

Cold Weather Payments

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Section Social Policy Section

Cold Weather Payments are made from the Social Fund to certain recipients of Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Pension Credit during periods of very cold weather. To 'trigger' the payments, the average temperature at a specified weather station must be recorded as, or forecast to be, 0°C or below for seven consecutive days.

The payment is a fixed amount for each week of cold weather. From 1995 this was set at £8.50 a week, but on 11 September 2008 the Government announced that as part of its 'energy package' for winter 2008/2009 only Cold Weather Payments would be increased to £25 a week. In September 2009 it was announced that payments would also be made at the higher rate of £25 a week for winter 2009/2010. In 2008-09 8.4 million separate payments were made, at a total cost of £210 million. As a result of the recent prolonged spell of cold weather, over £260 million has been committed to the scheme so far this winter.

Payments should be made automatically to all those entitled to them and there is no need for an individual to make a claim. People who think they may be entitled but do not receive a payment should contact the Pension, Disability and Carers Service, or Jobcentre Plus.

The current system of Cold Weather Payments was introduced in 1986 and is entirely separate from both the Winter Fuel Payments scheme and the annual 'Christmas Bonus' paid to pensioners and claimants of certain other benefits. This note describes the current rules governing Cold Weather Payments and outlines changes made to the scheme over recent years. It gives details of the scheme in Great Britain. The rules governing the separate but equivalent scheme in Northern Ireland can be found in *The Social Fund (Cold Weather Payments) (General) Regulations (Northern Ireland)* 1988 (SR 1988/368).

The Library Social and General Statistics Section receives daily reports throughout the winter from the Department for Work and Pensions on which areas have 'triggered' Cold Weather Payments. The Directgov website also has a <u>search facility</u> which people can use to check if their postcode is in an area where payments have been triggered.

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1 The current system

Payments are made from the Social Fund to certain recipients of certain means-tested benefits during periods of cold weather. A period of cold weather is defined as seven consecutive days in which the average mean daily temperature is 0°C or less. Payments can be 'triggered' by actual temperatures recorded during the previous seven days falling below this threshold, or if temperatures are forecast to do so by the Meteorological Office for the day of the forecast and six days hence.

Temperatures are monitored by the Meteorological Office on behalf of the Department for Work and Pensions on a daily basis at a series of weather stations. These cover the whole country, each station being designated for a number of postcode areas. Benefit claimants' home addresses and associated postcodes are used to determine whether the area in which they live has triggered a Cold Weather Payment. The relevant weather stations for different postcodes are set out in the *Social Fund Cold Weather Payments (General) Regulations* 1988.¹

A person is eligible for a Cold Weather Payment if

- they or their partner are receiving Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance (in the assessment phase²) for at least one day in the period of cold weather **and**:
 - o they have a dependent child aged under five; or
 - o they are in receipt of a pensioner, disability, severe disability or disabled child premium; or
 - o they are entitled to Child Tax Credit for a child or qualifying young person who is disabled or severely disabled; **or**
- they or their partner are receiving Pension Credit or income-related Employment and Support Allowance (main phase).

People who live in residential or nursing care and who receive a residential allowance are not however entitled to Cold Weather Payments.³

¹ Schedule 1 SI 1988/1724 as amended

The assessment phase lasts for the first 13 weeks of a claim for ESA; thereafter, claimants enter the 'main phase'

The payment is a fixed amount for each week of cold weather. For many years this has been £8.50 a week, but on 11 September 2008 the Government announced that as part of its 'energy package' for winter 2008/2009 only Cold Weather Payments would be increased to £25 a week.⁴ On 28 September 2009 the Secretary of State for Work and Pensions announced that payments would also be made at the higher rate of £25 a week for winter 2009/2010.⁵

Payments should be made automatically to all those who are entitled to them and there is no need for an individual to make a claim. When Cold Weather Payments are 'triggered', it normally takes three working days for payment to be made into the accounts of eligible benefit claimants.⁶

DWP guidance has in the past stated that district managers are responsible for publicising periods of cold weather in their area. It suggested that, to ensure benefit recipients are aware they will receive a payment, managers should consider placing advertisements in local newspapers, radio broadcasts, and distributing posters and leaflets to 'suitable outlets' such as health centres, GPs' surgeries, welfare organisations and advice bureaux.⁸

A <u>DWP factsheet</u> issued on 6 January 2010 which gives background information on the Cold Weather Payments scheme, including FAQs, is available at the Rightsnet website.

