



Department  
for Work &  
Pensions

# Social Fund Cold Weather Payment Estimates for Great Britain, 2017-18

Background and Methodology

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Published 10 January 2018

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## Description of the CWP scheme

The Social Fund Cold Weather Payments scheme provides help to individuals on benefits who are the most vulnerable to the cold: older people in receipt of Pension Credit and disabled adults, families with a disabled child or families with a child under 5, who are in receipt of one of the following benefits: income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Income Support or Universal Credit.

The scheme runs from 1 November to 31 March each year. This period is referred to as the Cold Weather Payment season. During this period, the daily average temperatures are measured by the Met Office at a network of 94 weather stations across Great Britain. Each residential postcode area in the country is linked to one of these weather stations. A payment of £25 is automatically made to those eligible in the coverage area of each weather station when the average temperature has been recorded as, or is forecast to be, 0 degrees Celsius or below over seven consecutive days.

## How Cold Weather Payments are determined

1. The Cold Weather Payment scheme is the responsibility of the Department for Work and Pensions (DWP), supported by the Met Office.
2. The scheme links postcode districts to weather stations that report to the Met Office on a daily basis. The Met Office takes account of topography, the extent of built-up areas and the distance from available weather stations. Each postcode district is assigned to a weather station with the most similar climate in terms of 1981-2010 average winter temperature.
3. The final postcode listings are agreed by DWP and this postcode to weather station mapping will be used throughout the Cold Weather Payment season and will not be reviewed further until the following year.
4. Every day, throughout the Cold Weather Payment season, the Met Office records the average daily temperature from each of the 94 Weather Stations. The Met Office then uses the daily averages from the previous 7 days to produce a single 7 day average covering the last 7 days. They also forecast what the 7 day average will be over the next 7 days.
5. DWP uses this information to determine whether any weather stations have "triggered" for a Cold Weather Payment. This will be the case if the recorded or forecasted 7 day average temperature is 0°C or below and there are no overlapping periods for which a Cold Weather Payment has already been made.
6. In a case of a trigger, information on the location of that trigger is entered into the relevant benefit systems. A payment of £25 will be automatically issued to any eligible person living in the area covered by that weather station. The payment will be received by the recipient within 14 days.

## What this statistical release provides

This statistical release provides estimates of the numbers of individuals eligible for Cold Weather Payments in Great Britain in 2017-18 as well as weekly updates on the estimated volumes and expenditure of Cold Weather Payments made throughout the season.

These estimates are based on eligible individuals in receipt of Pension Credit, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Income Support and their equivalent under Universal Credit. The main spreadsheet accompanying this document (CWP Estimates – 2017-18 Main) contains the following tables:

- **Table 1:** Estimated Cold Weather Payments in Great Britain since 1 November 2017 – Estimates of the volume of payments and expenditure made in Great Britain since the start of the season, split by country and receipt of Pension Credit.
- **Table 2:** Estimated Weekly and Monthly Cold Weather Payments made in Great Britain since 1 November 2017 – Estimates of the volume of payments and expenditure made in Great Britain, split by month and week that payments were triggered.
- **Table 3:** Estimated Cold Weather Payments by Weather Station since 1 November 2017 – Estimates of the number of payments and expenditure made in each weather station area

This spreadsheet will be updated on a weekly basis throughout the 2017-18 Cold Weather Payment season. The first publication will be on the 6 December 2017 and the last on 4 April 2018, with a two week break over Christmas and the New Year. A full timetable for the release is given in Table 2 of the main spreadsheet.

The geography spreadsheet also accompanying this document (CWP Estimates – 2017-18 Geography) provides details of the weather stations used in 2017-18 and their coverage areas.

## How these estimates are calculated

DWP does not collect regular information on the exact number of Cold Weather Payments made throughout the winter due to the time and cost that would be involved in tracking this. We instead produce weekly estimates of the number of Cold Weather Payments made based on report triggers and an estimate of the number of eligible recipients made at the start of the season.

