

Agenda Item	8a
Report No	CIA/18/23

HIGHLAND COUNCIL

Committee: City of Inverness Area Committee

Date: 5 June 2023

Report Title: Inverness Common Good Fund: Discretionary scheme for Winter Payments 2023/24

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 2022/23 and proposes to maintain the same arrangements for the Inverness Winter Payments Scheme for 2023/24 to reflect economic impacts within Inverness and surrounding area. The proposed 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 2023/24.

2.1 Recommendations

2.1 Members are invited to

- i. Agree to provide an Inverness Winter Payments Discretionary Scheme for 2023/24 having regard to the financial support available from the Department for Work and Pensions (DWP) and Social Security Scotland (SSS) as set out in sections 6 and 7 below.
- ii. Accept applications from 1 December 2023 to 29 February 2024 inclusive.
- iii. Provide a budget of **£0.200m** for the 2023/24 Scheme 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. Decide whether to apply a Consumer Price Index (CPI) increase to the original **£97** award rate for 2022/23 in order to determine the 2023/24 single tier payment rate.
- v. Should Members agree to apply a CPI increase as set out in 2.1 (iv) above, agree to use the annual CPI of **8.9%** (March 2023 rate), noting this will establish the 2023/24 award amount at **£106** for eligible applicants.
- vi. Agree that the criteria utilised for the 2022/23 scheme as set out in paragraphs 9.2 to 9.6 shall be used as the basis for the 2023/24 Scheme.

- vii. 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.
- viii. 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.

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 impacts, within the context of available resources within the ICGF Budget for 2023/24.
- 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 sections 6 and 7 below.
- 4.2 At the City of Inverness Area Committee held on 4 November 2022, Members agreed to a one-off increase to the single tier payment for eligible applicants to **£150**. To enable sufficient funding to be available to meet the **£150** award, Members also agreed to allocate **£0.100m** of the predicted underspend from the ICGF 2022/23 budget to increase the Scheme budget to **£0.300m**.
- 4.3 Proposals for the Scheme for 2023/24 are set out in Section 9 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.
- 5.2 The Scheme opens for applications on 1 December and closes on 28 February each year. In the 8-year period to 28 February 2023, the single tier payment has increased by **89.8%**.
- 5.3 During winter 2022/23, **1,694** households received payments totalling **£254,100** against an award budget of **£0.300m**. **1,193** residents in Inverness City received a discretionary award and **501** 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:

Table 1: Award by Category Qualifying Criteria	Number of applicants awarded 2022/23
PCSC, IS, Universal Credit, JSA(IB), ESA(IR), IB plus with additional qualifying criteria	855
Pension Credit Guarantee Credit (PCGC)	556
Children under 5 and in receipt of IS/JSA(IB)/ESA(IR) or UC	112
Over 90 years of age	109
Crisis Grant between 1 Dec 2022 to 28 Feb 2023	62
Total number of Winter Payment awards 2022/23	1,694
Received advice from Home Energy Scotland	68

a glossary of the abbreviations is provided at *Appendix 2*

- 5.5 Table 2 below details the number of awards made in each ward:

Table 2: Ward		2022/23
12	Aird and Loch Ness	156
13	Inverness West	268
14	Inverness Central	546
15	Inverness Ness-Side	181
16	Inverness Millburn	198
17	Culloden and Ardersier	196
19	Inverness South	149
Totals		1,694

- 5.6 The Council's single financial assessment principles enabled automatic awards to be made for 2022/23 **without** the need for applications from households who received payments in the 2021/22 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 2022/23 scheme more than **96.3%** of applicants were paid by BACS, an increase of **1.3%** from the previous year.
- 5.9 The Council's Welfare Support Team, based within the Revenues & Business Support section, and Inverness, Badenoch & Strathspey Citizens Advice 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 **£150** (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 (replaced 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. Those eligible 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 an household who qualifies, they will all receive the payment.

7.4 Members will wish to note in Highland **1,055** children received the **£214.10** Child Winter Heating Assistance payment in 2022. In 2023, the payment will increase to **£235.70** per eligible child.

7.5 **Low Income Winter Heating Assistance:** A guaranteed annual winter heating benefit of **£50** was paid for the first time in February 2023 to around 400,000 low income households. In February 2024, this payment will increase to **£50.05**.

7.6 Low Income Winter Heating Assistance replaced 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.

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 2023**

8.1 The following paragraphs provide further details of the cost of living payments which are being made by the UK Government during 2023.

8.2 **Cost of Living Payment for those on means tested benefits:** Households on means tested benefits may be entitled during 2023 to up to 3 Cost of Living Payments of £301 (Paid Apr/May), £300 and £299. 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. Lump sum payments are tax-free and do not impact existing benefit awards.

