Social Security Bill

Energy Action Scotland is an active member of the Scottish Governments Fuel Poverty Forum with the organisations Director being the Vice Chair of the group. It is in that role that the EAS Director is giving evidence to the Social Security Committee of the Scottish Parliament.

The Fuel Poverty Forum is a wide church with many interests being gathered around the table, NGO’s, Energy Suppliers and Energy Network Operators and representative bodies along with the NHS and the energy regulator as an observer. As such it is difficult to cover all aspects of the further devolved Social Security powers that the Scotland Act will bring to the Scottish Ministers. Therefore the following statements are very narrow in focus and that focus is directly on the two main areas of benefits that help in the alleviation of fuel poverty.

The members of the forum are in agreement with the written evidence give to the Committee by Energy Action Scotland (EAS), this is included below.

EAS stated in its response to the formal consultation on Social Security in Scotland that;

1. In relation to Winter Fuel Payments in Scotland that it (EAS) supports the proposal to extend Winter Fuel Payments to families with disabled children on the higher rate of DLA, and to making payments in advance to those households who live off the gas grid. EAS also responded in saying that the Scottish Government should further consider whether payments in advance could be made to others who have to pay for their fuel before they use it i.e. those using prepayment meters.

EAS believes that Winter Fuel Payments should continue, at this time, to be universal because any financial benefit resulting from change is likely to be outweighed by the cost of administration.

The Scottish Government should further consider making a weighting of the Winter Fuel Payment on the basis of a geographic split, one that is in line with the higher network costs for electricity consumers in the north of Scotland.

2. In response to the changes in relation to the Cold Weather Payments EAS stated that the Scottish Government should consider introducing weighted Cold Weather Payments, for example higher payments for areas clearly defined as rural. Too many additional factors (such as wind chill and precipitation) are likely to make the system complex and costly to administer. EAS would also welcome a reduction in the 7 day period and an increase in the weekly payment.

The current situation is that the Cold Weather Payments of £25 are issued to those meeting the eligibility criteria when the average temperature at the closest weather station falls below 0°C for seven consecutive days (during the period 1 November to 31 March).
If this was reduced to 5 days and the payment increased to £30 then this would provide a greater level of support to vulnerable households.

Currently the payment is made automatically to people receiving Pension Credit.

Clients receiving Income Support, income-based Jobseeker’s Allowance or income-related Employment and Support Allowance with one of the benefits listed below may also be eligible:

- Pensioner premium, higher pensioner premium or enhanced pensioner premium
- Disability premium, enhanced disability premium or severe disability premium
- Disabled child premium
- Child Tax Credit that includes a disability or severe disability element
- Family with a child under five
- Universal Credit.

In relation to both these items, the Winter Fuel Payment and the Cold Weather Payment a North/South divide could be beneficial for fuel poor homes in rural Scotland. Consider that for the purposes of electricity supply Scotland is split into two areas, North and South and that each of these areas has one single electricity network operator, SSEN in the North and SPEN in the South. Consumers in the SSEN network area pay a slightly higher charge per unit of electricity used to cover the additional costs of distribution and supply of electricity to their homes. The cost of this is around £70 per year per household.

If a weighting was introduced then households who were eligible for the Winter Fuel Payment then a higher payment could be provided to those in the SSEN network area while reducing the cost (or keeping it the same) to those living in the SPEN area.