STATES OF JERSEY



EXTENSION OF COLD WEATHER BONUS

Lodged au Greffe on 22nd August 2023 by Deputy B.B. de S.V.M. Porée of St. Helier South Earliest date for debate: 12th September 2023

STATES GREFFE

2023 P.64

PROPOSITION

THE STATES are asked to decide whether they are of opinion -

that eligibility for the Cold Weather Bonus, or any similar financial support scheme that is proposed or implemented by the Government, should be extended to include those who are in receipt of 100% Long-Term Incapacity Allowance and to request the Minister for Social Security to take all necessary actions to allow the measures to be implemented by January 2024.

DEPUTY B.B. DE S.V.M. PORÉE OF ST. HELIER SOUTH

REPORT

The Draft Social Security (Bonus) (Jersey) Law 201- (<u>P.82-2014</u>) was debated and adopted by the States Assembly on 20 May 2014 and the law subsequently came into force on 24 October 2014.

Article 4 and the Schedule to the <u>Social Security (Bonus) (Jersey) Law 2014</u> deal with the Cold Weather Bonus. The qualifying conditions for the Cold Weather Bonus (CWB) are set out at point 3 of the Schedule which makes it clear that it is a household that qualifies for the CWB not an individual and that there is only one payment per household. Furthermore, it is specifically aimed at pensioners who do not qualify for Income Support.

CWB is not to be confused with Cold Weather Payments which are available to those on low incomes through Income Support with no household being able to receive both Income Support cold weather payments and CWB.

The aim of this proposition is to extend the qualifying conditions for the CWB to include households where a member of the household is in receipt of Long-Term Incapacity Allowance (LTIA).

LTIA claims are worked out as a percentage of the maximum LTIA rate and awards can be between 5% and 100%. The percentage is equal to the amount of benefit you get so if your percentage is 100% you receive the full benefit rate. LTIA can be applied for if an individual has a long-term illness or an injury that has been on-going for 6 months before a claim is made and it is based on the effects of your illness or injury not on if you can work or your financial circumstances. Additional information regarding LTIA can be found at Long term illness or injury benefit (Long Term Incapacity Allowance).

It is not considered appropriate for CWB to be available for all individuals in receipt of LTIA but only for those in receipt of an award of those in receipt 100% - a higher percentage award obviously reflecting a higher level of incapacity. Incapacity of whatever kind, be it mental or physical, might cause individuals to be reluctant, or even unable, to leave their home. Health issues tend to be exacerbated in colder weather and these vulnerable individuals are more at risk of suffering from general ill health as the winter progresses.

An extract from the report accompanying $\underline{P.84/2022}$ (Draft Cold Weather Bonus and Payments (Miscellaneous Amendments) (Jersey) Regulations 202-) highlights the current cost of living crisis we are facing and which the Regulations were brought in to address –

"As part of the mini-budget (P.80/2022) to assist with the cost of living, the Council of Ministers has decided to set both these benefits at a fixed payment value for this winter (October 2022 to March 2023) – regardless of temperature – for this winter period the value will be set at £70 per month".

The <u>Cold Weather Bonus and Payments (Miscellaneous Amendments)</u> (Jersey) <u>Regulations 2022</u> were in place until April 2023 and the decision was taken to make the payment fixed as opposed to calculating the payment based on the monthly temperature. This change allowed individuals to have certainty in terms of money coming, the benefit

of which cannot be understated. This is perhaps an additional factor that could considered by the Minister for Social Security.

CWB provides an additional payment during the winter months which can assist with any or all of the following –

- payment of heating bills
- defraying the expenses of heating a dwelling
- buying warm clothing
- buying extra bedding

This proposition aims to assist a relatively small number of vulnerable individuals who, through no fault of their own, are struggling. Although this report concentrates on the Cold Weather Bonus (given that it is already in existence), the wording of the proposition allows for the establishment of alternative financial provision or scheme should this be considered a more appropriate option. I urge all members to support this proposition.

Financial and staffing implications

There would be costs incurred in respect of drafting amendments to legislation in addition to the amount required for payment of CWB following the widening of the qualifying conditions. An indication of the increase cost is as follows –

The number of people in receipt of LTIA can be determined from Long Term Incapacity Allowance Statistics - Datasets - Government of Jersey Open Data which is shown by both percentage and ailment (provides totals for 2021). If the CWB was given only those in receipt 100% LTIA then —

- £70 for October/November/December/January/February/March at a fixed rate = £420
- then multiplied by 247 (number of recipients on 100%)
- equating to a total cost of £103,740.