

Pension Age Winter Heating Payment Consultation

Independent Age response

January 2024

About Independent Age

Independent Age is the national charity for older people living in poverty. We offer free and impartial advice and information, and grants for community organisations. We use the knowledge and understanding gained from our frontline services to highlight the issues experienced by older people in poverty and to campaign for change.

We are determined to make sure older people facing financial hardship:

- have sufficient income and receive the financial support they're entitled to,
- are protected from unfair or avoidable cost,
- have the connections and support they need in their communities,
- live in safe, secure and suitable housing with the care and support they need.

We believe no one should face financial hardship in later life.

1a. Do you agree or disagree with the proposal to replace Winter Fuel Payment with a 'like-for-like' replacement? (Agree/Disagree/Don't know)

Agree

Question 1b. Please provide further information on why you agree or disagree

Independent Age welcome the proposal to maintain the replacement of Winter Fuel Payment as a universal and automated payment for pensioners. A universal, automated payment ensures an extremely high uptake (96%) and that older people in the greatest need of financial support receive this essential social security payment.

As the national charity for older people in poverty, Independent Age hear from older people in Scotland who are living on low, fixed incomes facing the daily consequences of not having enough to live on.



One in seven older people in Scotland live in poverty - a total of 150,000.¹ Our YouGov polling, from May 2023, found that 6 in 10 adults aged over 65 in Scotland living on a low income were cutting back on how much they were spending on heating.² The same polling found that over half of the same group were worried that they would not be able to meet payments for their gas or heating bill when thinking about their financial situation over the next 6 months.³

One older person told us: *"I would love to have my heating on more often in the winter months. But I keep it on for an hour in the morning & a few hours in the evening...twice a week I put the hot water on which gives me a quick shower most mornings. I sit in my coat, with a hot water bottle when I am at my home."*

The latest available official statistics (from 2021) show almost one in five (19%) older households in Scotland live in fuel poverty, a total of 170,000.⁴ This is based on the Scottish Government's own definition for fuel poverty, meaning that these households spend more than 10% of their income on fuel costs and the remaining income is insufficient to maintain an adequate standard of living.⁵ An estimated 11% of older households live in extreme fuel poverty.⁶

It is likely that over recent years – following the rise in energy costs in 2022 - that fuel poverty rates now are far higher. In our recent survey, one older person noted: *"my heating costs are frightening, almost 25% of my income!"*⁷

There will also be households who spend less of their income on energy so are not deemed to be in fuel poverty, yet they are cutting back on using fuel to save money to the detriment of their mental and physical health. The Winter Fuel Payment is a crucial source of income for many of Scotland's pensioners facing high heating costs. While a 'like-for-like' replacement ensures the payment continues to support older people heat their homes in winter, the devolution of Winter Fuel Payment gives the Scottish Government power to make improvements to the payment.

Question 2a. Do you agree or disagree that this approach is an effective way for the Scottish Government to provide financial support for older people? (Agree/Disagree/Don't know)

¹ Relative, after housing costs - DWP, Households Below Average Income

² YouGov polling commissioned by Independent Age, May 2023

³ YouGov polling commissioned by Independent Age, May 2023

⁴ Scottish House Condition Survey, 2021

⁵ [Fuel poverty - Home energy and fuel poverty - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-petitions/html/documents/fuel_poverty_-_home_energy_and_fuel_poverty_-_gov.scot)

⁶ Scottish House Condition Survey, 2021

⁷ Independent Age, survey of 1,093 older people between 14th Dec 2023 - 10th Jan 2024



Agree

Question 2b. Please provide further information on why you agree or disagree

The high uptake of Winter Fuel Payment, 96% for 2021/22, is due to the universal entitlement and automatic nature of the payment to pensioners. As the national charity for older people in financial hardship, at Independent Age, we know that maintaining the universality and automated elements of the payment is the best way for the money to reach those most vulnerable and the pensioners who are most in need. For support with winter heating, universal payments are an appropriate, effective means of reaching a target priority group (i.e. low-income pensioners, including women and disabled older people who are more likely to live in poverty).

A targeted or means-tested approach would mean that too many older people who need the payment most would miss out. Across Great Britain, the uptake rate for Pension Credit, a means tested payment for pensioners which requires an application, is very low, currently 63%. In Scotland, an estimated £157m of Pension Credit was unclaimed in 2021/22 in Scotland, with up to 81,000 households missing out. If the Winter Fuel Payment was means tested, it would not be received by all those low-income pensioner households eligible for Pension Credit but missing out. Until there is a full proof way of ensuring that everyone living on a low income in later life gets the social security payments they are entitled to, the Winter Fuel Payment should remain universal.

