

Agenda Item	10
Report No	CIA/19/20

HIGHLAND COUNCIL

Committee: City of Inverness Area Committee

Date: 27 August 2020

Report Title: Inverness Common Good Fund: Discretionary scheme for Winter Payments 2020/21

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

1. Purpose/Executive Summary

- 1.1 This report follows on from the effective revision of the discretionary Inverness Winter Payments Scheme (the Scheme) for 2019/20 and proposes a minor amendment to the arrangements for the Scheme for 2020/21 to reflect the potential negative impact of Covid-19 on employment within Inverness and surrounding area.
- 1.2 Some examples of good news stories from the Scheme for 2019/20 are included in *Appendix 1* to this report.

2.1 Recommendations

- 2.1 Members are invited to agree the following recommendations for the 2020/21 Inverness Winter Payments Discretionary Scheme:
- i. Accept applications from 1 December 2020 to 28 February 2021 inclusive.
 - i. Increase the single tier payment for those applicants that satisfy the eligibility criteria for the Scheme for 2020/21 by 12-month (March 2020) Consumer Price Index (1.5%) to **£86**.
 - ii. Provide an overall award budget of **£155,000 (up by £13,000 from 2019/20)** to accommodate the anticipated increase in demand arising from Covid-19, ongoing welfare reforms and fluctuations in energy costs.
 - iii. Where take-up of the Scheme is likely to exceed the available budget, a report will be provided at the earliest opportunity for Members of this Committee as enabled by the Committee timetable. If necessary, the timescale for applications can be extended to accommodate this committee consideration.
 - iv. That the criteria utilised for the 2019/20 scheme as set out in paragraphs 8.2 to 8.6 shall be used as the basis for the 2020/21 scheme with a minor but important change in paragraph 8.6 below. This change is being proposed to reflect the anticipated economic environment during the winter months and the ending of the furlough

scheme at the end of October 2020. It is proposed to reduce the following criterion from 6 months to 1 month to enable those that have been recently unemployed to satisfy this element of the eligibility criteria:

- a. no people in the household in receipt of a wage at the time of the application or in the previous calendar month.
- v. 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. 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 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 welfare reform for vulnerable customers and also to help alleviate poverty and inequalities. This year, it is taking particular cognisance of the likely increase in unemployment as a result of covid and the furlough scheme ending.
- 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 – In view of the economic impacts of Covid-19, and withdrawal of the furlough scheme from the end of October 2020, there is a risk that take-up of the scheme exceeds the allocated budget. As in previous years, Officers will closely monitor take-up, and associated spend, and provide regular monitoring updates for the Provost. In the event that spend is likely to exceed budget, a report will be brought back to Members of this Committee for consideration. An extension to the scheme can be implemented if necessary to support any further committee decision.

- 3.6 Gaelic – There are no Gaelic implications.

4. Background

- 4.1 The Scheme is discretionary and is 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 Section 6 below.

4.2 Proposals for The Scheme for 2020/21 are set out in Section 8 for Members' consideration.

5. Inverness Winter Payments discretionary scheme performance

5.1 Administration of the Scheme has been effectively administered within the Revenues & Customer Services section by the Service Delivery Team since

Year	15/16	16/17	17/18	18/19	19/20
Single tier award level	£79	£79	£81	£82	£84
Number of awards	1,084	1,184	1,386	1,517	1,614
Approved award budget	£85,000	£85,000	£105,000	£132,000	£142,000
Total spend on awards	£85,636	£93,536	£112,266	£124,394	£135,576

2015 with policy development and take-up the responsibility of the Benefits & Welfare Manager. The following table details performance of the Scheme for the 5-year period commencing 2015/16.

5.2 The Scheme opens for applications on 1 December and closes on 28 February each year. In the 5-year period to 28 February 2020, demand for the scheme increased by **49%** with total spend increasing by **58%**.

5.3 During winter 2019/20, **1,614** households received payments totalling **£135,576** against an award budget of **£142,000**. **1,174** residents in Inverness City received a discretionary award and **440** residents in the Landwards areas benefitted from these payments. Funding comprised **£98,616** from the Common Good Fund plus a **£36,960** contribution from the Benevolent Funds.

5.4 A breakdown of award by category is provided in table 1 below and a glossary of the abbreviations is provided at *Appendix 2*

Table 1: Award by Category Qualifying Criteria	Number of applicants awarded
PCSC, IS, Universal Credit, JSA(IB), ESA(IR), IB plus with additional qualifying criteria	678
Pension Credit Guarantee Credit (PCGC)	635
Children under 5 and in receipt of IS/JSA(IB)/ESA(IR) or UC	104
Over 90 years of age	141
Crisis Grant between 1 st Dec 2019 to 29 th Feb 2020	56
Total number of Winter Payment awards 2019/20	1,614
Received advice from Home Energy Scotland	112

5.5 Table 2 below details the number of applications made in each ward. It is notable that take-up increased across all wards when comparing the Scheme for winter 2019/20 with 2018/19. These increases will have been influenced by several

factors including increased awareness, automatic awards for specific groups and householders' entitlements to welfare benefits.

