

Extra £50 winter energy payment to low-income pensioners in Scotland

- Turn up the heat this winter to save lives and protect our NHS and social care.

Our ask:

In order to protect the NHS, social care and save lives this winter, the Scottish Government should give every low-income pensioner in Scotland an extra £50 to help with the increased cost of heating their home.

Why this is important:

Targeted extra support for those who are least able to afford the new increased costs of household energy, and to heat their homes to a safe level in the first place, live in the poorest health and face barriers to claiming what is available to them is vital this winter. Money direct to their bank accounts, rather than through a retrospective claim would be the most effective route for support.

As domestic energy prices, cost of living, and inflation (surging in October to the highest rate in almost 10 years at 4.2%) have risen considerably in recent months, pensioners on low and fixed incomes face a particularly challenging winter period. Ensuring that they have enough money to meet the increasing cost of heating their homes to a safe level will mean that illnesses such as pneumonia, influenza, stroke and heart attack could be avoided.

With our NHS and social care services under unprecedented strain, keeping people out of hospital by preventing illnesses should be a focus of the Scottish Government this winter.

In 2017/18, 108,822 people were admitted to hospital in Scotland with diseases of the respiratory system. On average, it costs more than £8,000 to treat a patient in hospital when admitted in an emergency. This is based on 2017/18 figures for the average stay for emergency admissions of 6.8 days and the 2017/18 average daily cost of hospital services and treatment at £1,190. It does not include the extra costs which might be incurred by health and social care after discharge to support the patient with their recovery.

Preventatively spending £50 to mitigate against the 12% average rise in energy costs for those on the lowest incomes, and likely in the poorest health, could save the NHS millions of pounds and reduce capacity this winter.

Cost and how the Scottish Government could implement it:

We estimate that this initiative would cost £6.65 million to implement based on the number of pensioners in receipt of Pension Credit and Council Tax Reduction.

According to figures from the Department for Work and Pensions (DWP), 133,000 Scottish pensioners in receipt of Pension Credit received at least one Cold Weather Payment last year. Pension Credit passports recipients on to Council Tax Reduction, which is administered by Scottish local authorities. As such, the Scottish Government would be able to capture many of Scotland's pensioners who live on the lowest incomes. There will be some pensioners in poverty who miss out

due to low take-up of Pension Credit and Council Tax Reduction, but it is the only established gauge which could be used at short notice. There is also recent precedent from the Scottish Government for this type of one-off payment, as we saw with Low Income Pandemic Payment in October.

If this payment kept just 831 people from needing hospital care, which equates to less than 1% of the potential pool of low income pensioners, then it has paid for itself and will result in better health outcomes.

This group of Scottish pensioners should be informed in early December that a payment of £50 will be made via their local authority in early January. This would give older people on the lowest incomes reassurance that they can turn up their heating when it is cold in the knowledge that the extra cost can be met.

Essentially, this measure would replicate a version of the devolved Cold Spell Heating Assistance, which replaces the Cold Weather Payment administered by Department for Work and Pensions, by bringing it forward by a year.

Background:

There are 150,000 pensioners in Scotland living in poverty, and approximately 218,000 older households in fuel poverty, with a further 116,000 living in extreme fuel poverty. There are distinct regional disparities between households in rural and remote areas of Scotland who are more likely to be living in fuel poverty, compared to similar households in urban areas. Many older households in rural Scotland are not on the gas grid, and as such heating their homes through solid fuel or electricity provision is much more expensive compared to gas heating solutions. Their homes are also likely to be poorly insulated. Levels of extreme fuel poverty in these areas are most prevalent with a third of all homes at this level in 2018.

The Age Scotland [Big Survey](#) highlighted that more than a fifth of over 50s in Scotland felt financially squeezed, with 8 in 10 of them identifying energy bills as the main cause.

On average, energy prices have risen by 12% since the energy price cap in October, and it is estimated they will increase by at least the same amount again before the Spring. This impacts people on the Standard Variable Tariff, of which there will be around 1 million homes in Scotland in this position. As such keeping older people well this winter and avoiding emergency medical treatment in hospital for respiratory illness such as pneumonia and influenza is vital. Pre-existing health conditions in older, more vulnerable individuals can be exacerbated by continuous exposure to cold and damp conditions within the home. Stroke and heart attacks can also be brought on by being too cold. As such, it is recommended that main living areas within the home should be maintained at 21°C. For people living with dementia, their homes should be even warmer, continually.

