
Report To:	Policy & Resources Committee	Date:	16 September 2025
Report By:	Corporate Director Education, Communities & Organisational Development	Report No:	PR/18/25/LR
Contact Officer:	Lesley Robertson	Contact No:	01475 712703
Subject:	Commissioning of Advice Direct Scotland for the Administration of Distribution of a Heating Support Fund		

1.0 PURPOSE AND SUMMARY

- 1.1 ☒ For Decision ☐ For Information/Noting
- 1.2 The purpose of this report is to seek approval for Inverclyde Council to commission Advice Direct Scotland (ADS) to deliver a Heating Support Fund to eligible working-age residents at risk of fuel poverty during winter 2025/26.
- 1.3 Following Committee approval of a £600,000 Heating Support Fund in November 2024, a working-age fuel support scheme has been developed with a proposed allocation of £382,200 for winter 2025/26. This proposal builds on previous pension-age support and targets a significant service gap for working-age households facing fuel hardship
- 1.4 It is proposed that Advice Direct Scotland manage the distribution of the fund, using their grant administration expertise and established infrastructure to deliver cash-first assistance to qualifying residents efficiently and securely.

2.0 RECOMMENDATIONS

- 2.1 Approve the commissioning of Advice Direct Scotland to deliver The Working Age Winter Fuel Support Scheme 2025/26.
- 2.2 Agree the allocation of £382,200 from the Heating Support Fund to ADS, which includes a direct award of £33,160 to ADS to administer the fund.
- 2.3 Instruct officers to implement the delivery model and monitoring mechanisms and to provide an interim expenditure report within 3 months of the fund launch. It is recommended that the scheme is closed to new applicants if, or when the fund is exhausted.
- 2.4 It is recommended that the Committee approve the proposal to withdraw the supplementary £100 Scottish Welfare Fund fuel cost crisis grant payment, coinciding with the launch of The Working Age Winter Fuel Support Scheme 2025/26.

Ruth Binks
Corporate Director

3.0 BACKGROUND AND CONTEXT

- 3.1 Fuel poverty remains a significant challenge in Inverclyde, exacerbated by rising energy costs, inflationary pressures, and the cost-of-living crisis. Many households, particularly those in low-income working-age groups face difficulties in affording adequate heating. While Inverclyde Council has successfully supported low-income pension-age households through dedicated winter payments, a service gap has persisted for working-age households who do not qualify for similar national support schemes such as the Winter Fuel Payment.
- 3.2 National research and local insight from Inverclyde's Anti-Poverty Partnership and HSCP Advice Services indicate a growing concern around energy affordability, debt, and energy supplier inaccessibility. These issues have been compounded by wider socioeconomic pressures, leaving many residents vulnerable to cold homes, disconnection, and negative health outcomes.
- 3.3 In response to these challenges, the Policy and Resources Committee approved the creation of a £600,000 Heating Support Fund in November 2024, funded from the Anti-Poverty Earmarked Reserve. This fund aims to deliver targeted assistance to residents most at risk of fuel poverty and financial hardship. Informed by the learning from the 2024/25 pension-age scheme which disbursed £217,800, the Council has developed a proposal to allocate £382,200 of this fund to support around 2,500 working-age households during winter 2025/26.
- 3.4 The Council's approach supports a wider strategic ambition to promote financial inclusion, reduce inequality, and deliver crisis mitigation through efficient and compassionate interventions. Commissioning an experienced national partner to administer the scheme allows for a streamlined delivery model with secure payments, data insights, and access to specialist advice services.
- 3.5 A key feature of this model is the 'cash-first' approach, paid directly to applicants' bank accounts which aims to preserve dignity and flexibility for recipients. Where appropriate, applicants will also be offered a utility credit alternative or a hybrid model.
- 3.6 Applications will be accessible through multiple channels, including an online portal, by telephone, paper forms, and referrals from trusted partners such as HSCP Advice Services, East Renfrewshire Citizens Advice Bureau, and local support organisations. Advice Direct Scotland will manage application processing, eligibility checking, payments, and reporting.
- 3.7 A robust monitoring and evaluation framework will be embedded, tracking distribution metrics, user demographics, outcomes, and referral uptake. Feedback surveys will be used to assess applicant experience and inform future improvements. Anonymised data will support ongoing poverty profiling in Inverclyde.
- 3.8 The delivery cost is capped at 9.5% of the scheme value (£33,160). This represents value for money and enables high-quality delivery while retaining a significant share of funds for direct payments to households in need.
- 3.9 A one-off fuel cost supplementary payment of £100 for new Scottish Welfare Fund crisis grant applicants has been provided since 5th February 2025. The decision to make the supplementary payment was made based on the policy being reviewed later in 2025/26 with a proposal for the balance of the Anti-Poverty Heating Support fund. The Working Age Winter Fuel Support Scheme 2025/26 helps a wider group of low-income households, which if agreed, officers recommend that the Scottish Welfare Fund supplement is withdrawn.