8.3 **One-off Pensioner Cost of Living Payment:** Pensioner households will receive an extra £150 - £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 2023/24 and will be paid on top of any other one-off support a pensioner household is entitled to.

8.4 **Disability Cost of Living Payment:** A one-off payment of £150 will be made during from Summer 2023 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 (Yet to be announced at time of writing this report). This one-off payment will made in addition to any other support payment the household is entitled to receive.

9. **Proposed Discretionary Inverness Winter Payment Scheme for 2023/24**

9.1 Officers recommend the 2022/23 eligibility criteria be adopted for the 2023/24 Scheme as set out in paragraphs 9.2 to 9.6 when compared with prior years.

9.2 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 2023 and 29 February 2024 inclusive.

9.3 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.

9.4 In addition to the criteria set out at paragraph 9.3 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

9.5 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.

9.6 Except for those described in paragraph 9.2, 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.

10. Scheme objectives for Winter 2023/24

10.1 The objectives for the 2023/24 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.

11. Budget Implications

11.1 Financial planning requires essential control of the allocated budget in a manner that safeguards the Common Good Fund's assets and ensures this Scheme remains sustainable.

11.2 It is critical Members consider the impacts of increasing the Scheme's single rate within the broader context of identified and potential unforeseen additional costs to the Fund. Therefore, the following should be noted:

- At the Committee held on 29th August 2019, members proposed that the level of the single tier award should be increased annually in line with current Consumer Price Inflation (CPI).
- At Committee on 17th February 2022 members agreed to provide a budget of **£0.200m** to accommodate the scheme.

11.3 As a one-off for the 2021/22 Scheme, members agreed to increase the single tier payment for those applicants that satisfied the eligibility criteria to **£138** from the agreed **£88** award level.

11.4 As a one-off for the 2022/23 Scheme, members agreed to increase the single tier payment for those applicants that satisfied the eligibility criteria to **£150** from the proposed **£97** award level.

11.5 Both the schemes detailed in paragraph 11.3 and 11.4 incurred an overall spend greater than the **£0.200m** budget each year. The shortfall was met by underspends within the overall Common Good Fund during each financial year.

11.6 As detailed in 11.2 of this report, Members proposed that the level of the single tier award should be increased annually in line with current Consumer Price Inflation (CPI). Therefore, Officers would recommend using the annual CPI of **8.9%** (March 2023 rate) should Members be minded to increase the 2023/24 single tier payment from the original **£97**. This would establish the 2023/24 award at **£106**.

11.7 The number of awards detailed in paragraph 5.3 is the starting point for the award cost of the 2023/24 Scheme. Based on previous years, on average the Scheme awards will potentially grow by approximately 10% on the overall

awards from the previous year. **Appendix 1** of this report sets out the cost of Scheme based on number of awards and award amounts.

Designation: Executive Chief Officer, Communities and Place

Date: 10 May 2022

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Appendix 1

Number of awards	Award level											
	£97	£100	£101	£102	£103	£104	£105	£106	£107	£108	£109	£110
1,694	£164,318	£169,400	£171,094	£172,788	£174,482	£176,176	£177,870	£179,564	£181,258	£182,952	£184,646	£186,340
1,700	£164,900	£170,000	£171,700	£173,400	£175,100	£176,800	£178,500	£180,200	£181,900	£183,600	£185,300	£187,000
1,725	£167,325	£172,500	£174,225	£175,950	£177,675	£179,400	£181,125	£182,850	£184,575	£186,300	£188,025	£189,750
1,750	£169,750	£175,000	£176,750	£178,500	£180,250	£182,000	£183,750	£185,500	£187,250	£189,000	£190,750	£192,500
1,775	£172,175	£177,500	£179,275	£181,050	£182,825	£184,600	£186,375	£188,150	£189,925	£191,700	£193,475	£195,250
1,800	£174,600	£180,000	£181,800	£183,600	£185,400	£187,200	£189,000	£190,800	£192,600	£194,400	£196,200	£198,000
1,825	£177,025	£182,500	£184,325	£186,150	£187,975	£189,800	£191,625	£193,450	£195,275	£197,100	£198,925	£200,750
1,850	£179,450	£185,000	£186,850	£188,700	£190,550	£192,400	£194,250	£196,100	£197,950	£199,800	£201,650	£203,500
1,875	£181,875	£187,500	£189,375	£191,250	£193,125	£195,000	£196,875	£198,750	£200,625	£202,500	£204,375	£206,250
1,900	£184,300	£190,000	£191,900	£193,800	£195,700	£197,600	£199,500	£201,400	£203,300	£205,200	£207,100	£209,000
Scheme Take-up: Average 10% increase year on year on - This would mean a potential 1,864 awards												
22/23												

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 |