low Income Winter Heating Assistance will be the Scottish Government's 13th benefit and replaces the UK Government's Cold Weather Payments. Cold Weather payment was a **£25** payment to help with fuel costs during periods of very cold weather for households claiming certain benefits. The period of cold weather must have covered seven consecutive days, between 1 November and 31 March, when the average temperature must be zero degrees Celsius or

below. The £25 could be paid multiple times if the 7 consecutive day criteria are met.

- 7.7 An individual may be eligible to receive Low Income Winter Heating Assistance if they are in receipt of any of Pension Credit, Income Support, income-based Jobseekers Allowance, income-related Employment and Support Allowance, Universal Credit and Support for Mortgage Interest. As with the current Cold Weather Payments, additional qualifying criteria for some of these benefits may also need to be satisfied, for example in relation to disability premiums paid to the client or if a disabled child is in their household.

## 8. **UK Government Cost of living support payments 2022**

- 8.1 The cost of living has been increasing across the UK since early 2021. In May 2022, the UK's annual inflation rate of **9.1%** was the highest it has been since 1982, affecting the affordability of goods and services for households - most significantly through rises in home energy costs, food, and fuel. To help mitigate these impacts, the UK Government is providing around £15bn in further support, targeted particularly on those with the greatest need. The following paragraphs provide further details of the payments being made.
- 8.2 **Energy Bills Support Scheme:** Households will receive **£400** of support as credits to their energy bills. Energy suppliers will deliver this support automatically to households with a domestic electricity meter over six months from October. Direct debit and credit customers will have the money credited to their account, while customers with pre-payment meters will have the money applied to their meter or paid via a voucher.
- 8.3 **One-off Cost of Living Payment for those on means tested benefits:** More than 8 million households on means tested benefits will receive a **£650** payment, made in two instalments. This includes all households receiving Universal Credit, Income-based Jobseekers Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit, Pension Credit and be entitled to a payment on specific dates. Two lump sum payments will be made, which are tax-free and do not impact on existing benefit awards.
- 8.4 **One-off Pensioner Cost of Living Payment:** Pensioner households will receive an extra £300 to help them cover the rising cost of energy this winter. This additional one-off payment will be made to households who receive the Winter Fuel Payment and will be paid on top of any other one-off support a pensioner household is entitled to, for example where they are on pension credit or receive disability benefits. All pensioner households will receive this one-off payment as a top-up to their annual Winter Fuel Payment in November/December.
- 8.5 **Disability Cost of Living Payment:** A one-off payment of £150 will be made from September 2022 to people who receive one of the following: Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Scottish Disability Benefits, Armed Forces Independence Payment, Constant Attendance Allowance, War Pension Mobility Supplement and be entitled to a payment on a specific date. This one-off payment will be made in addition to any other support payment the household is entitled to receive.

## **9. Local Authority Covid Economic Recovery (LACER) Fund**

- 9.1 The Council was allocated **£3.639m** from the Scottish Government's Local Authority Covid Economic Recovery (LACER) fund. This funding is flexible and is designed to enable local authorities to utilise funding where it is considered necessary or justified based on local circumstances to support local economic recovery and cost of living impacts on low-income households.
- 9.2 At the Highland Council meeting in June 2022, Members agreed to use some of this funding to provide a non-recurring package of welfare support for households most disproportionately impacted by the pandemic. This included a **£145** cost of living support payment for households in receipt of Council Tax Reduction and specified exemptions. The eligibility criteria for the Inverness Winter Payment discretionary scheme means a large proportion of eligible households will also qualify for this cost of living payment.

## **10. Foodbank provision**

- 10.1 For several years, the Common Good Fund has provided a grant for foodbank provision within Inverness which has been drawn from the Winter Payments budget.
- 10.2 During the COVID-19 Pandemic, community networks expanded with new community groups providing food locally and existing groups either diversifying and/or extending their provision to include food. Many community groups continue to operate locally with food being provided in a variety of ways. This includes community food larders and fridges and provision of hot meals through lunch clubs and activity-based hubs.
- 10.3 Given the potential demand on the Winter Payments budget and the changing landscape for food support locally, it is proposed that applications for foodbank provision be dealt with via the existing ICGF grant scheme with immediate effect rather than via the Winter Payment budget.