The Directgov website now has a <u>search facility</u> which people can use to check if their postcode is in an area where payments have been triggered.

People who think they may be entitled but do not receive a payment should contact the Pension, Disability and Carers Service, or Jobcentre Plus.

Cold Weather Payments are entirely separate from, and may be paid in addition to, the Winter Fuel Payment which is made each year to people aged 60 and over.

Cold Weather Payments are also separate from the Christmas Bonus which is paid automatically each year to pensioners and to claimants of certain other non-means-tested benefits for people of working age. This has been paid at the same rate - £10 – since the 1970s, but for winter 2008/2009 only all those eligible for the Christmas Bonus received an additional one-off payment of £60 in recognition of the problems faced by vulnerable groups and people on fixed incomes as a result of the economic downturn. The additional payment was not repeated for winter 2009/2010. Some people who received the £60 payment last winter may have been under the impression that it was a Cold Weather Payment, and may therefore be puzzled as to why they have not received an additional amount this year following the recent cold spell.

³ Regulation 1A SI 1988/1724

See Defra press notice 300/08, <u>'Save money, Save Energy: government takes action on family fuel bills'</u>, 11 September 2008. More detailed information on the 'energy package' is given in the HM Government briefing note, <u>Home Energy Saving Programme: Helping Households to Save Money, Save Energy</u>, at the 10 Downing Street website

⁵ DWP press notice, Extra help for those who need it most - Cooper, 28 September 2009

HC Deb 11 January 2010 c651w For the small number of benefit claimants whose claims are maintained clerically, payment takes slightly longer, however.

Cold Weather Payments handbook, November 1993 edition, para 3001

³ *Ibid.* para 3002

For further details see Library standard note SN/SP/632, <u>The Christmas Bonus and the associated £60 one-off payment for 2008-09</u>, 13 January 2009

2 Development of the system

The system of cold weather payments has it origin in December 1986 when the previous system of payments based on local office discretion was replaced. The scheme was broadly the same as the present one, with the following exceptions:

- It used a fixed Monday to Sunday qualifying period;
- The 'trigger' temperature was -1.5° C; and
- A claim had to be made for each cold weather period.¹¹

The groups qualifying were householders in receipt of Supplementary Benefit who were over 65 years of age, had children under two or were sick/disabled. Payments were subject to a capital rule of £500.

In January 1987, during a period of very cold weather, the Government announced that payments would be made to all eligible people, regardless of whether or not their area had triggered. 12 Also, during 1987 the trigger temperature was raised from -1.5° C to 0° C.

In October 1988, Cold Weather Payments were incorporated into the new Social Fund scheme. The following changes were also made:

- The qualifying period was changed to any seven consecutive days of cold weather (averaging 0° C or less);
- People over 60 years of age became eligible because of the link to the Income Support pensioner premium; and
- Help was extended to claimants with children under five years of age.

In 1990 the capital limit was raised from £500 to £1,000 for people over 60 years. 13

In 1991, again during a period of sustained cold weather, John Major announced that as an exception, payments would be made to all eligible people regardless of their area and the payment was increased from £5 to £6.

In November 1991, further changes were made to the system: 15

- The payments became automatic;
- The capital rule was abolished; and
- Forecast periods were introduced.

Forecast periods were introduced because of concerns that people might be disinclined to incur additional heating costs if there was uncertainty about whether a period of cold weather would be long enough or cold enough to trigger entitlement.¹⁶

Details of the pre-1986 arrangements can be found in Library Research Note 217, Supplementary Benefit – Exceptionally Severe Weather Payments, 29 January 1985

¹¹ The Supplementary Benefit (Single Payments) (Amendment) Regulations SI 1986/1961

¹² HC Deb 20 January 1987 c747

¹³ HC Deb 19 December 1989 c 176w

¹⁴ HC Deb 7 February 1991 cc 408-409

¹⁵ HC Deb 14 June 1991 cc 696-697w

From November 1994, payments were increased from £6 to £7 as part of the compensation package to take account of the introduction of VAT on domestic fuel.¹⁷

In November 1995, payments were increased from £7 to £8.50.18

In a written answer on 24 October 1994 the then Government stated that it had no plans to link the Cold Weather Payment to the Retail Price Index (RPI) because it was intended to complement day to day expenses met through Income Support.¹⁹

However, as noted above for winter 2008/2009 the payment was increased to £25, and the higher rate has been maintained for winter 2009/2010.