Table 2: Ward		Inverness Winter Fuel Payments 2018/19	Inverness Winter Fuel Payments 2019/20	% Uptake increase
12	Aird and Loch Ness	122	151	23.8%
13	Inverness West	223	226	1.3%
14	Inverness Central	557	570	2.3%
15	Inverness Ness-Side	153	168	9.8%
16	Inverness Millburn	199	209	5.0%
17	Culloden and Ardersier	154	169	9.7%
19	Inverness South	109	121	11.0%
Totals		1,517	1,614	6.4%

- 5.6 The Council's single financial assessment principles enabled automatic awards to be made for 2019/20 **without** the need for applications from households who received payments in the 2018/19 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 2019/20 scheme more than **87%** 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 & Customer Services 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.
- 5.10 It is important to note switching energy supplier is still of the most effective ways to avoid costs on home energy bills. An elderly disabled lady, who lives alone, was recently supported to reduce her energy bill by **£36** a month (**£433** per annum) by switching her gas/electricity supplier.
- 5.11 At this time of ongoing welfare reform, and within the context of the pandemic, there continues to be an increasing demand for this type of financial assistance, which is expected to increase further during 2020/21.

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 **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 receive 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 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 From 2020, as part of *The Social Security (Scotland) Act 2018*, 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 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 During May 2020 the Scottish Government laid draft regulations, to become legislation in November 2020. The Regulations will set out the detail of how they will use devolved powers to make an annual payment to children and young people with disabilities, to support the increased costs of heating their homes in Winter:
- the Scottish Government will provide Child Winter Heating Assistance of £200 for families with the most seriously disabled children to help with fuel costs
 - this payment will be made to all children and young people in receipt of Disability Living Allowance (DLA) in the qualifying week each year
- 7.4 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.
- 7.5 **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 2020/21

- 8.1 Officers recommend the 2019/20 eligibility criteria be adopted for the 2020/21 scheme as set out in paragraphs 8.2 to the criterion set out at 8.6 when compared with prior years.
- 8.2 Automatic awards for those aged 90 years or over and those that receive a Scottish Welfare Fund Crisis Grant between 1 December 2020 and 28 February 2021 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
 - 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 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. (In previous years, the timescales were set at 6 months.)

9. Scheme objectives for Winter 2020/21

9.1 The objectives for the 2020/21 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 2019/20 Scheme had an **£84** award level and an approved budget of **£142,000**. Officers would recommend using the annual CPI of **1.5%** which reflects the March 2020 position prior to the impacts of the pandemic, providing a 2020/21 payment rate of **£86**.

10.2 Members are therefore invited to approve an awards budget of **£155,000** for the 2020/21 discretionary scheme. 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. Where take-up of the Scheme is likely to exceed the available budget, a report will be provided at the earliest opportunity for Members of this Committee as enabled by the Committee timetable. If necessary, the timescale for applications can be extended to accommodate this committee consideration.

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.

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

Date: 15 July 2020

Authors: Sheila McKandie, Head of Revenues & Business Support
Gavin Munro, Policy & Assurance Officer

Inverness Winter Payment Scheme 2019/20

Examples of support provided by the Welfare Support Team

A customer telephoned the Welfare Support Team's freephone number to enquire about the Inverness Winter Payments Scheme. She had heard about the scheme from a neighbour. The Duty Officer discussed the criteria with her and advised her that based on the information she had provided she would meet the criteria for the Inverness Winter Payments Scheme.

The customer lived on her own in a Housing Association property in Inverness, was of working age and has a health condition. She was in receipt of Employment and Support Allowance Income Related (ESA IR) and Personal Independence Payment (PIP) Daily Living Component.

Following a benefit check it was established that the client was already in receipt of the correct benefit entitlements. However, the WST Officer visited the customer and supported her to complete an application form.

The customer contacted the WST to express her thanks for the support provided and the speed at which her application had been dealt with. She confirmed that she had received an award letter that day confirming that she would receive a payment of **£84.00**.

A customer was referred to the Welfare Support Team to ensure she was receiving all her benefits. The lady was elderly, disabled and lived on her own in a rural location. The WST Officer undertook a benefit check which established that the client was in receipt of Attendance Allowance and taking all other income/savings into account it was identified she would qualify for Pension Credit.

The Welfare Officer arranged a home visit and an application for Pension Credit was completed. The application for Pension Credit was successful and the client was awarded Pension Credit Guarantee Credit (PCGC):

Our Welfare Officer also completed an application for a Blue Badge. As a result of qualifying for Pension Credit Guarantee Credit the Officer identified she met the criteria for the Inverness Winter Payments Scheme, so an application was made for a one-off payment of £84.00.

The annual total award for this customer was:

PCGC lump sum	£1228.20
PCGC weekly ongoing x 52 weeks	£4257.76
The Inverness Winter Payments Scheme	£ 84.00
Total annual award	£5569.96

Establishing additional benefit entitlement for the client resulted in her qualifying for the Inverness Winter Payments Scheme. In addition to the monetary gain detailed above this client's lifestyle has significantly improved.

During the home visit, the customer told the Welfare Officer that although she had a car on the drive, it had broken down and she could not afford the repairs which meant she hardly left her house. The successful award of Pension Credit enabled the customer to have her car repaired which she expressed thanks and gratitude in giving her independence again.

Pension Credit will protect this customer's entitlement to a free TV licence and enable them to apply for the UK Government's Winter Fuel Payment.

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 |