

Agenda Item	9
Report No	CIA/27/21

HIGHLAND COUNCIL

Committee: City of Inverness Area Committee

Date: 26 August 2021

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

Report By: Joint Report by Interim 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 2020/21 and proposes to maintain the same arrangements for the Inverness Winter Payments Scheme for 2021/22 to reflect the continuing impact of Covid-19, ongoing welfare reforms and fluctuations in energy costs within Inverness and surrounding area.
- 1.2 Some examples of good news stories from the Scheme for 2020/21 are included in *Appendix 1* to this report.

2.1 Recommendations

- 2.1 Members are invited to agree the following recommendations for the 2021/22 Inverness Winter Payments Discretionary Scheme:
- i. Accept applications from 1 December 2021 to 28 February 2022 inclusive.
 - ii. Increase the single tier payment for those applicants that satisfy the eligibility criteria for the Scheme for 2021/22 by 12-month (May 2021) Consumer Price Index (**2.1%**) to **£88**.
 - iii. Provide a budget of **£200,000** as agreed by members at August 2020 Committee to accommodate the continuing demand arising from Covid-19, ongoing welfare reforms and fluctuations in energy costs.
 - iv. That the criteria utilised for the 2020/21 scheme as set out in paragraphs 8.2 to 8.6 shall be used as the basis for the 2021/22 scheme.
 - 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. In addition, should an application for a grant from the Inverness Common Good Fund for foodbank provision within the City be successful, funds to support that grant would be drawn from the Winter Payments Budget in the event of sufficient funds being available. This would be without detriment to the Winter Payments Budget being able to fund applicants.
- 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. Again, this year, it is taking cognisance of the likely increase in unemployment as a result of Covid-19 and the phasing out of the furlough scheme.
- 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 are no risk implications.
- 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 and Pensions and Social Security Scotland as set out in Section 6 below.
- 4.2 Proposals for The Scheme for 2021/22 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 & Business Support section by the Service Delivery Team since

Year	15/16	16/17	17/18	18/19	19/20	20/21
Single tier award level	£79	£79	£81	£82	£84	£86
Number of awards	1,084	1,184	1,386	1,517	1,614	1,718

Approved award budget	£85,000	£85,000	£105,000	£132,000	£142,000	£200,000
Total spend on awards	£85,636	£93,536	£112,266	£124,394	£135,576	£147,748

2015 with policy development and take-up the responsibility of the Benefits & Welfare Manager. The following table details performance of the Scheme for the 6-year period commencing 2015/16.

- 5.2 The Scheme opens for applications on 1 December and closes on 28 February each year. In the 6-year period to 28 February 2021, demand for the scheme increased by **59%** with total spend increasing by **73%**.
- 5.3 During winter 2020/21, **1,718** households received payments totalling **£147,748** against an award budget of **£200,000**. **1,208** residents in Inverness City received a discretionary award and **510** residents in the Landwards areas benefitted from these payments. Funding comprised **£103,888** from the Common Good Fund plus a **£43,860** 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	805
Pension Credit Guarantee Credit (PCGC)	599
Children under 5 and in receipt of IS/JSA(IB)/ESA(IR) or UC	149
Over 90 years of age	102
Crisis Grant between 1 Dec 2020 to 28 Feb 2021	63
Total number of Winter Payment awards 2020/21	1,718
Received advice from Home Energy Scotland	192

- 5.5 Table 2 below details the number of applications made in each ward. It is notable that take-up increased across 6 of the 7 wards when comparing the Scheme for winter 2020/21 with 2019/20. 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 2019/20	Inverness Winter Fuel Payments 2020/21	% Uptake increase
12	Aird and Loch Ness	151	170	12.6%
13	Inverness West	226	245	8.4%
14	Inverness Central	570	580	1.8%
15	Inverness Ness-Side	168	170	1.2%
16	Inverness Millburn	209	209	0%

17	Culloden and Ardersier	169	197	16.6%
19	Inverness South	121	147	21.5%
Totals		1,614	1,718	6.4%

- 5.6 The Council's single financial assessment principles enabled automatic awards to be made for 2020/21 **without** the need for applications from households who received payments in the 2019/20 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 2020/21 scheme more than **90%** of applicants elected to be paid by BACS, an increase of **3.5%** 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.
- 5.10 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 2021/22.

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, became 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 Child Winter Heating Assistance is a payment of £200 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 **590** children received the **£200** Child Winter Heating Assistance payment in 2020. In 2021, the payment will increase to **£202** per eligible child.

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 2021/22**

8.1 Officers recommend the 2020/21 eligibility criteria be adopted for the 2021/22 scheme as set out in paragraphs 8.2 to the criteria set out at 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 2021 and 28 February 2022 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.

9. **Scheme objectives for Winter 2020/21**

9.1 The objectives for the 2021/22 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 2020/21 Scheme had an **£86** award level and an approved budget of **£200,000**. During the August 2019 Committee, 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 **2.1%** (May 2021 rate), providing a 2021/22 payment rate of **£88**

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

Date: 1 July 2021

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Inverness Winter Payment Scheme 2020/21

Examples of support provided by the Welfare Support Team

Miss E initially contacted the Welfare Support Team enquiring about Council Tax Reduction (CTR). She is a 20-year-old single mum with a child under five and liable for Council Tax since November 2018. The Welfare Support Team Officer applied for CTR and submitted a request to have this claim backdated. The submission had to demonstrate there was “good cause” for not applying earlier in line with the CTR regulations. The backdate was successful and resulted in an award of CTR from August 2020. Miss E was young, vulnerable, with no knowledge of the benefits system.

The WST Officer advised Miss E she also met the criteria for the Inverness Winter Payment, as she has a child under the age of five, and payment of **£86** was granted.

In addition, through the support of the Welfare Support Team Miss E was awarded a lump sum of **£348** and a weekly on-going entitlement of **£12.78** resulting in full Council Tax Reduction being awarded.

Mr B was referred to the Welfare Support Team via the council’s Customer Contact Centre asking for assistance to apply for the Inverness Winter Payment.

Mr B could not read or write and had no-one who could help him apply. Due to Covid-19, telephone contact was made, and the Inverness Winter Payment successfully applied for. The Welfare Support Officer supported Mr B to apply for the Inverness Winter Fuel Payment and the Fuel Support Grant launched by the Highland Council to support those experiencing difficulty paying their fuel bills.

These applications submitted by the Welfare Support Officer resulted in Mr B receiving **£180** towards his fuel costs and **£86** from the Inverness Winter Payment Scheme.

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 |