Following criticisms of the scheme in the severe winter of 1995/1996, the then Department for Social Security undertook a comprehensive review of the Cold Weather Payments system²⁰, which resulted in the increase in the number of weather stations to 70 in November 1996.²¹ Others have been added since, whilst some closures have been replaced.

Since the introduction of the scheme, various changes to the postcode areas and linked weather stations have been made in an attempt to reduce inconsistencies in the scheme.

There are currently 85 weather stations throughout Great Britain used to monitor daily temperatures for the system of Cold Weather Payments. Each covers an area defined in terms of postcodes and these are used to assign claimants to a particular weather station (see below).

There are some fairly complicated rules about payments where there are overlapping periods of cold weather. Basically the rule is that if a day has been used once in a calculated period of cold weather it cannot be used again. Thus, if a week of cold weather is recorded ending on a particular day a second payment cannot be awarded until a further complete week had passed, even if the intervening days have 'triggered'.²²

3 Payments and expenditure

The following PQ²³ shows the number of payments made and total expenditure in each year since 1988-89. It is important to note that the number of payments is not the same as the number of households receiving assistance, since some households will have received more than one payment in each year.

Chris Grayling: To ask the Secretary of State for Work and Pensions how many people received cold weather payments in each year since 1988 for which information is available; how many payments were made, broken down by level; and how much was spent in each such year. [226200]

Kitty Ussher: The available information is in the following table.

HC Deb 24 October 1994 c 430w

¹⁶ *Ibid.* c 697w

¹⁸ HC Deb 30 November 1994 c 1205

¹⁹ HC Deb 24 October 1994 c 430w

²⁰ Meteorological Office, Recommendations by the Met Office for the summer 1996 review of the cold weather payments scheme prepared for the Department of Social Security, August 1996

²¹ HC Deb 14 October 1996 cc 775-776w

The rules on overlapping periods are described in greater detail in Vol 7 paras 39700-39714 of the DWP *Decision Maker's Guide*. This is available online at: http://www.dwp.gov.uk/publications/dwp/dmg/index.asp

	Number of cold weather payments (Thousand)	Total amount spent (£ million)	
1988-89	0.5	0.003	
1989-90	n/a	0.4	
1990-91	n/a	9.3	
1991-92	3,827	23.0	
1992-93	2,503	15.0	
1993-94	2,064	12.4	
1994-95	11	0.1	
1995-96	7,252	61.6	
1996-97	4,964	42.2	
1997-98	55	0.5	
1998-99	26	0.2	
1999-00	114	1.0	
2000-01	3,535	30.0	
2001-02	1,804	15.3	
2002-03	1,675	14.2	
2003-04	418	3.5	
2004-05	213	1.8	
2005-06	988	8.4	
2006-07	402	3.4	
2007-08	472	4.0	
n/a natavailah	n/a – not available		

n/a = not available

Notes:

Figures are for payments triggered in the relevant financial year.
There was a single level of payment each year, except in 1990-91 when the

²³ HC Deb 12 November 2008 cc1255-1256w

level of payment was increased during the year. A breakdown of the number of payments for that year by level is not available.

- 3. Some people were made more than one payment in some years.
- 4. Numbers of payments made are rounded to the nearest 1,000, except for 1988-89 where the number of payments is rounded to the nearest 100. Amounts spent are rounded to the nearest £0.1 million, except for 1988-89 where the amount spent is rounded to the nearest £1,000.
- 5. Data are not available on the numbers of payments received (as opposed to made) or on the numbers of people who received payments. However, the vast majority of payments are now made direct into bank accounts.

Source: Annual reports by the Secretary of State for Social Security/Work and Pensions on the Social Fund.

Although the rules of the scheme and weekly payment rates have changed over the years, the main factor determining the number of payments and total expenditure over most of the period covered by the table above has been the severity of the winter.

The increase in the weekly rate to £25 for winter 2008/2009 led however to a significant increase in expenditure on Cold Weather Payments. In 2008-09, there were 8.4 million awards of Cold Weather Payments and expenditure totalled £210 million. For the current winter (2009/2010), approximately £261 million had been committed to the scheme at 12 January 2010.²⁴ This figure could rise further if the cold weather experienced in December 2009 and January 2010 were to return.

