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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>4 February 2025</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/06/25/AP</b>
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<b>Subject:</b>	<b>Finance Services Update</b>		

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## **1.0 PURPOSE AND SUMMARY**

1.1  For Decision  For Information/Noting

1.2 The purpose of this report is to provide an update to Committee on several matters relating to the Finance Service and to seek specific approval for a time limited proposed change to Scottish Welfare Fund Crisis Grant payments policy.

1.3 This update to Committee provides updates in terms of the following:

- Non-Domestic Rate- Empty Property Relief
- Pensions Winter Heating Payment
- E-billing/e forms
- Scottish Welfare Fund - Increased funding
- Internal Audit Shared Services

1.4 Specific approval for the proposals relating to Crisis Grant payments are sought at an estimated cost of £130,000 to 31 March 2026.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Committee note the various updates from the Finance Service.

2.2 It is recommended that the Committee approve the proposal to pay £100 to eligible crisis grant applicants who require assistance with heating costs and that this policy change will be reviewed later in 2025/26.

**Alan Puckrin**  
**Chief Financial Officer**

### **3.0 BACKGROUND AND CONTEXT**

3.1 The Finance Service covers a wide range of functions ranging from Accountancy, Payables, Treasury/Insurance to Revenues, Benefits Discretionary Payments and from 1 January, Internal Audit. The following update largely focuses on matters relating to Revenues, Benefits and Discretionary Payments.

#### **3.2 Non-Domestic Rates Empty Property Relief**

The Non-Domestic Rates Empty Property Relief (NDR EPR) policy was agreed by committee in January 2023 with a budget of £500,000. Amendments to the Policy were agreed in February 2024 when it was decided that any sums remaining at 31 March each year be retained to smooth the variable demand or reinvested to provide support local businesses to occupy vacant properties. Expenditure for 2023/24 was £308,500, with relief being provided in respect of 240 accounts with £94,000 being allocated for business investment and the balance allocated to a smoothing reserve.

3.3 Expenditure for 2023/24 was £308,500, with relief being provided in respect of 240 accounts with £94,000 being allocated for business investment and the balance allocated to a smoothing reserve. Expenditure in 2024/25 at the point of the report being written is £480,500 in respect of 187 accounts. The increased expenditure is principally an allocation of £192,000 for the premises formerly occupied by Amazon which received 100% rates relief until 1st August 2024 followed by relief for the remainder of the year at 10%. Committee is asked to note that there will be no residual balance from the NDR EPR budget in 2024/25 to support business investment in 2025/26. Should this business premises remain empty for the whole of 2025/26, the cost will be £53,960 meaning less pressure on the budget and improving the prospect of funding being available for investment in 2026/27.

#### **3.4 Anti-Poverty Fund – Pension Age Fuel Poverty Payments**

The Inverclyde Pension Age Fuel Poverty Payment of £200, approved by the committee in November 2024, was credited to the Council Tax accounts of more than 1,000 low-income pension age households identified from Council Tax Reduction and Housing Benefit records, who do not qualify for the Government Pension Age Winter Fuel Payment. Furthermore, applications were invited from 195 households exempt from paying Council tax due to all chargeable adults being classed as “Severe Mentally Impaired” (SMI) to assess their entitlement to the Council £200 payment.

3.5 Council tax notices showing the one-off payment were issued before Christmas to those entitled to the Council tax account credit. Notices showed in most cases, a credit balance or a reduction in customers’ instalments for the remainder of the billing year, freeing up household income to meet fuel bills. Customers whose accounts were in credit and who do not owe Council tax in any prior year have received a refund where bank details are held by the service, or a letter to apply for a refund. The service is in the process of assessing completed applications from households exempt from paying Council tax and reminder letters were sent to the billing address or a point of contact address where provided, for those who did not respond. Customers have been informed completed applications will be accepted until 14<sup>th</sup> February 2025.

#### **3.6 Council Tax online services**

The Council tax online system for electronic bills (e.bills) and electronic forms (e.forms) is on target to change from February 2025. E.forms have been operating with customers who contact the customer service centre since early January and current users of the online services will receive an email informing them of the new service. The new e.billing system, planned to be promoted from early February 2025, is more user friendly than the system it replaces therefore improved customer satisfaction and increased uptake are expected. Electronic forms for non-

domestic rates customers will be provided for the first time and are scheduled to be launched by early spring.