## **Estimation of Eligible Recipients**

A count of the number of recipients\* eligible for Cold Weather Payments in receipt of one of the qualifying benefits JSA, ESA, Income Support or Pension Credit was made on the 28<sup>th</sup> October 2017. These figures were produced by weather station area and qualifying benefit.

The number of eligible recipients will change on a daily basis as the personal circumstances of those eligible change. The average change over the winter in the number of eligible individuals is estimated using the forecast volume of claimants for each qualifying benefit between November 2017 and April 2018. This is used to adjust the count made on 28<sup>th</sup> October 2017 for expected seasonal and economic changes during the current Cold Weather period.

For the working age benefits, this adjustment is based on forecasts which exclude the impact of further Universal Credit (UC) roll-out on the volume of legacy benefit claimants. This allows the impact of eligible individuals starting a UC claim in the Cold Weather period, who would have previously qualified through legacy benefits, to be included in the adjustment. Those eligible individuals on UC prior to the 28<sup>th</sup> October are not captured in these estimates. In addition, any individuals entitled to CWP under UC who were not entitled under legacy are not included.

For Pension Credit, actual forecasts for the volume of claimants are used for the adjustment.

## **Estimation of Payments and Expenditure**

The eligible recipient figures are used throughout the season to estimate payment volumes and expenditure based on reported triggers in each weather station area:

- The number of payments in a given weather station area are estimated by multiplying the number of estimated eligible recipients in that area by the number of triggers recorded in that area.
- As the award amount is fixed at £25, the amount of expenditure on Cold Weather Payments is estimated as the number of estimated payments multiplied by £25.
- Totals for Great Britain are calculated by summing up the estimates for each individual weather station.

## **Estimation of figures for England, Scotland and Wales**

The estimates of the numbers of eligible CWP recipients in 2017/18 are produced as totals for each weather station area. There are a number of weather station areas that cross the England/Scotland or England/Wales borders. We do not know the exact country of residence of Cold Weather Payment recipients in these weather station areas.

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\* The number of eligible recipients is not necessarily the total number of individuals benefitting from a Cold Weather Payment. Any individuals making a joint claim for one of the qualifying benefits, such as a couple living together, will receive one payment overall rather than one each.

The number of recipients in each country has therefore been estimated using the postcode information for those on CWP-eligible benefits in 2016/17 from the DWP National Benefits Database to determine the proportion of the benefit caseload in each country in these weather station areas.

### Triggers

The information about the number and location triggers given in the estimates is exact.

## Comparison of estimates and actuals

Exact figures on the amount paid out in each financial year are available in the Social Fund White Paper Accounts and DWP budget information published after the end of the financial year.

Table 1 shows the estimated Cold Weather Payment expenditure reported during the season and the actual expenditure reported in the Social Fund White Paper Accounts between 2012/13 and 2016/17.

**Table 1: Cold Weather Payment Expenditure estimated and actual, 2012-13 to 2016-17<sup>†</sup>**

Year	Estimated Expenditure	Actual Expenditure	Difference
2012-13	£146.1m	£141.7m	£4.4m
2013-14	£0.03m	£8.4m	-£8.4m
2014-15	£10.6m	£11.0m	-£0.4m
2015-16	£3.9m	£3.9m	£0.0m
2016-17	£3.3m	£3.1m	£0.2m

In Table 1 the larger discrepancies between estimated and actual expenditure in 2012-13 and 2013-14 are due to differences in the timings used to record the payments. The estimated figures are produced based on the date the payments are triggered whilst the exact expenditure is based on when the payment was made. These dates can differ by up to 14 days. If triggers are reported in late March, this means the payments may not be made until the following financial year. In 2013-14, only one trigger was recorded between 1 November 2013 and 31 March 2014, resulting in estimated expenditure of £0.03m. The £8m expenditure recorded as the actual figure relates to triggers that were recorded in late March 2013 but not paid until April 2013.