4 Current Government policy

The Department for Work and Pensions reviews the system of Cold Weather Payments each year, concentrating in particular on the linkage between postcodes and weather stations. In announcing the results of the 1997 review, John Denham, the then Social Security Minister, stated the Labour Government's policy on help with extra costs incurred during cold weather:

Mr. Hill: To ask the Secretary of State for Social Security when she expects to announce the outcome of the annual review of the cold weather payments and if she will make a statement.

Mr. Denham: The annual review has taken place against a backdrop of successful Government moves to cut fuel costs and a wide-ranging programme to make homes easier to heat. The Government are determined to tackle the problems associated with vulnerable people keeping warm during cold weather. Action will go well beyond the scope of cold weather payments.

Fuel costs for many of the poorest claimants are falling. Annual fuel bills for people eligible for CWPs are estimated to be £60 million less this year than last. This fall itself is equivalent to nearly three CWPS. Last year eligible people received an average of two payments.

This winter, fuel bills will fall due to the Chancellor of the Exchequer's reduction in VAT on fuel bills from eight to 5 per cent. removal of the gas levy; and recent reductions in the cost of fuel and light.

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²⁴ HC Deb 18 January 2010 c58w

Help with energy efficiency grants will continue for householders on low income benefits, disability allowances, or who are aged 60 or over. A further 400,000 vulnerable households will receive help this year. The grants have been extended to cover two new main measures-cavity wall insulation and upgrading of heating system controls.

The environmental task force element of the Government's welfare-to-work new deal is now taking shape. It is expected to include a programme of energy efficiency improvements in homes of the elderly.²⁵

In the same statement, John Denham announced that the Government would not be incorporating a 'wind chill factor' into the Cold Weather Payments system or radically changing the postcode system and associated review arrangements. The arguments for and against incorporating a wind chill factor into the scheme are summarised in Library Research Paper 97/3, *Cold Weather Payments (Wind Chill Factor) Bill (Bill 20 1996/97).* Since 1997 there have been a number of unsuccessful attempts to introduce Private Members' Bills to incorporate wind chill into the Cold Weather Payments scheme. The Government's position is set out in the following written answer from March 1999:

Mrs. Ewing: To ask the Secretary of State for Social Security what discussions he has had with the Meteorological Office concerning its proposals to pilot a study of weather stations in Scotland to take account of the wind chill factor in the assessment of cold weather payments; how much such a scheme would cost; and what plans he has to initiate such a scheme. [76146]

Angela Eagle: No discussions have taken place with the Meteorological Office on such a pilot. Nor is it possible to estimate the cost of introducing into the current scheme an allowance for the effects of wind speed because no trigger criterion exists combining it with external air temperature.

A number of formulae are used to calculate the combined effects of air temperature and wind speed on the human body when in the open air (commonly referred to as "windchill"). However, the Building Research Establishment advises that these are not appropriate when assessing heat loss from buildings, because different heat transfer mechanisms apply.

We are committed to tackling the problems associated with vulnerable people keeping warm and have already introduced numerous substantial measures to meet this objective. The most recent ones were announced in the Budget and will provide extra help for pensioners and young children in low income families. They include increasing the level of Winter Fuel Payments for pensioner households to £100 from next Winter and a substantial increase in the rates of benefit payable in income-related benefits for children under the age of eleven. The Welfare Reform and Pensions Bill proposals will also provide extra help for those in greatest need who have a long-term illness or are disabled.

Taking into account all the measures already introduced we do not believe that amending the Cold Weather Payment scheme would be the most effective way to get help to those who need it most. ²⁸

²⁵ HC Deb 30 October 1997 cc 855-6W

²⁶ 13 January 1997

²⁷ See for example HC Deb 23 January 1998 cc 1308-1322; 1310-1324

²⁸ HC Deb 15 March 1999 c 486w

A written answer on 14 January 2010 confirmed that the Government had no plans to change the Cold Weather Payments rules to take account of wind chill.²⁹

On 19 October 2005 Brian Iddon tabled an Early Day Motion calling upon the Government to extend the Winter Fuel Payment to non-pensioner households qualifying for Cold Weather Payments, in the light of recent increases in energy prices:

WINTER FUEL PAYMENTS AND VULNERABLE HOUSEHOLDS

That this House acknowledges the success of the Government's winter fuel payments scheme in providing reassurance to older households that high winter fuel bills will be more manageable; recognises that other low-income families and individuals face equal difficulty in meeting winter fuel costs as energy prices have increased by over 0 per cent. since 2003; considers that extending entitlement to winter fuel payments o those non-pensioner households qualifying for cold weather payments would greatly assist some of the most vulnerable households in the country; and calls upon he Government to consider widening the eligibility for winter fuel payments to these families and individuals and linking them to energy efficiency assistance to overcome the burden of winter fuel bills. ³⁰

The EDM attracted 77 signatures.

