

# **Energy Saving Trust's response to the Scottish Government's consultation on Low Income Winter Heating Assistance (LIWHA)**

**Submitted on 23 February 2022**

- 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?**

Energy Saving Trust agrees 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.

Having the benefit as a guaranteed payment rather than a payment contingent on outdoor temperature will mean that people know how much they will receive and when, providing reassurance and certainty to people and enabling them to better plan their heating use and budget for bill payments.

We think it is essential that any communications to householders about the replacement of Cold Weather Payment with Low Income Winter Heating Assistance signposts to Home Energy Scotland to ensure that householders are aware of where they can go for further advice and support about keeping warm at home, including improving their home's energy efficiency which is the best long term solution to reducing fuel poverty. Using this channel of communication will help the Home Energy Scotland service to reach the most vulnerable and challenging to reach householders who do not engage with most government services.

- 2. If you disagreed, please could you explain why?**

N/a

- 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?**

While Energy Saving Trust agrees that this approach is welcome and will help to tackle winter heating costs for people on low incomes we do not believe that on its own it is sufficient to tackle winter heating costs for people on low incomes. Given the steep increases in fuel bills that people across Scotland are currently facing it is clear that

existing steps (which include LIWHA) do not go far enough to mitigate these increased costs. The Scottish Government should consider what additional action it could take on its own, for example by expanding existing measures, and continue to urge the UK government to provide greater support for those most in need. In terms of existing measures that could be expanded we think that this should include increased investment in energy efficiency schemes – as noted above energy efficiency is the best long-term solution to fuel poverty and results in reduced bills at source.

**4. If you disagreed, please could you explain why?**

See response to question 3 above.

**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)?**

No response.

**6. If you disagreed, please could you explain why?**

N/a

**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?**

Energy Saving Trust agrees with the proposal to remove the requirement for a 'cold spell' to be identified in order for a client to receive a payment. As noted in our response to question 1 above, having the benefit as a guaranteed payment rather than a payment contingent on outdoor temperature will mean that people know exactly how much they will receive and when, providing certainty and reassurance to people and enabling them to better plan their heating use and budget for bill payments. This certainty is of increased value to people on low incomes at a time when energy costs have risen sharply, and people are facing tighter household budgets. Citizens Advice Scotland has recently highlighted how people in Scotland who receive Universal Credit are already struggling with rising costs (see: <https://www.cas.org.uk/publications/%E2%80%9Ci-am-constantly-penny-pinching%E2%80%9D-citizens-advice-scotland-research-living-universal>).

**8. If you disagreed, please could you explain why?**

N/a

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

Energy Saving Trust agrees with the proposal to have a one off, annual payment for LIWHA.

**10. If you disagreed, please could you explain why?**

N/a

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

Energy Saving Trust broadly agrees that the Scottish Government's approach to identifying eligibility should be through the use of qualifying benefits and welcomes the breadth of qualifying benefits included in the proposal - to include premiums and payments relating to disability and age recognising the greater need for warmer temperatures and longer hours of heating.

We do however think that proposal should address the fact that people who are in fuel poverty are not always eligible for benefits and therefore suggest that in addition to these qualifying benefits which result in automatic qualification, provision is also made for households that are not in receipt of DWP benefits to apply for the LIWHA – specifically those on low income, with high fuel costs, and who are vulnerable, including to cold related illness (the NEST scheme in Wales for example includes those living with a chronic respiratory, circulatory or mental health condition in its eligibility criteria, see: <https://nest.gov.wales/en/eligibility/>).

In addition, we suggest that the same criteria and DWP verification for LIWHA should be applied to other Scottish Government programmes that support fuel poor households (e.g. the successor scheme to Warmer Homes Scotland), to bring eligibility for fuel poverty support programmes into alignment.

Energy Saving Trust recognises the limitations of using a DWP match to verify eligibility without further coordination with Social Security Scotland (SSS) to verify benefits administered by SSS. Child DLA (a qualifying benefit for Warmer Homes Scotland) was administered by DWP and has been replaced in Scotland with Child Disability Payment, administered by SSS - receipt of this new benefit will be verified through a separate process yet to be established. Verification of eligibility through SSS rather than solely through DWP is, therefore, appropriate.

**12. If you disagreed, please could you explain why?**

N/a

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

See response to question 11 above.

**14. If you disagreed, please could you explain why?**

See response to question 11 above.

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

Energy Saving Trust agrees that the eligibility criteria for the LIWHA are clear.

**16. If you disagreed, please could you explain why?**

N/a

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

As noted in our response to question 3 above, we agree that the proposed rate of £50 for LIWHA will help to tackle winter heating costs for people on low incomes and note that a payment of £50 is considerably better than a payment of £0 or £25 as has been the case in previous years. However, it is not on its own sufficient to tackle winter heating costs for people on low incomes.

Given the steep increases in fuel bills that people across Scotland are currently facing it is clear that existing steps (which include LIWHA) do not go far enough and that the Scottish Government must expand on existing measures to support those most in need and continue to urge the UK Government to go further too in reserved areas. As noted above, in terms of existing measures that could be expanded we think that this should include increased investment in energy efficiency schemes – as noted above energy efficiency is the best long-term solution to fuel poverty and results in reduced bills at source.

**18. If you disagreed, please could you explain why?**

See response to question 17 above.

**19. 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?**

Energy Saving Trust agrees with the proposal for LIWHA to be given to clients in the form of a cash payment and not another form. Auto-qualification based on benefits and auto-payment into eligible households' bank accounts is a sensible and practical approach.

**20. If you disagreed, please could you explain why?**

N/a

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

Energy Saving Trust agrees with the proposal to pay LIWHA as an annual one-off payment each winter.

**22. If you disagreed, please could you explain why?**

N/a

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

No response

**24. If you disagreed, please could you explain why?**

N/a

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

N/a

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

No response

**27. If you disagreed, please could you explain why?**

N/a

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

No response

**29. If you disagreed, please could you explain why?**

N/a

**30. 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?**

No response

**31. If you disagreed, please could you explain why?**

N/a

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

No response

**33. Please set out any information you wish to share on the impact of LIWHA on groups who share protected characteristics**

No response

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

No response

**35. Please set out any information you wish to share on the impact of LIWHA on businesses**

No response

**36. Please set out any information you wish to share on the impact of LIWHA on Island communities**

No response