

Consultation response: Scottish Government, Low Income Winter Heating Assistance

1 Do you agree or disagree with the proposal to replace Cold Weather Payment with a new benefit whose eligibility is based solely on receipt of a low-income benefit and not on reaching a specific temperature for a period of time?

Disagree

2 If you disagreed, please could you explain why?

Please write the reason why you disagree with the proposal to replace Cold Weather Payment with a new benefit whose eligibility is based on receipt of a low-income benefit and not on reaching a specific temperature in this text box.:

With over 1 in 3 households in Fuel Poverty in Scotland by 1 April 2022, as estimated by the Scottish Government in February 2022, it is important that our support systems are able to target households in the greatest need. This proposal fails to recognise the 4 drivers of fuel poverty and provide any strategic direction to support the Scottish Government achieve its statutory targets for reducing fuel poverty to no more than 5% of households by 2040. The profile of fuel poverty is changing, and the assumptions and declarations made in the consultation are affected by the rising cost of energy. The profile of fuel poor households now includes an even greater number of households in extreme fuel poverty. Estimates suggest that by 1 April 2022 over 600k households will be in extreme fuel poverty. 75% of these households will be low-income households.

This proposal fails to recognise the value of the existing Cold Weather Payment system as a response to more extreme climatic conditions and the detrimental impact this has on low-income households' ability to heat their homes to good comfort levels.

There is a failure to recognise that there were other options available to provide more differentiation and targeting towards households that are greatly affected when the climate exacerbates the impact of homes with low energy efficiency and heating systems that are costly to generate the comfort levels required to maintain health and wellbeing.

It is presented in this consultation as a universally low level of funding applicable to the qualifying group. No differentiation afforded despite the information gathered over many years through the Scottish House Condition Survey.

Over many years locations in Scotland such as the Highlands and Aberdeenshire have triggered significantly greater financial supports than the introduction of the flat £50 LIWHA. Winter 2021/22 is a mild winter to date but already 3 triggers have occurred in Braemar. One more than afforded by the quantum of support proposed. In 2012/13 eligible households in Braemar received 10 trigger payments. There is the potential for considerable detriment to households where the CWP has been deployed most frequently in the past. Indeed, it appears that 12 of 28 weather station locations in 2020/21 would see reductions in support ranging from between £25-125 against the flat one-off £50 proposed. There should be no detriment to households through the introduction of the LIWHA and it is far from clear how the Fairer Scotland Duty has been exercised to ensure that this cannot happen. We believe the current proposal runs counter the objectives of the Fairer Scotland Duty by offering no differentiation or targeting where people are affected by socio-economic opportunities arising from the drivers of fuel poverty.

3 Do you agree or disagree that this approach is an effective way for the Scottish Government to tackle winter heating costs for people on low incomes?

Disagree

4 If you disagreed, please could you explain why?

Please write your reason why you disagree that this approach is an effective way to tackle heating costs for people on low incomes in this text box.:

This universal application of the quantum of support available provides a shallow level of support that equates to little more than £1 per week to those that qualify. It may bring certainty for some that there will be an increase in funding at a point during the winter. It may also bring income to new qualifying recipients, and in itself will be welcome by them, but it takes no account of their housing conditions, nor the input costs determined by their heating systems. For many on low incomes in areas where the climate and housing standards are the most challenging it will further widen inequalities. It will risk lives by limiting the ability of households to heat their homes. Over 2600 households on average die more during the winter months than in the summer months in Scotland and the World Health Organisation states that 30% of these excess winter deaths are directly attributable to fuel poverty. By creating detriment to communities, where on average the Cold Weather Payment system would have a greater supportive effect, this puts people at risk of serious illness and increased potential of winter mortality. There is no clear indication as to how this clear detriment will be mitigated consistent with Scottish Government commitments to ensure that there is no detriment because of the transfer of obligations to Social Security Scotland. There is no information presented that suggests that if there is an extended extreme climatic event that support will be available to those areas most affected.

5 Do you agree or disagree with the proposal to name the replacement for Cold Weather Payment (CWP) in Scotland “Low Income Winter Heating Assistance” (LIWHA)?

Agree

6 If you disagreed, please could you explain why?

Please write why you disagree with the name change.

Removal of 'Cold Spell' triggers and 'Lump Sum' payment

7 Do you agree or disagree with the proposal to remove the requirement for a 'cold spell' to be identified in order for a client to receive a payment?

Disagree

8 If you disagreed, please could you explain why?

Please write why you disagree with the proposal to remove the 'cold spell' requirement.:

There is considerable merit in continuing the direct link between extreme/challenging climatic conditions. There is an opportunity to widen the scope of the payments when looking at what a climatic trigger event might be.