4.0 PROPOSALS

- 4.1 It is proposed that Advice Direct Scotland (ADS) be commissioned to deliver The Working Age Winter Fuel Support Scheme 2025/26. ADS has extensive experience in delivering energy and crisis support at scale, with a proven track record in grant administration, case management, and direct engagement with energy providers
- 4.2 The proposed eligibility criteria are as follows:
- Resident of Inverclyde
 - Under state pension age
 - Responsible for paying household fuel bill
 - Have a gross annual household income under £27,000
 - Be a care experienced young person with a gross annual income under £32,000

Applicants must also meet one of the following criteria:

- Household includes a child(ren) aged under 5
- Household includes a disabled person or someone with long-term health conditions, evidenced by the award of a non-means tested disability related benefit, such as, Adult Disability Payment or Child Disability Payment.
- Applicants are a carer (formal or informal). Evidenced by a self-declaration of who they care for and the help they give with evidence of Carer Support Payment or Attendance Allowance received by the person for whom care is provided or evidenced by a specified professional or by an agreed support agency.
- Applicant is aged 16–24 and living independently
- Has been assessed as living in exceptional circumstances and approved for the grant by HSCP Inverclyde Advice Service or by a Trusted Partner approved by HSCP Inverclyde for the specific purpose of endorsing applications for the Inverclyde Working Age Winter Fuel Support Scheme 2025-26.

- 4.3 It is proposed to provide a level of support according to household composition:
- £100 for single-adult households
 - £150 for households with two or more adults
 - £200 for households with dependent children.

The support will be provided as a one-off payment, with each qualifying household eligible to receive no more than one payment.

- 4.4 If Committee agree the proposed Working Age Winter Heating Support Fund 2025/26, it is proposed to simultaneously withdraw the £100 Scottish Welfare Fund fuel cost crisis grant supplement.
- 4.5 If agreed, Officers will provide Committee with an interim report on expenditure within 3 months of the fund launch, which may recommend amendments to the qualifying criteria if the scheme is over or under subscribed. In the event of the fund being exhausted before the timing of the report, Officers propose closing the scheme to new applicants.

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		
Data Protection	X	

5.2 Finance

£382.2k from Anti-Poverty Fund. Delivery cost = £33,140 (9.5%)

As a result of this proposal, the proposal to terminate the £100 fuel supplement will mean that an additional £15K remains within the Scottish Welfare Fund programme fund and can be allocated to other priorities.

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Anti-Poverty EMR	Other Expenditure	2025/26	£382,200		£33.2k delivery cost with up to £349k of grants.

Annually Recurring Costs/ (Savings)

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

5.3 Legal/Risk

The risk associated with the payment of grant funds will be mitigated through a combination of robust financial controls and contractual safeguards. Payments will be released on a staged basis, thereby reducing the risk to the Council. In addition, the contract will include a specific clause protecting the Council in the event of an insolvency or similar occurrence, ensuring that any unspent or recoverable grant funds are returned to the Council.

5.4 Human Resources

There are no HR implications arising from this report

5.5 Strategic

Aligns with Anti-Poverty and Council Plan

5.6 Equalities, Fairer Scotland Duty & Children/Young People

Targeted support for high-risk groups

(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.
	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 Consultation has been undertaken with the following

- Corporate Management Team
- HSCP Advice Services
- Anti-Poverty Officer Governance Group

7.0 BACKGROUND PAPERS

- 7.1
- Inverclyde Fuel Support Proposal
 - Anti-Poverty Fund – Fuel Poverty Payments Proposal
 - CMT – Advice Direct Scotland March 2025 Report