Question 2c. Do you have any further comment on the potential longer term development of this benefit in order to provide the most effective support?

Consideration should be given to how to maximise this annual communication opportunity to older people to highlight other support available. The annual, universal communication should inform older people of income maximisation and advice services, other social security support (such as Pension Credit, Housing benefit and the Scottish Welfare Fund) as well as the energy efficiency support schemes.

Question 3a. Do you agree or disagree with the proposal to name the replacement for Winter Fuel Payment in Scotland 'Pension Age Winter Heating Payment' (PAWHP)? (Agree/Disagree/Don't know)

Agree



Question 3b. Please provide further information on why you agree or disagree

The change in name to Pension Age Winter Heating Payment brings clarity of who the payment is for; people of 'pension age'.

Social Security Scotland should communicate the change in name and why this has changed, reassuring older people that they have not lost eligibility to the Winter Fuel Payment.

Timing

Question 4a. Do you agree or disagree with the proposal to continue making payments to clients in November or December each year? (Agree/Disagree/Don't know)

Disagree

Question 4b. Please provide further information on why you agree or disagree

Ensuring that the payment is available as soon as possible would be more effectively achieved if the intended payment period was changed from "November or December" to November. This would improve the timeliness of support.

Question 5. How could we improve delivery for households in remote rural and island communities that are not on the gas grid?

As acknowledged in the PAWHP consultation document, we would like to highlight the call for those who buy their fuel in advance of winter to receive earlier payments. It is widely accepted that, for those using alternatives to gas or electricity, it is cheaper to buy fuel for home heating in the lead up to the winter months.

- The UK Government estimate that in 2021, almost one in five (19%) properties in Scotland were not connected to the gas grid, compared to 15% across Great Britain.⁸
- In Scotland, six in ten (61%) of homes in rural locations are off the gas grid.⁹
- All properties in the Orkney Islands and Shetland are off gas, along with 88% of Na h-Eileanan Siar, 61% in the Highlands, 39% in Dumfries and Galloway, and 42% in Aberdeenshire.¹⁰

⁸ [Sub-national estimates of properties not connected to the gas network - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

⁹ Scottish House Condition Survey, 2021.

¹⁰ [Sub-national estimates of properties not connected to the gas network - GOV.UK \(www.gov.uk\)](https://www.gov.uk)



- 41% of older households in the Orkney Islands lived in fuel poverty¹¹
- One quarter of older households living in the Highland local authority, the Shetland Islands and Moray lived in extreme fuel poverty¹²
- Over one third (34%) of older households in both Na h-Eileanan Siar and Orkney were living in extreme fuel poverty.¹³
- Over half (52%) of older households in Na h-Eileanan Siar were living in fuel poverty.¹⁴

While this recommendation has recently been brought to light in Scotland through consultation on Low Income Winter Heating Assistance, it is one that has been raised numerous times over the years with previous attempts - whilst the payment was reserved - to enable early payments to off-grid households. In 2013, Mike Weir, former MP for Angus, presented a Private Members' Bill – the Winter Fuel Allowance Payments (Off Gas Grid Claimants) Bill – which failed to pass through the House of Commons.¹⁵

Independent Age recognise the practical difficulties outlined in the consultation document around making a payment earlier due to the qualifying week but reiterate our above response to question 4b that payment should be constituted to be made in November, rather than the wider time frame of November or December. Efforts to support communities and households who are off-grid would also benefit from holistic, innovative cross-governmental work with departments working towards net zero.

Eligibility and value of payment

Question 6a. Do you agree or disagree that our approach to identifying eligibility should be based on reaching state pension age? (Agree/Disagree/Don't know)

Agree

Question 6b. Please provide further information on why you agree or disagree

Using State Pension age as the core criteria for a universal approach is clear, consistent and simple.

¹¹ Scottish House Condition Survey Local Authority Analysis 2017-2019 – three-year averages)

¹² Ibid

¹³ Ibid

¹⁴ Ibid

¹⁵ [Winter Fuel Allowance Payments \(Off Gas Grid Claimants\) Bill - Parliamentary Bills - UK Parliament](#)



Question 7a. Do you agree or disagree that the eligibility criteria for the PAWHP are clear? (Agree/Disagree/Don't know)

Agree

Question 7b. Please provide further information on why you agree or disagree

The basic eligibility criteria of being of State Pension age should be widely understood (notwithstanding the confusion sometimes experienced by those who reach State Pension age after the qualifying week and therefore currently do not receive the payment, but still experience the Winter as a pensioner).