## **11. Proposed Scheme for Winter 2022/23**

- 11.1 Officers recommend the 2021/22 eligibility criteria be adopted for the 2022/23 scheme as set out in paragraphs 11.2 to the criteria set out at 11.6 when compared with prior years.
- 11.2 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 2022 and 28 February 2023 inclusive.
- 11.3 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 Seeker's Allowance (JSA IB)
  - Income-Related Employment and Support Allowance /Incapacity Benefit (ESA IR & IB)
  - Universal Credit for non-earners.

- 11.4 In addition to the criteria set out at paragraph 11.3 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
- 11.5 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 Seeker's Allowance, Income-Related Employment and Support Allowance or Universal Credit to be eligible for the Scheme.
- 11.6 Except for those described in paragraph 11.2, 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 calendar month, and no-one in the household has capital in excess of £6,000.

## **12. Scheme objectives for Winter 2022/23**

- 12.1 The objectives for the 2022/23 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 impacts, including energy bills.

## **13. Budget Implications**

- 13.1 At the Committee held on 29<sup>th</sup> August 2019, members proposed that the level of the single tier award should be increased annually in line with current Consumer Price Inflation (CPI). Accordingly, it is proposed to provide a 2022/23 payment rate of **£97** per eligible household, with an approved budget of **£200,000**.
- 13.2 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 are strongly recommended 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.

Designation: Executive Chief Officer, Communities and Place

Date: 20 July 2022



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**Inverness Winter Payment Scheme 2021/22****Examples of support provided by the Welfare Support Team**

**With the support of the Welfare Support Team, Mrs C received a lump sum £10,418.44 and their weekly income increased £403.24.**

The Council's resettlement team referred Mrs C and her family to the Welfare Support Team for assistance.

Mrs C and her family were refugees who had come to Scotland, our Welfare Support Officer contacted Mrs C, with the support of an interpreter the family's circumstances were clarified. The welfare officer undertook a full benefit check and completed all relevant applications, which resulted in the family successfully receiving **Council Tax Reduction** lump sum **£510.90**, weekly **£17.03**, **Universal Credit** lump sum **£7,609.44**, weekly **£317.06**, **Child Benefit** lump sum **£1,179.60**, weekly **£49.15**, **Scottish Child Payment** lump sum **£480**, weekly **£20**, **Best start** early learning, lump sum **£252.50**, **Best Start Foods** lump sum **£108**, **School Clothing Grant** awarded **£140** and **Inverness Winter Payment** **£138** due having a child under five and on qualifying benefit.

**With the support of the Welfare Support Team, Mr D received a lump sum £2,3677.99 and their weekly income increased £160.05.**

Mr D was an elderly gentleman who struggled with digital forms and was not coping financially. Mr D contacted the welfare support freephone number to seek assistance.

A Welfare Support officer spoke to Mr D about their circumstances and undertook a full benefit check. Our Welfare Officer completed several applications on behalf of Mr D who was successfully awarded **Pension Credit**, lump sum awarded **£1322.40**, weekly amount **£55.10**, **Attendance allowance**, lump sum awarded **£627.29**, weekly amount **£89.60**, TV License, **£157.50** and **Council Tax Reduction**, lump sum **£122.80** and weekly sum of **£15.35**. In addition, Mr D also received the **Inverness Winter payment** **£138**.

## Appendix 2

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Single tier award level	£79	£79	£81	£82	£84	£86	£88 / £138*
Number of awards	1,084	1,184	1,386	1,517	1,614	1,718	1,844
Approved award budget	£85,000	£85,000	£105,000	£132,000	£142,000	£200,000	£300,000**
Total spend on awards	£85,636	£93,536	£112,266	£124,394	£135,576	£147,748	£254,272

\*CIAC 17 February 2022 – members agreed one-off increase from initial 21/22 award level from £88 to £138.

\*\*CIAC 17 February 2022 – members agreed one-off increase in award budget from £200k to £300k.

**Abbreviation**

**Benefit**

- |           |   |
|-----------|---|
| • 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                     |