Alan Simpson also tabled an EDM on 8 June 2006:

FINANCIAL HELP WITH WINTER HEATING

That this House is aware that cold weather payments, which are intended to help the poorest and most vulnerable families with their heating costs, have not increased in value since 1995; believes that at a time of unaffordable gas and electricity prices and consequent significant rises in number of fuel-poor households the cold weather payment of £8.50 should be doubled; further recognises that the intermittent nature of the cold weather payment is not a rational approach to heating subsidies; and calls on the Government to extend winter fuel payments to those currently eligible for a cold weather payment on grounds of disability or chronic ill health or responsibility for a young child, as an interim measure prior to initiating a serious debate on how the social security system can be reformed to provide regular assistance with heating costs to vulnerable fuel-poor households.³¹

The EDM attracted 55 signatures.

The Government's announced various measures to help domestic energy users in its 'energy package' on 11 September 2008. Information can be found in Defra press notice 300/08, 'Save money, Save Energy: government takes action on family fuel bills'.

More detailed information is given in the HM Government briefing note, <u>Home Energy Saving Programme: Helping Households to Save Money</u>, Save Energy, which is at the 10 Downing Street website here:

In addition to the one-off increase in Cold Weather Payments for winter 2008/2009 to £25 (subsequently repeated in 2009/2010), the 'package' comprised both a commitment from energy companies to spend additional amounts on programmes to help households with

²⁹ HC Deb 14 January 2010 c1109w

³⁰ EDM 809 2005-06

³¹ EDM 2327 2005-06

energy costs, and additional Government money. Further information is given in Library Standard Note SN/SC/4873, <u>Support for domestic energy users</u>.

In a written answer on 18 January 2010 the Government said that it had 'no current plans to increase the level of cold weather payments or extend the eligibility criteria.'32

5 Postcodes and weather stations

Cold Weather Payments are made to eligible benefit claimants who live in the postcode districts linked to weather stations which have recorded or forecast periods of cold weather lasting for seven consecutive days.³³ The weather stations used and their associated postcodes are given in Schedule 1 of *The Social Fund Cold Weather Payments (General) Regulations 1988.*³⁴

The current list of weather stations with their associated postcodes is given in the Schedule to the <u>Social Fund Cold Weather Payments (General) Amendment Regulations 2009</u>.³⁵

The postcode to weather station linkages are reviewed annually and changes are made each year prior to winter. Changes have been made to the scheme on a number of occasions in response to representations from Members. The most recent announcement was on 22 October 2009:

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): I am pleased to announce that, following advice from the Meteorological Office, the annual review of the Cold Weather Payments scheme has now been completed. Amending regulations were laid on 5 October and will come into force on 1 November 2009, in time for the beginning of the winter period.

For winter 2009-10 nine new weather stations will be included as part of the scheme. Consequently, some postcodes from existing weather stations for winter 2008-09 will be redistributed and assigned to the following weather stations: Fylingdales, Gravesend, Leek, Little Rissington, North Wyke, Sheffield, St Bees Head, Stonyhurst, and Strathallan.

The alternative weather stations have been chosen to provide weather station to postcode linkages that are at least as representative as the previous arrangements—the changes are expected to either have a neutral effect or indeed provide a more accurate assessment for those eligible.

I am writing separately to each Member whose constituency will be affected by these changes. I am also writing to each Member who made representations last winter to inform them of the advice from the Meteorological Office.

The amending regulations also provide for the rate of a Cold Weather Payment to remain at £25.00 for winter of 2009-10.

Cold Weather Payments are separate from, and in addition to, Winter Fuel Payments which are paid to eligible people from age 60.³⁶

³² HC Deb 18 January 2010 c58w

There are also provisions which allow data from specified alternative stations, or the nearest alternative station, to be used if data from the primary station is not available. See Regulations 1 and 2, and Schedule 2 of SI 1988/1724

³⁴ SI 1988/1724 as amended

³⁵ SI 2009/2649

³⁶ HC Deb 22 October 2009 cc78-80WS

The <u>Social Fund Cold Weather Payments (General) Amendment Regulations 2009</u> put these changes into effect.