### **3.6 Scottish Welfare Fund**

Scottish Welfare Fund (SWF) allocations have not kept pace with inflation. A recent survey showed councils being required to heavily supplement allocations with council resource, with most councils restricting the provision of SWF grants since 2018/19 to those applications which are determined High Priority. The most severe restriction, High Most Compelling (HMC) priority rating can be implemented if there is a risk of running out of funds before the end of the financial year. The Scottish Public Sector Ombudsman (SPSO), the independent reviewer of the SWF, published a report on 19 November 2024 expressing concern about the increasing occurrence of Councils applying the HMC priority rating and the impact on applicants. Inverclyde Council has operated at High Priority since 2021 and has not been required to move to HMC.

3.7 The Scottish Government announced an additional £20 million non-recurring funding for SWF in December 2024 as part of a package of £41 million to support people with energy costs this winter. The council's share of the programme funding allocation is £373,000 and is to be treated as an in-year top-up, involving no additional conditionality for SWF assessments. Councils can carry forward underspends in any financial year to top up the programme fund in future years. The additional programme funding increases the 2024/25 SWF budget to £1.349 million, comprising core allocation, recurring/one-off anti-poverty funding, earmarked reserves plus the £373,000 one off increase in funding. Projected Scottish Welfare Fund expenditure at 31 December 2024 was £634,000, exceeding the core Scottish Government programme funding by 12%.

3.8 The SWF can help with fuel costs for those with pre-payment meters to ensure their energy supply continues. Those who pay by any other method are excluded from the fund because their supply will not be disconnected, even when accounts are in arrears. The majority of approved crisis grant applicants receive assistance with food and fuel costs with the amount of grant provided set at a level sufficient to meet basic needs until the date the applicant's next benefits payment or income is due.

3.9 The SWF is a suitable mechanism to deliver additional one-off support for fuel costs from the additional funding allocation to those in poverty who meet the SWF criteria but cannot access government fuel funds. The SPSO was approached and agrees with the rationale and that it is appropriate avenue for support within the scheme.

### **3.10 Internal Audit- Potential wider shared service**

At the December meeting of the Council elected members supported a small expansion to the number of posts covered under the existing shared arrangement with West Dunbartonshire Council. Recruitment to these posts is progressing. The same report indicated that discussions with a third council were also progressing and that an update would be reported to the Policy & Resources Committee early 2025.

3.11 Officers can advise that following further detailed review by the third council they have decided not to progress any further with this option and as such officers will focus on ensuring the current two council arrangement works as effectively as possible.

## **4.0 PROPOSALS**

4.1 It is proposed to provide a one-off payment of £100 to SWF crisis grant applicants where the applicant is approved for assistance with fuel costs, and they are not eligible for the government Pension Age Winter Fuel Payment or did not receive the Inverclyde Council Pension Age Fuel Poverty Payment. The one-off payment would be paid with the approved SWF award.

- 4.2 It is proposed to introduce the one-off payment to new SWF applicants from 5th February 2025 and if agreed would cost around £20,000 for the period until 31 March 2025 and a further £110,000 if continued throughout 2025/26. The allocation notified on 16 December 2024 provided limited time to introduce a revised policy therefore expenditure in 2024/25 will be low. It is proposed to review the provision later in 2025 in conjunction with the balance of the Anti-Poverty Heating Support fund approved at November 2024 Policy and Resources Committee
- 4.3 A proposed budget saving from April 2025 allows the current SWF policy which tops up grant awards by 20% above the minimum grant level to continue for an estimated three years, met by reserves. Any underspend from the top-up funding will secure a further extension to the policy.
- 4.4 It is proposed that the Committee note that the potential expansion of the two Council Internal Audit Shared Service is not proceeding at this point in time.

## 5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk		X
Human Resources		X
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing	X	
Environmental & Sustainability		X
Data Protection		X

## 5.2 Finance

### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Scottish Welfare Fund	Crisis Grants	2024/25	£20k est		Met from the extra £373k SWF grant in 2024/25. Unused balance added to the SWF EMR.
		2025/26	£110k est		

### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

## 5.3 Legal/Risk

There are no issues arising from this report.

## 5.4 Human Resources

There are no HR issues arising from this report.

## 5.5 Strategic

Supporting some of the most vulnerable via the proposed change to the SWF policy aligns with the Council's strategic priorities.

## 5.6 Equalities, Fairer Scotland Duty & Children/Young People

### (a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

X	YES – Assessed as relevant and an EqIA is required and will be completed prior to the Committee
	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required. Provide any other relevant reasons why an EqIA is not necessary/screening statement.

## 6.0 CONSULTATION

6.1 The employees and Trades Unions have been advised of the updated Internal Audit Shared Service position.

## 7.0 BACKGROUND PAPERS

7.1 None.