Payments could have been made more frequently based on lower numbers of qualifying days which would more immediately support households than the lump sum payment. Lump sum payments after-the-fact are of less value to those on low incomes with pre-payment meters vs those with credit meters. If they do not have the cash to top up meters they are forced to do without. Many are already at debt limits with suppliers and a payment towards the end of the winter period isn't something that they will be able to budget with.

Broadening the number of trigger weather stations could improve targeting as the rationale for the selection of these currently doesn't provide sufficient opportunity for targeting.

Weather stations also produce data which could improve the link between the negative impacts of the climate beyond absolute air temperature. Poorly insulated homes are affected by driving wind and rain which can 'suck' the warmth from properties as more or indeed more than low air

temperature. Indeed, with temperature there seems to have little regard given to the opportunity to revise the qualifying level. Zero degrees Centigrade is an arbitrary temperature and there is a case for a higher temperature being a key trigger. Something more reflective of our climate. A temperature of between 0-5 degrees centigrade could be considered as cold in our otherwise temperate climate.

It is important that there remains a support route for low-income vulnerable households that is responsive to changing climatic circumstances. We appreciate that this could change over time if we are able to de-couple fuel poverty from energy prices by having better insulated homes with efficient heating systems.

9 Do you agree or disagree with the proposal to have a one off, annual payment for LIWHA?

Disagree

10 If you disagreed, please could you explain why?

Please write why you disagree with the proposal to have a one off, annual payment for Low Income Winter Heating Assistance.:

Frequent and regular payments are preferable to one off/annual payment. It is noted that the first payment proposed in the consultation will occur in February after what most households would recognise as the winter period. This is a flaw in current payments from other sources including the Warm Home Discount of £140 which only has a payment commitment for the qualifying group of 'by the end of March'.

For those on the lowest incomes something approaching real time payment is necessary. This is particularly true for the over 500k households in Scotland estimated to have prepayment meters. 75% of whom are likely to be in fuel poverty.

Access to heat and power is an immediate need for households budgeting on a daily/weekly basis and they are not well served by one off payment unless the payment occurs prior to the period in which the impact is likely to be experienced or where the benefit is meant to accrue.

Qualifying Benefits

11 Do you agree or disagree that our approach to identifying eligibility should be through the use of qualifying benefits

Agree

12 If you disagreed, please could you explain why

Please write why you disagree with the approach to identify eligibility through the use of qualifying benefits.:

13 Do you agree or disagree with the proposal to retain the current qualifying benefits to indicate eligibility for this new payment?

Agree

14 If you disagreed, please could you explain why?

Please write why you disagree with the proposal to retain the current qualifying benefits to indicate eligibility.:

15 Do you agree or disagree that the eligibility criteria for the LIWHA are clear?

Agree

16 If you disagreed, please could you explain why?

Please write why you disagree that the eligibility criteria is clear.:

Amount of Payment & Financial Implications

17 Do you agree or disagree that the proposed rate of £50 for LIWHA is appropriate?

Disagree

18 If you disagreed, please could you explain why?

19

Please write why you disagree that the proposed rate of £50 for Low Income Winter Heating Assistance is appropriate?:

We do not support the provision of a universal one-off payment nor if it were to be introduced for it to be at this level.

This proposed approach creates an unacceptable unfairness and detriment to the locations in Scotland where payments have been received more frequently. Indeed, it is likely to deepen fuel poverty in these areas and potentially increase the likelihood of a risk of increased winter mortality.

As it is, neither the proposal for LIWHA nor the Cold Weather payment are anything other than blind to the relative costs of energy. The difference in annual cost of energy between the two locations is more than doubled if you are utilising electricity to heat rather than mains gas. Yet there is no recognition of this in the way this benefit is being proposed.

Therefore, a universal one-off payment has significantly less value in some locations/situations than others. It is therefore not fair or equitable.

Format of Payment

20 Do you agree or disagree with the proposal for LIWHA to be given to clients in the form of a cash payment and not another form?

Unsure

21 If you disagreed, please could you explain why?

Please write why you disagree with the proposal for Low Income Winter Heating Assistance to be given to clients in the form of a cash payment.:

There is merit in providing a cash payment to households that qualify. However, it is less clear what the impact this will have over time. It could potentially break the connection between the nature of the intervention and the purpose that was originally intended. i.e. supporting households to heat and power their homes.

Consideration could have been given to direct payments to energy companies as happens through Fuel Direct <https://www.gov.uk/bills-benefits>. This may be a preferable route for some who are already in difficulty with their energy bills.

Direct payments to energy providers also have their downside as it may provide no additional warmth or power to the household where they have debt. It may simply reduce that debt at the point it is applied.

However, we believe that more work should be done to explore the merits of different financial application routes to ensure that households have access to adequate heat and power.