This winter Scotland's health and social care services face unprecedented challenges coping with demand and staff shortages. For example, NHS Lanarkshire has recently declared itself at the highest level of risk, "Black", meaning that it reached maximum capacity in its hospitals. It is also understood that Aberdeen Royal Infirmary, Dr Gray's in Elgin, and Raigmore hospital in Inverness have also been in this position recently. The armed forces have been assisting NHS Lanarkshire and NHS Borders, with two more health boards – Ayrshire and Arran, and Grampian – also asking for their assistance.

In addition, several areas including Fife, Argyll and Bute, and the Lothians have written to social care recipients to tell them that their needs may not be fully met because of staff shortages. Some local authorities have asked people if their family and friends can step in to assist with their care.

A recent report by the Buildings Research Establishment looked at the cost of poor housing to the NHS in England. It found that the highest cost to the NHS, at around £857 million, is spent on treating people made ill by excessively cold homes. Dampness was the third highest household hazard at £38 million.

It is clear that further action is needed to protect the NHS and save lives this winter, and a modest investment which could prevent ill health in some of society's most vulnerable is one worth taking.

Current Scottish and UK Government spending commitments:

There are a number of energy related social security payments and initiatives from the Scottish and UK governments which have, or will, reach older people in Scotland ahead of and during winter.

Winter Fuel Payment: People in receipt of the State Pension are paid between £100 and £300 each winter to help pay their heating bills. This is a very valuable universal payment and is anticipated every year, with older people on low-incomes factoring it into their budgeting. It does not necessarily help with unexpected increases in energy costs such as those being faced this winter.

Cold Weather Payment: A payment of £25 to people in receipt of Pension Credit for each 7-day period of very cold weather between 1 November and 31 March. Last year 133,000 Scottish pensioners received a payment. Although the payment is a financial boost, as it is made retrospectively after a cold period it might not give comfort to an older person at the time of very cold weather to use their heating as its payment isn't guaranteed if the temperature increases that week. This benefit has been devolved to the Scottish Government and they will start administering an equivalent Cold Spell Heating Assistance from next winter. This will be a one-off, upfront £50 payment at the start of the winter period – much like the payment being called for in this proposal.

Warm Home Discount Scheme: Older people who receive the Guarantee Credit element of Pension Credit are entitled to £140 off their electricity bill in the winter period. It could include gas if their supplier provides them with both electricity and gas. It is a one-off discount rather than a direct payment and the fund is financed through a surcharge on energy bills.

To receive the discount, a person must apply to their energy company – however, it is becoming harder for customers to contact their supplier about this if they are not online. A study by Citizens Advice Scotland in 2020 found that two thirds of eligible households in Scotland weren't claiming it.

Low Income Pandemic Payment: Announced in March 2021, this is a payment from the Scottish Government in October 2021 of £130 to recipients of Council Tax Reduction (this did not include people in receipt of the Single Person Discount) "to help with increased costs and lost income due to coronavirus". It was paid out via local authorities directly to those eligible.

This was a very welcome programme and while it was not specifically for older people, many on low income should have received a payment. It demonstrated how the Scottish Government could make

payments to low-income older people if it chose to do so. It is important to note that this was announced and calculated many months before energy and cost of living increases hit, and the money will have been spent before inflated energy bills arrive.

Winter Support Fund: This £41 million fund has been established by the Scottish Government to provide “financial help for families in need” during the winter. It has come from the consequential of the UK Government’s £500 million Household Support Fund.

This Scottish fund is broken down into three parts: individuals; flexible funding for local authorities; and third sector partners. When it comes to individual financial support, £10 million is available to “help people struggling to pay fuel bills”. This will include access to “fuel top-up vouchers, advice to manage fuel debt and support for those in remote and rural areas”. After pursuing further details from the Scottish Government, it appears that access to these funds will be through “trusted referral partner organisations” such as Fuel Bank, food banks, Citizens Advice Bureaux, Advice Direct Scotland, and Housing Associations.

As of 9 November, the Scottish Government were unable to provide details of how and who the £6 million for the third sector was going to be used.

Our feeling is that while this fund is very welcome, it could still exclude many of the people who need help. This includes people who do not claim due to stigma or inaccessibility, find the application process to be too difficult or stressful, or those who do not have a pre-payment meter (22% of households without a pre-payment meter live in fuel poverty).

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