Question 8a. Do you agree or disagree with the proposal to retain the current value of payments? (Agree/Disagree/Don't know)

Don't know

Question 8b. Please provide further information on why you agree or disagree)

The increase in energy bills over recent years has been considerable. Since 2011/12, the minimum value of the Winter Heating Payment has been set at £200 for those under 80 and £300 for those aged 80 or over.¹⁶ Over the same period, the average energy bill has risen by 74% (from £1105 to £1928).¹⁷¹⁸ Energy bills are not expected to return to pre-2020 levels before the end of the decade at the earliest, with prices remaining volatile.¹⁹ Stagnation in the value of Winter Fuel Payment over the past decade, whilst a reserved payment, means that households in Scotland and elsewhere across the UK are now receiving less support in real terms.

In principle, we believe that consideration should be given to whether the payment is having the potential impact it could and whether this warrants a revisitation of the value and an exploration of mechanisms of future increases (such as uprating with inflation or increasing in proportion with energy bill increases) as part of efforts to reduce the 19% fuel poverty rate experienced by older people.

¹⁶ [rb_april15_winter_fuel_payment_briefing.pdf\(ageuk.org.uk\)](#)

¹⁷UK Government, 2011,

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/65938/4787-domestic-energy-bills-2011-article.pdf

¹⁸ [Changes to energy price cap from 1 January 2024 | Ofgem](#)

¹⁹ [Cornwall Insight release final forecast for July price cap - Cornwall Insight \(cornwall-insight.com\)](#)



In our recent survey carried out in December 2023, almost 9 in 10 older people living on a low income agreed that “an increased WFP would help me to keep my home warmer during the winter.”²⁰

The mental and physical impact of not having enough to turn the heating on or cover a full bill is evident in the experiences older people recently shared with Independent Age:

“I wouldn’t be so frightened to turn my heating on sometimes during the day if I knew there was extra money to pay for it”

“At the moment I am using three layers of clothes, outdoor sheepskin boots and three ‘throw blankets’ to keep warm during the day and to keep my heating costs down. I don’t like living like this.”

“I need heat as I cannot be cold & there are only so many layers of clothing you can wear before it becomes impossible to move.”

James who is 76 and suffers from arthritis told us: *“as the temperature drops the pain from my arthritis increases. The thermostat controls my pain.”*

Independent Age recommend the Scottish Government consider making higher payments beyond the proposed value of PAWHP, either through increasing the value of the payment itself or through targeted payments, in the way that makes best use of limited resource to reduce the number of pensioners in fuel poverty.

Question 9a. Do you agree or disagree that people in residential care who do not receive the income-related benefits listed should receive half of the ‘full’ rate of PAWHP? (Agree/Disagree/Don’t know)

Question 9b. Do you agree or disagree that people in residential care who receive one of the income-related benefits listed should not receive PAWHP? (Agree/Disagree/Don’t know)

Question 9c. Please provide further information on why you agree or disagree

Receiving the payment

Question 10a. Do you agree or disagree with the proposal for PAWHP to be given to clients in the form of a cash payment and not another form? (Agree/Disagree/Don’t know)

²⁰ Independent Age, survey of 1,093 older people between 14th Dec 2023 - 10th Jan 2024



Agree

Question 10b. Please provide further information on why you agree or disagree

Independent Age support a “cash first” approach to social security as standard. Cash has the greatest benefit for individuals, allows choice without prescribing or limiting how payments should be used, reduces the risk of stigma and is most aligned with the principles enshrined in the Social Security Act (Scotland) 2018 of putting respect for the dignity of individuals at the heart of the Scottish social security system.²¹

**Question 11a. Do you agree or disagree with the proposal to pay PAWHP as an annual one-off payment each winter?
(Agree/Disagree/Don't know)**

Agree

Question 11b. Please provide further information on why you agree or disagree

An annual payment ensures that the full amount is available when it is needed and ensures that those buying energy sources ahead of time (such as those off-grid) are able to make full use of the payment as early as possible. Annual payments also provide a predictable source of income for the Winter.

**Question 12a. Do you agree or disagree with the proposals for providing a way for people to opt-out of receiving PAWHP?
(Agree/Disagree/Don't know)**

Disagree

Question 12b. Please provide further information on why you agree or disagree

Independent Age support the option of having an ‘opt out’ mechanism. However, we believe those who ‘opt out’ should not have to ‘opt in’ to receive the payment again but rather should be required to opt out each year.

This is important in ensuring that people receive the payment because they failed to opt out rather than someone who is in desperate need of the payment missing out because they forgot to opt back in.

