



for older people, for life
**Independent
Age**

**Fuel Poverty Review
Call for evidence
Independent Age response**



About Independent Age

What we do

Independent Age is a unique and growing charity: a support community for thousands of older people across the UK and the Republic of Ireland.

We offer a 'helping hand from a trusted friend', tackling older people's poverty and loneliness by offering information, advice and friendship.

Our help varies according to the type and extent of the individual's need. All the older people we help receive:

- Information about benefits and other issues affecting older people
- Ongoing support from our helpline and newsletters
- Membership of the Independent Age community, with the opportunity to participate in events and build friendships with other people.

For those in the very greatest need it can include even more: regular befriending and support from an Independent Age volunteer, detailed assessment and casework, practical support and even financial help in emergencies.

Our support lasts as long as it's needed—in many cases, for life.

And we use the knowledge we gain from providing our services to help influence policy and practice.

Who we help

We help anyone, regardless of their background, ethnicity or gender, but we focus on supporting those who:

- Are over 70
- Are in financial need
- Are lonely or isolated
- Can most benefit from long-term support.

Our research

At Independent Age our experience is specifically in the context of older people, and our response is based on evidence from frontline staff, older people, and volunteers combined with the following research:

I. Over 3,000 detailed individual reviews of older people, including their health, wellbeing, and finances.

III. Our Annual Survey 2008 and our Annual Survey 2009, in which a series of topical questions on life, society, and our services were posed to 6,500 and 3000 of the older people we support respectively, to which 3,315 and 2,424 responded.

We have focused our submission on the questions we feel we have specific knowledge and experience to contribute.

Question 2: The impacts of fuel poverty, its extent and who it most affects

Why older people are more vulnerable

After the winter of 2008/09 over a third of those we support said they were badly affected by adverse weather conditions. In our experience, older people are more vulnerable, and susceptible, to fuel poverty for the following reasons:

1. They are more likely to spend longer periods of time indoors and need to keep their homes heated for longer.
2. Health and mobility problems are more prevalent for those in later life - over half of those we support have a disability or limiting long-term condition. Heating is even more important for people who are unable to move easily around their homes or get out and about to improve their circulation.
3. Older people, and particularly those who have been retired for a long period of time, are more likely to be living on a fixed or even declining income. This makes the peaks and troughs of daily living more difficult to manage – and high fuel bills or a broken boiler can be very costly.
4. The rapid increase in fuel costs has not been matched by increases in basic benefits to older people. The cost of fuel represents a disproportionately high amount of many older people's incomes.
5. In our experience, older people are less likely to benefiting from money-saving ways of paying their fuel bills. For example, we frequently advise those we support to set up direct debits to their energy suppliers, as pre-payment meters often carry higher tariffs.

The consequences

Fuel can be much more serious than other debts as older people may turn off their heating for fear of the cost, which can be life-threatening, especially during a cold snap. For the winter of 2008/09 over half of the people we support said they cut down on fuel because of high energy bills. Others cut down on other essentials, such as food.

Many resort to heating just one room of their home. In 2008, 36% of people aged 60 or over in Great Britain sometimes stayed or lived in just one heated room of their home to save money¹. But this can be dangerous in the longer term. Aside from being impractical and reducing quality of life, staying in one room can restrict the movement of an older person, for whom maintaining movement and muscle tone is essential to reducing the risk of frailty and falls. This risk can be especially high after a long period of cold weather, like that experienced in the winter of 2010/2011. The rest of the house also becomes damp and cold if it is not adequately heated, increasing the risk of respiratory illnesses such as pneumonia.

¹ ICM Winter Fuel Bills survey for Help the Aged, 2008.

With this in mind, it is important to note the potential costs to health and social care services if fuel poverty is not addressed. The knock-on effect of older people not heating their homes properly, or indeed eating adequately, is that health risks are increased. The consequences of a fall, for example, can be very severe, with problems likely to continue long after an initial visit to Accident and Emergency. Fuel poverty cannot be seen as an isolated issue, but rather one that impacts on government spending in a number of ways.

Heating oil

It is important to consider the different types of fuel that older people use. At Independent Age, a significant number of those we support use heating oil as their main method of keeping their homes warm and habitable in the winter months. We have found that rising costs are particularly problematic for those who are isolated and/or on low incomes. Providers will not deliver unless customers order an amount they perceive to be cost-effective, pushing prices out of reach for those with limited money.

Those using heating oil can join collectives to order in bulk and avoid this problem, but for older people who are isolated or unable to access information online, this is not a realistic alternative – and no government help is available to cover the large outlays of money required to buy it.

Question 6: The cost-effectiveness of measures to address fuel poverty

At Independent Age we believe that there are a number of problems with the universally-awarded Winter Fuel Payment, and the Cold Weather Payment, which is only given to those on pension credit.

The Cold Weather Payment

We believe that the Cold Weather Payment is insufficient to properly alleviate the problem of extreme fuel poverty among those on the lowest incomes. This is for two reasons. Firstly, the Cold Weather Payment is not awarded unless there are seven consecutive days of extremely cold weather. But for many older people, a very severe cold snap that lasts just a few days can be just as difficult to manage.

For a person that spends the majority of their time at home, turning the heating up for as few as two or three consecutive days can be costly. Moreover, many older people are reluctant to turn up the heat because they are daunted by the high costs of fuel and they don't know when the next period of cold weather will arrive. The arbitrary nature of the trigger for the payment means that older people can experience severe cold weather for a number of days every week of the winter period, but still not receive any additional support.

Secondly, given the large numbers of older people failing to claim their pension credit (27-38% of older people in GB eligible for Pension Credit are not taking up

their entitlement²) it is safe to assume that a similar number are also failing to receive their Cold Weather Payment. This particular group is at serious risk of fuel poverty.

The Winter Fuel Payment

Conversely, the Winter Fuel Payment is awarded on a universal basis. A greater number of people receive the benefit, which increases the take-up levels of those most in need, but at the same time, older people with healthy incomes who do not necessarily need it, receive it.

Our view

While we recognise that the result of targeting is one of the key weaknesses of the Cold Weather Payment, we believe that more investment must be made in exploring more effective ways of focusing benefits on those who need them the most. If the Winter Fuel Payment was targeted more effectively then it would be possible to reinvest the savings in increasing the support for the most vulnerable. This issue is particularly relevant given the government's recent decision not to renew the increased rate of the payment, despite rising fuel costs, high inflation and low interest rates on savings.

One option may be to put in place a 'nudge' system, in which people automatically receive the Winter Fuel Payment, but can 'opt out' if they feel their means do not justify receiving additional support. This money can then be reinvested for those on lower incomes.

In addition, it is often the case that older people living in fuel poverty are affected by a number of issues such as health, housing and how they manage their finances more generally. By improving joined-up working between the different government departments that tackle these issues, alternative ways of identifying those with fuel poverty needs would arise. For example, home improvement agencies and social housing organisations are well placed to identify those at risk of fuel poverty. Some already do so, but this practice is not consistent across the board. Making the most out of contact with hard-to-reach groups is essential.

Energy suppliers

In our view, any discussion of fuel poverty must necessarily examine the role of energy suppliers. It remains the case that significant numbers of vulnerable older people are still not receiving the best deals. It is vital that all energy companies automatically place older people receiving pension credit onto a social tariff - but as it stands, different companies offer different schemes, and some have limits on the numbers they will accept, so it is very difficult for older people to make the most of them.

² *Income Related Benefits Estimates of Take-up in 2008/9*, Department for Work and Pensions, 2010.