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<sup>†</sup> Estimated expenditure taken from the Social Fund annual reports, actual expenditure taken from the Social Fund White Paper Accounts.

## Universal Credit

Our estimates of the eligible population implicitly include individuals on Universal Credit (UC) after 28 October 2017 through the use of the counter-factual forecast adjustment.

However the estimates do not include:

- Individuals who were in receipt of UC and eligible for CWP before 28 October 2017.
- Individuals who begin receiving UC between November 2017 and April 2018 who are eligible under UC, but who would not have been previously under legacy.

At this time, the impact of not including these two groups is not expected to have a substantial impact on the overall accuracy of our estimates.

In future years, however, we will consider how best they can be included.

## Further Information

### **Cold Weather Payment Scheme and Estimates**

Information about the Cold Weather Payment, including eligibility criteria, is available on the gov.uk Cold Weather Payment pages:

- <https://www.gov.uk/cold-weather-payment>

A tool to check if you are due a payment is available:

- <https://coldweatherpayments.dwp.gov.uk>

Estimated Cold Weather Payment estimates for previous years can be found on gov.uk:

<https://www.gov.uk/government/statistics/cold-weather-payment-statistics-2016-to-2017>

These figures and further detail about the Cold Weather Payment scheme are also available in the Annual Report by the Secretary of State for Work and Pensions on the Social Fund:

- 2016-17 Report: <https://www.gov.uk/government/publications/social-fund-annual-report-2016-to-2017>

The Social Fund Accounts provide information on total actual expenditure on Cold Weather Payments each year:

- 2016-17 Report: <https://www.gov.uk/government/publications/social-fund-account-2016-to-2017>

## Social Fund Cold Weather Payment Estimates for Great Britain 2017-18

A time series of past expenditure on Cold Weather Payments from 1987-88 to 2015-16 and forecasts up to 2021-22 are available in the DWP benefit expenditure and caseload tables:

- 2017 Tables: <https://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-2017>

The Cold Weather Payment Estimates published by the DWP were assessed by the UK Statistics Authority in Summer/Autumn 2015. A copy of the Assessment Report published by the UK Statistics Authority on 26 November 2015 is available.

- <https://www.statisticsauthority.gov.uk/publication/assessment-319-cold-weather-payments-statistics-produced-by-the-department-for-work-and-pensions-dwp-letter-to-neil-mcivor/>

### Winter Fuel Payments

Cold Weather Payments provide support to vulnerable individuals in periods of extreme cold weather. They are not the same as Winter Fuel Payments which provide a one-off lump sum paid each winter to help older people with the costs of heating their homes. Winter Fuel Payments are administered and reported separately of the Cold Weather Payment scheme.

Further information on Winter Fuel Payments can be found on gov.uk:

- <https://www.gov.uk/winter-fuel-payment>

Statistics on Winter Fuel Payments are published annually by DWP:

- <https://www.gov.uk/government/collections/winter-fuel-payments-caseload-and-household-figures>

## Contacts

If you think you should have received a Cold Weather Payment but have not, please contact your Pension Centre, Jobcentre Plus Office or if you are a UC claimant please use the Universal Credit helpline:

Find your pension centre: <https://www.gov.uk/find-pension-centre>

Contact Jobcentre Plus: <https://www.gov.uk/contact-jobcentre-plus>

Universal Credit helpline

Telephone: 0345 600 0723

Textphone: 0345 600 0743

Find out about call charges

- <https://www.gov.uk/call-charges>



## Social Fund Cold Weather Payment Estimates for Great Britain 2017-18

- If you have any other queries regarding the Cold Weather Payment scheme or the Social Fund, please contact the DWP Social Fund policy team:
- Email: [socialfundstrategy.singlepointofcontact@dwp.gsi.gov.uk](mailto:socialfundstrategy.singlepointofcontact@dwp.gsi.gov.uk)

If you have any comments, questions or suggestions regarding this document or the Cold Weather Payment estimates, please contact Tom Stewart at DWP:

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