²¹ [Social Security \(Scotland\) Act 2018 \(legislation.gov.uk\)](https://www.legislation.gov.uk)



Independent Age research by City University London, which explored movement in and out of poverty in later life, found that over a nine-year period 40% of pensioners spent at least one year in poverty. The same research found that across the UK the single largest driver of older people entering poverty past State Pension age was a reduction in social security income accounting for three in five (61%) pensioners who enter poverty during later life.²² Other drivers include bereavement and separation. Opting out until opting back in could result in the very pensioners who need the payment the most, not getting it because they opted out at some point in the past.

If an opt out was offered it would be absolutely essential to significantly test the framing of any associated information., Our research shows that older people below the poverty line often worry they are taking money away from someone that could be seen as more deserving, or are open to making decisions which significantly negatively impact their health – such as skipping meals or only washing in cold water – so that money available can be given to someone else. People on low incomes in later life need to know this is money they are entitled to, and that will help them remain healthy to avoid opt outs of people who can't afford it. Due to the risk of people who need the payment missing out (as set out above) the Scottish Government should not promote the opt-out feature.

Qualifying week

Question 13a. Do you agree or disagree with the proposal to continue having the 'qualifying week' in September to identify eligible clients? (Agree/Disagree/Don't know)

Disagree

Question 13b. Please provide further information on why you agree or disagree

Independent Age have heard from people who have missed out in the Winter Fuel Payment by a month, weeks and even a few days, meaning some pensioners do not receive the payment until they are a year past State Pension age.

"I became pension age in October, so due to the cruel cut-off date to qualify being end of September I don't get help towards my heating. I feel the heat just as much as those born days before me so it is very unfair that myself and others in the same position are left in the cold despite being pensioners."

²² [IA Poverty in later life report Jan2022.pdf \(independentage.org\)](#)



"I was State Pension age in October 2023, but discovered to my dismay that one had to reach State Pension age by a date in September to qualify for a Winter Fuel Payment. I think this is unfair, it should be paid to everyone once they get their Pension."

"(I) turned 66 years old in November, too late for this year, but I'm still a Pensioner over the winter months deadline should be moved to consider this"

"Was not 66 until after 25th Sept 2023, which I think is wrong I'm still getting my State Pension so why should I have to wait a year. That's not going to help me heat my house this winter."

Carolyn, age 66, recently told us that she just missed out on Winter Fuel Payment due to the qualifying date and how since becoming a pensioner she has restricted her heating to manage costs:

"Since started receiving the state pension, I have the heating at 17 degrees between 1 and 4 pm. The rest of the time set at 15 degrees - black mould in house. In very cold weather recently it can be between £15 & £16 a day, which is ridiculous."

Independent Age recommend that there should be a mechanism to pay Pension Age Winter Heating Payment to people who reach State Pension age after the qualifying week but before the end of the application window (end of March). This could be through application but a mechanism would be found to pay automatically before the end of the payment window.

Question 13c. If you disagreed, please provide a preference for when you think the qualifying week for PAWHP should be

See above answer – having a mechanism to apply for, or automatically pay, the payment if an older person reaches State Pension Age after the qualifying week - but before the end of the payment window - would ensure the payment reaches a greater number of older people in poverty.

Appeals and re-determination process

**Question 14a. Do you agree or disagree with the proposal that clients have 31 days to request a re-determination?
(Agree/Disagree/Don't know)**

Disagree

Question 14b. Please provide further information on why you agree or disagree



Independent Age believe there should be equity between the timescales for requesting a re-determination and the period to consider a re-determination. This would mean clients have 56 days to request a re-determination in line with the 56 days to consider a re-determination.

Question 16. Can you identify any potential unintended consequences which we have not considered in these proposals?

No

Question 20. Please set out any information you wish to share on the impact of PAWHP on reducing inequality of outcome caused by socio-economic disadvantage.

The impact of PAWHP, although Universal in nature, will benefit those in greatest financial need the most and is a vital part of efforts to tackle fuel poverty and reduce the inequality caused by socio-economic disadvantage.

Ensuring financial security in older age was a key priority identified in 'A Fairer Scotland for Older People: framework for action' in 2019. As recognised in the consultation document, tackling pensioner poverty in the short term will primarily be the result of action to tackle the cost of living and to maximise incomes.

Options to use communications around PAWHP to tackle socio-economic disadvantage/poverty by informing pensioners of additional support (such as income maximisation advice services and social security entitlements) would increase the impact the introduction of PAWHP has on reducing inequality.

Contact

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