

Current benefits and measures that target fuel poverty

Various measures are in place to tackle fuel poverty in Scotland, some of these are UK Government schemes and benefits and others are specific to Scotland.

Benefits

In terms of current benefits available, the Winter Fuel Payment (WFP) and Cold Weather Payment (CWP) help towards the payment of heating costs for those eligible households.

The Winter Fuel Payment is an annual tax-free supplement paid to people who are over the current female state pension age (whether male or female). WFP is paid as a lump sum in November or December and is generally set at a maximum of £200 a year for each household where both recipients are younger than 80 and at £300 for those where at least one is 80 or older.

Cold Weather Payment, as it is currently known, is a UK government grant given to certain qualifying households made when the temperature is either forecast to, or recorded as dropping below zero degrees Celsius for one consecutive week. Cold weather events are identified by the Met Office on behalf of the DWP. Households which qualify for the Cold Weather Payment receive £25 for each week of cold weather between the 1 November and 31 March.

The Scottish Government plans to replace both these payments in Scotland with the Winter Heating Assistance and Cold Spell Heating Assistance benefits respectively. Winter Heating Assistance is being developed on the basis of the terms of the existing Winter Fuel Payments and will not be means tested or taxed. Equally the Cold Spell Heating Assistance is being developed on the same terms as the present Cold Weather Payment with consideration of the most appropriate, accurate and cost-effective ways in which to ensure that weather forecasting and monitoring can support the targeting of the assistance to those in greatest need.

Energy efficiency schemes

ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEMES

- Area Based Schemes (ABS) are designed and delivered by Local Authorities, in conjunction with utility companies and local delivery partners, targeting fuel poor areas to provide energy efficiency measures to a large number of Scottish households and help reduce fuel poverty.
- Responsibility for programme delivery falls to local authorities because they are best placed as the relevant strategic housing authority to understand local housing needs and prioritise provision across their area.
- Local Authorities are expected to use a range of sources of information to target households whose properties have the lowest levels of energy efficiency and/or highest levels of fuel poverty. It is up to each Local Authority to define the areas within which projects will deliver and the detail of those projects.
- Allocations are based upon the needs-based funding model agreed with COSLA. The model reflects the percentage of fuel poor households within a council area; the percentage of the total LA area population which is fuel poor; each LA's share of properties with uninsulated solid walls; and LA's share of dwellings with uninsulated hard-to-treat cavity walls.

ENERGY EFFICIENT SCOTLAND NATIONAL DELIVERY - WARMER HOMES SCOTLAND

- The national fuel poverty scheme, Warmer Homes Scotland was formally launched in September 2015. Since then, it has helped over 18,000 fuel poor households across Scotland.
- The scheme is being delivered on a regional basis by Warmworks (including a separate Islands region) to ensure that all households in Scotland, including those living in more remote parts of the country, get the same level of service.
- Warmer Homes Scotland has a strong focus on heating and insulation measures, to improve the energy efficiency, warmth and comfort of fuel poor households. It also includes micro generation

measures to offer a wider range of heating options to off-gas households.

HOME ENERGY EFFICIENCY PROGRAMMES FOR SCOTLAND (HEEPS): LOANS

The HEEPS Loans budget for 2019/20 is £17.6m and includes provision for:

Home Energy Scotland (HES) loans are interest free loans offering up to £15,000 for the installation of energy efficiency measures available to owner occupiers and private sector landlords.

HEEPS Registered Social Landlords (RSL) - interest free loans to improve the energy efficiency of their RSL stock and meet the Energy Efficiency Standard for Social Housing (ESSH) standard.

HEEPS Area Based Schemes – householders can take out interest free loans to meet contribution requirements for area based schemes.

HEEPS Warmer Homes Scotland – householders can take out interest free loans to meet contribution requirements for Warmer Homes Scotland scheme.

HEEPS Equity Loan scheme – is a pilot programme designed to help homeowners and private landlords make energy improvements and repairs to their properties. Energy Saving Trust is partnering with Care and Repair to deliver this scheme, and Care and Repair have been on hand to support householders throughout the process. HEEPS Loans can be combined with ECO and HEEPS: ABS.

HOME ENERGY SCOTLAND

It is recognised that alongside funding for physical measures, we also need to ensure householders are guided through the choices available to them. We also fund the award winning **Home Energy Scotland** advice centres and hotline which are managed on our behalf by the Energy Saving Trust.

HES HOMECARE

We launched this pilot, in 2017 based on a recommendation by the Scottish Rural Fuel Poverty Task Force, to provide targeted, face-to-face advice and support within the home. HES Homecare was delivered in Dumfries and Galloway and Moray through our existing Home Energy Scotland network and managed by the Energy Saving Trust on our behalf. The pilot builds upon the well-established Care and Repair model to deliver housing improvements alongside energy efficiency improvements, including advice on tariffs and switching. It was locally based and delivered and worked on the delivery of a holistic service through partnerships with housing, health and social care and energy companies.

ENERGY COMPANY OBLIGATION (ECO)

ECO is a UK Government programme to deliver energy efficiency measures in homes across Great Britain. The scheme aims to help people to reduce the cost of heating their homes to comfortable levels, reducing energy usage and overall carbon emissions. ECO is funded through a charge on the energy bills of all customers of regulated energy companies (currently with over 250,000 customers).

100% of ECO measures must now be provided to fuel poor households or as 'infill' measures as part of the Home Heating Cost Reduction Obligation (aka 'Affordable Warmth'). Up to 25% of the HHCR obligation can be locally determined as flexible eligibility by Local authorities. The majority of ECO finance has paid for heating measures (gas boilers etc.)

272,000 households in Scotland have received ECO finance (12.6% of GB); or an average of 111 measures per 1000 households (compared to 78 in Wales and 72 in England). This equates to c. £506.1 million (12.6%) of total ECO spending since 2013 (excluding admin costs). The current average value of ECO financing per Scottish household receiving a measure is c. £1,677.

WARM HOMES DISCOUNT

Warm Homes Discount is an annual one-off discount on electricity bills paid by energy companies between September and March. This is funded through energy company contributions and ultimately is included in household energy bills. Currently the Warm Homes

Discount is worth £140.

Two groups are eligible: “core” group where the household receives the Guarantee Credit element of Pension Credit (income under £167.25 for a single pensioner or £255.25 for a couple); and “broader“ group on a low income as set by suppliers - some households receiving income related benefits must be included on a `first come, first serve basis`.

In 2017-18 Scottish households represented around 10.9% of WHD recipients compared with 9.2% of all households in Great Britain. 9.6% of all rebates were to the overall ‘core’ group in Scotland (117,020 Scottish households) and 12.5% of the ‘broader’ group (121,425 Scottish households).