Agenda Item	**10**
Report No	**CIA/17/24**

HIGHLAND COUNCIL

Committee: **City of Inverness Area Committee**

Date: 27 May 2024

Report Title: **Inverness Common Good Fund: Discretionary scheme for Winter Payments 2024/25**

Report By: Assistant Chief Executive of Corporate

1. Purpose/Executive Summary

1.1 This report follows on from the effective revision of the discretionary Inverness Winter Payments Scheme (the Scheme) for 2023/24 and proposes to maintain the same arrangements for the Inverness Winter Payments Scheme for 2024/25 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 2024/25.

1.2 Some examples of good news stories from the Scheme for 2023/24 are included in *Appendix 1* to this report.

2.1 Recommendations

2.1 Members are invited to:

i. Agree to provide an Inverness Winter Payments Discretionary Scheme for 2024/25 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 2024 to 31 March 2025 inclusive.

iii. Provide a budget of **£0.200m** for the 2024/25 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 **£106** award rate for 2023/24 in order to determine the 2024/25 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 **4.2%** (March 2024 rate), noting this will establish the 2024/25 award amount at **£111** for eligible applicants.

vi. Agree that the criteria utilised for the 2023/24 scheme as set out in paragraphs 8.2 to 9.6 shall be used as the basis for the 2024/25 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. Note 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 2024/25.

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 5 June 2023, Members agreed to a one-off increase to the single tier payment for eligible applicants to **£106.** To enable sufficient funding to be available to meet the **£106** award, Members also agreed the Scheme budget to be **£0.200m.**

4.3 Proposals for the Scheme for 2024/25 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 31 March 2024, the single tier payment has increased by **112%.**

5.3 During winter 2022/23, **1,646** households received payments totalling **£174,476** against an award budget of **£0.200m**. **1,134** residents in Inverness City received a discretionary award and **512** residents in the Landwards areas benefitted from these payments. All payments are 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 2023/24**
PCSC, IS, Universal Credit, JSA(IB), ESA(IR), IB plus with additional qualifying criteria	845
Pension Credit Guarantee Credit (PCGC)	545
Children under 5 and in receipt of IS/JSA(IB)/ESA(IR) or UC	94
Over 90 years of age	85
Crisis Grant between 1 Dec 2022 to 29 Feb 2024	77
Total number of Winter Payment awards 2023/24	**1,646**
Referred for Energy advice	86

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	**243**
14	Inverness Central	**512**
15	Inverness Ness-Side	**192**
16	Inverness Millburn	**187**
17	Culloden and Ardersier	**205**
19	Inverness South	**151**
Totals		**1,646**

5.6 The Council's single financial assessment principles enabled automatic awards to be made for 2023/24 **without** the need for applications from households who received payments in the 2022/23 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's Welfare Support Team, based within the Revenues & Business Support section, and Inverness, Badenoch & Strathspey Citizens Advice continue 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. Where consent is provided by applicants, referrals shall be made for energy advice.

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. Financial support from Social Security Scotland (SSS)

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 Payment and Child Winter Heating Payment.

7.2 **Winter Heating Payment:** helps people on low income benefits who might have extra heating needs. It's automatically paid once a year and has replaced Cold Weather Payment in Scotland. Unlike the Cold Weather Payment, Winter

Heating Payment does not depend on how cold the temperature gets. Those eligible must meet the criteria on at least one day in the first full week of November (called the "qualifying week").

7.3 Members will wish to note in Highland **14,940** people received the **£55.05** Winter Heating Payment in 2023. In 2024, the payment will increase to **£58.75**.

7.4 **Child Winter Heating Payment:** is a payment for children and young people up to the age of 18. Those eligible must meet the criteria on at least one day in the third full week of September (called the "qualifying week"). If there is more than one child or young person in a household who qualifies, they will all receive the payment.

7.5 Members will wish to note in Highland **1,110** children received the **£235.70** Child Winter Heating Assistance payment in 2023. In 2024, the payment will increase to **£251.50** per eligible child.

8. Proposed Discretionary Inverness Winter Payment Scheme for 2024/25

8.1 Officers recommend the 2023/24 eligibility criteria be adopted for the 2024/25 Scheme as set out in paragraphs 8.2 to 8.6 when compared with prior years.

8.2 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 2024 and 31 March 2025 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 Seeker's 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
- Pension Age Disability Benefit (pilot scheme to be launched in Highland in October 2024 by Social Security Scotland)
- Disability Living Allowance (middle or high rate care component)
- Personal Independence Payment (daily living component – standard or enhanced rate)
- Adult Disability 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 are 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.

8.6 Except for 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 calendar month, and no-one in the household has capital in excess of £6,000.

9. Scheme objectives for Winter 2023/24

9.1 The objectives for the 2024/25 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.

10. Budget Implications

10.1 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.

10.2 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.

10.3 As detailed in 10.2 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 **4.2%** (March 2024 rate) should Members be minded to increase the 2023/24 single tier payment from the original **£106**. This would establish the 2024/25 award at **£111**.

10.4 The number of awards detailed in paragraph 5.3 is the starting point for the award cost of the 2024/25 Scheme. Based on previous years, on average the Scheme awards will potentially increase on the overall awards from the previous year.

Designation: Assistant Chief Executive of Corporate

Date: 2 May 2024

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Appendix 1

Example 1

Mr X's daughter phoned 0800 Welfare Support Team number requesting benefit check for her elderly parents and enquiring about the Inverness Winter Payment Scheme after hearing about it on the radio.

During a home visit, the Welfare Officer (WO) was able to assist the couple in applying for IWPS and had a conversation with Mr X regarding Attendance Allowance whereby the forms were in the home but had not been completed- the WO completed these there and then for Mr X. During the visit WO realised how poorly Mrs Y health was and arranged for AA forms to be sent– a second visit was arranged to complete these.

As a result, both Mr X & Mrs Y were awarded the IWPS, Disablement Band Reduction and Attendance Allowance – Mr X awarded Low rate, Mrs X received high rate. This resulted in a combined lump sum gain of **£4,245** and the weekly amount combined was **£169.89.** In addition**,** an Inverness Winter Payment of **£106** was awarded.

Example 2

Mr A was referred in through partnership working with his local GP practice regarding a Personal Independence Payment application. Mr A had made the initial application himself however had been unsuccessful.

Welfare Officer (WO) spoke to client to establish the facts and was advised the next stage of Mandatory Reconsideration had also been completed by Mr A with assistance from a professional, this was also refused. WO arranged a visit to take the application to the next stage of appeal. WO was able to collate a full summary and further evidence to provide to the DWP.

On review Mr A received telephone call from DWP to advise they had re-considered his original application based on the information received from the WO and awarded and backdated the claim without having to go to appeal – lump sum **£5,458**, weekly **£61.85.**

The WO advised Mr A that he also now met the criteria for the Inverness Winter Payment Scheme and an additional payment of **£106** was granted.

Appendix 2

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