22 Do you agree or disagree with the proposal to pay LIWHA as an annual one-off payment each winter?

Disagree

23 If you disagreed, please could you explain why?

Please write why you disagree with the proposal to pay Low Income Winter Heating Assistance as an

annual one-off payment each winter.:

We do not support the provision of one-off payment of this nature preferring the more frequent payment approach closest to when the detrimental climatic conditions are identified or where the benefit of the funding is expected to be achieved.

Whilst February may be on average a cold winter month when the payment may be made but it is by no means certain that the need to achieve higher comfort levels will not occur earlier in any given 'winter' period. Indeed, homes in Scotland will have been 'cold' for many months prior to February. The current approach for Cold Weather Payment, however flawed, is more responsive to when the climate conditions are less favorable.

Adopting and improving the existing Cold Weather Payment approach is consistent with our earlier contention that more could be done to better align and target support to those that need it most by amending the climatic criteria.

Qualifying Week

24 Do you agree or disagree with the proposal to set a 'qualifying week' during which eligible clients for LIWHA will be identified?

Disagree

25 If you disagreed, please could you explain why?

Please write why you disagree with the proposal to set a 'qualifying week' during which eligible clients for Low Income Winter Heating Assistance will be identified.:

There is no current 'qualifying week' set for the Cold Weather Payment System rather it supports people on an ongoing basis dependent on whether or not they qualify during the period where the temperature falls.

The introduction of a 'qualifying week' has the potential to exclude households in most need particularly those whose incomes are more variable and who move in and out of benefits due to short term contracts or reduced hours contracts.

This will create detriment to low-income households, and we believe that this is inconsistent with the Fairer Scotland Duty.

26 If you agreed, please indicate a preference for when you think the qualifying week for LIWHA should be?

Please write when you think the qualifying week for Low Income Winter Heating Assistance should be.:

N/A

Timing of Payment

27 Do you agree or disagree with the proposal to make LIWHA payments to clients in February of each year?

Disagree

28 If you disagreed, please could you explain why?

Please write why you disagree with the proposal to make LIWHA payments to clients in February of each year.:

We do not support the introduction of a universal flat £50 one-off payment. Payment in February also fails to recognise the impact that this will have cumulative to other benefits or rebates intended to support households with energy costs.

Loading payments to the tail end of the winter, as the Warm Home Discount provided by energy suppliers does, is particularly harmful to low income struggling households. They may look to increase debt levels prior to receipt of payments or rebates which will remain an uncertainty until they are realised. This is particularly difficult for those with prepayment meters who are already paying a premium for energy. These households are budgeting on a daily and weekly at best basis. They have less ability to build a quantum of temporary debt (awaiting rebates or payments) due to limits established by their suppliers.

When they have no income, they have no energy? Many are already dependent on crisis payments to provide access to energy, and emergency credit (debt) from energy suppliers. Rocketing energy costs during 2022 are set to create a huge economic detriment, the legacy of which is likely to endure for some considerable period. Low-income households are the most affected by these costs. Payments need to be more closely tied to when their need is acute. If there must be any one-off payment, then it should be made prior to the winter period in the same way that the Winter Fuel Payment is or should be provided.

Request for a Redetermination and Appeals

29 Do you agree or disagree with the proposal that clients have 31 days to request a redetermination?

Not Answered

30 If you disagreed, please could you explain why?

Please write why you disagree with the proposal that clients have 31 days to request a redetermination?:

No comment

31 We have proposed that Social Security Scotland have a period of 16 working days to consider a redetermination of LIWHA. Do you agree or disagree with this proposal?

Not Answered

32 If you disagreed, please could you explain why?

Please write why you disagree that Social Security Scotland have a period of 16 working days to consider a redetermination of Low Income Winter Heating Assistance.:

No comment

33 Can you identify any potential unintended consequences which we have not considered in these proposals? Please write any potential unintended consequences you have identified which we have not considered in these proposals.: No comment

Impact Assessments

34 Please set out any information you wish to share on the impact of LIWHA on groups who share protected characteristics?

Please write any information you wish to share on the impact of Low Income Winter Heating Assistance on groups who share protected characteristics in this text box.:

No comment

35 Please set out any information you wish to share on the impact of LIWHA on children's rights and wellbeing?

Please write any information you wish to share on the impact of Low Income Winter Heating Assistance on children's rights and wellbeing in this text box.:

No comment

36 Please set out any information you wish to share on the impact of LIWHA on businesses?

Please write any information you wish to share on the impact of Low Income Winter Heating Assistance on businesses in this text box.: No comment

37 Please set out any information you wish to share on the impact of LIWHA on Island communities?

Please write any information you wish to share on the impact of Low Income Winter Heating Assistance on Island communities in this text box.:

Remote and rural communities in Scotland enduring the highest rates of fuel poverty in the UK. Latest estimates by the Scottish Government imply that in the Western Isles over 1 in 2 households are in fuel poverty, in Orkney, Shetland, Argyll and Bute over 40% of households. These locations have some of the highest average energy bills in the UK as a result of older, more traditional properties, low levels of thermal efficiency and all electric/oil/lpg/solid fuel heating systems. There is no recognition of the inherent inequalities that this represents and there is no attempt through this proposal to address this. A flat £50 may well be new to many qualifying households as the previous climatic criteria of the Cold Weather Payment system resulted in low level of payments. However, this is as much a failure of the application of the air temperature criteria rather than other climatic triggers would/could have targeted support better. Wind is a considerable issue for these households rather than temperature. Better climate characteristics could address this inequality. Indeed, an assessment of the additional economic costs of living in remote and rural Scotland clearly identified additional costs. A rural uplift is proposed as part of the Fuel Poverty Act 2019 yet there is no meaningful attempt to align the LIWHA to the goals of the Fuel Poverty Strategy 2021 nor the Heat in Building Strategy. This is a missed opportunity to put in place a support that is identified as being impactful for reducing fuel poverty. Currently there is no modelling to suggest that the proposed LIWHA intervention will achieve any greater contribution. More work needs to be done to fully understand the opportunity to meet the goals and targets of these other areas of strategy.

38 Please set out any information you wish to share on the impact of LIWHA on reducing inequality of outcome caused by socio-economic disadvantage?

Please write any information you wish to share on the impact of LIWHA on reducing inequality of outcome caused by socio-economic disadvantage in this text box.:

In this proposal there appears to be a failure to fully address the socio-economic disadvantage which are so clearly identified in the Scottish House Condition Survey evidence over a number of years. That evidence clearly identifies geographic communities and circumstances that due to a combination of factors are more acutely affected by fuel poverty than others. This fuel poverty is exacerbated by poor climatic conditions.

Energy prices are the single biggest factor currently affecting fuel poverty. Costs are variable but at this current time we are experiencing the biggest increases in living memory. A 54% increase for GB average dual fuel bills on 1 April. Yet the average dual fuel bill in Scotland is estimated to be 50% more than the GB average. Indeed, in some of our island communities and off-gas areas bills can be 100% more. A failure to recognise this and adjust payments to provide some equity to achieve comparable comfort levels consigns these communities to continuing disadvantage and inequality.

Low-income households are most likely to be affected by fuel poverty, households in social rented accommodation, older households, single persons households, prepayment meter households, electrically heated homes yet none of this is in any way address in what is proposed with the LIWHA.

39 If there is anything else you would like to tell us about the described policy intention, impact assessments or LIWHA in general, please do so here.

Please write anything else you would like to tell us about the described policy intention, impact

assessments or Low Income Winter Heating Assistance in general, in this text box.:

Energy Action Scotland believes that there are so many issues that need to be addressed that it would be better to adopt the current Cold Weather Payment system with a view to developing and improving it. Once it has been deployed the Scottish Government should consult on the best options for amending it based on direct operational experience. This was the original proposal communicated in 2020 and it isn't clear why the adoption of the benefit hasn't happened sooner. It isn't clear how it will complement with other benefits and supports including the Winter Fuel Payment, Child Winter Heating Assistance, Child Payment, or the Warm Home Discount applied by energy suppliers within the broader context of the Fuel Poverty Strategy 2021. If the benefit had already been introduced according to original timescales, the Scottish Government would have, at its discretion, a ready access route to reach low income households in greatest risk of fuel poverty against which it could already be making more targeted supports in the face of the current and growing energy crisis.

It is important that the introduction of LIWHA is done well as it is a precursor to the Winter Fuel Payment which is perhaps the single largest intervention to support people to access heat and power. As it stands LIWHA has no targeting, no clear policy alignment to reducing fuel poverty and appears to be a low-cost administrative option. As such it equates to little more than £1 per week to those that receive it. It would be far better deployed recognising the role it can play in helping people at time of climatic stress and indeed is scaled in relation to extreme events as they occur. Underspendings should they arise could be redeployed or allocated to other government programmes in energy efficiency or towards crisis payment or debt reductions for qualifying consumers.

About you

What is your name?

Name:
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What is your email address?

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Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:
Energy Action Scotland

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy.

I consent

Evaluation

Please help us improve our consultations by answering the questions below. (Responses to the evaluation will not be published.)

Matrix 1 - How satisfied were you with this consultation?:

Slightly satisfied

Please enter comments here.:

Matrix 1 - How would you rate your satisfaction with using this platform (Citizen

Space) to respond to this consultation?: Slightly satisfied

Please enter comments here.:

It is an easy to use platform although it is unclear whether it will generate a copy of my response. navigating back and forwards occasionally means that inputted information isn't saved.