

# **Pension Age Winter Heating Payment**

## **Child Rights and Wellbeing Impact Assessment (CRWIA)**

# Child Rights and Wellbeing Impact Assessment (CRWIA) for Pension Age Winter Heating Payment

## **Disclaimer**

This document is a point in time assessment of the likely effects of Pension Age Winter Heating Payment on the rights and wellbeing of children and young people. This impact assessment should be read in conjunction with the Equality Impact Assessment, the Island Communities Impact Assessment, Business and Regulatory Impact Assessment, and the Fairer Scotland Duty Impact Assessment prepared for this proposal.

Scottish Government acknowledge the importance of monitoring and evaluating the impact of strategic decisions and legislation on children's rights and wellbeing. Any information gathered during implementation of the legislation or strategic decision to which the impact assessment relates, will be used to inform future determinations of impact. Any new strategic decision or new legislation (including amending legislation) would be subject to a new CRWIA in line with the legislative requirements.

# Child Rights and Wellbeing Impact Assessment

## Introduction

### 1. Brief Summary

Type of proposal (Please tick):

Bill  SSI

Decision of a strategic nature relating to the rights and wellbeing of children

### Pension Age Winter Heating Payment

Pension Age Winter Heating Payment (PAWHP) will replace the UK Government's Winter Fuel Payment (WFP), a reserved benefit paid annually in November or December, to individuals of state pension age.

PAWHP was originally due to be launched in winter 2024 as a universal and tax free benefit for people of state pension age to help with heating costs during winter. It was intended that PAWHP would be a like-for-like universal replacement of the UK Government's Winter Fuel Payment.

In August 2024, the Chancellor of the Exchequer Rachel Reaves announced the UK Government's intention to restrict eligibility to WFP to those in receipt of relevant benefits.

The changes to WFP eligibility reduce the Block-Grant Adjustment associated with devolution of the UK's Winter Fuel Payment by an estimated £150 million in 2024-25, over 80% of the cost of the Scottish Government's new replacement benefit. Given this significant reduction in budget, after careful consideration of options the Scottish Government has taken the difficult decision to mirror the restricted eligibility of WFP for PAWHP.

We therefore intend to introduce PAWHP, mirroring the decision to deliver WFP to those of pension age in receipt of relevant benefits. The relevant benefits include Pension Credit, Universal Credit, Income-related Employment and Support Allowance (ESA), Income-based Jobseeker's Allowance (JSA), Income Support, Working Tax Credits and Child Tax Credits.

The timing of the UK Government announcement, and the lack of consultation or discussion with the Scottish Government, has meant it is not practicable the Scottish Government to deliver PAWHP this winter. This winter, 2024/2025, our proposed new benefit will be delivered, on behalf of Scottish Ministers by the Department for Work and Pensions under an agency agreement. This approach seeks to ensure that eligible individuals in Scotland continue to receive support over the Winter.

This approach will ensure that eligible pensioners receive payment in winter 2024/25 following the UK Government's announcement to restrict WFPs to those in receipt of relevant benefits.

The key aim of this benefit is to provide pensioners in receipt of the relevant benefits with extra support to help meet increased heating costs during the winter. This support is particularly important given that energy prices remain high amid the current cost-of-living crisis.

The policy closely aligns with the Scottish Government's Wealthier and Fairer Strategic Objectives, but also links with the key priority to tackle fuel poverty and ensuring financial security in older age.

The Scottish Government is committed under the 'Fairer Scotland for Older People' strategy to seek to ensure the financial security of older people in Scotland. PAWHP will contribute to that ambition together with a wider range of initiatives to mitigate fuel poverty, such as our energy efficiency delivery programmes – Warmer Homes Scotland and Area Based Schemes – which have supported over 150,000 households living in, or at risk of fuel poverty in the past decade, as well as our Islands Cost Crisis Emergency Fund which helps island authorities support their island communities through cost-of-living pressures. Additional support through Winter Heating Payment is available to pensioners in receipt of Pension Credit.

Support in addition to social security payments, and the support mentioned above, is available through the Scottish Government's investment in our Council Tax Reduction Scheme and free bus travel for all older people over the age of 60 in Scotland. The Scottish Government has also provided over £2 million from our Equality and Human Rights Fund, supporting older people's organisations to deliver work focused on tackling inequality and enabling older people to live independent and fulfilling lives.

The Scottish Government continues to support vulnerable households from fuel poverty through a range of actions within our limited devolved powers. This year alone, we are spending £134 million on activities to mitigate UK Government policies through schemes such as Discretionary Housing Payments and the Scottish Welfare Fund, which provide vital support to households struggling to meet their housing and energy costs.

The Scottish Government is committed to tackling fuel poverty and has consistently supported vulnerable households through a range of actions, including delivering our Winter Heating Payment which, in contrast to the UK Government's Cold Weather Payment, guarantees a reliable annual payment of £58.75 to people on low-incomes, including those pensioners in receipt of Pension Credit each winter. The Minister for Climate Action has also secured the agreement of energy suppliers to participate in a working group aimed at co-designing a social tariff.

Similarly, ending child poverty is our single greatest priority. We've already consistently up-rated all benefits in line with inflation, and our intention now is to

provide certainty to families and put more money in their pockets by making it a legal requirement to annually up-rate all devolved benefits – including Best Start Grants, Best Start Foods and our winter heating payments. This is an estimated investment of at least £6 million for 2025-26, rising to at least £12 million in 2029-30, according to the latest published SFC forecasts.

Start date of proposal's development: 29 August 2024

Start date of CRWIA process: 29 August 2024

2. With reference given to the requirements of the UNCRC (Incorporation) (Scotland) Act 2024, which aspects of the proposal are relevant to children's rights?

PAWHP will only be paid to people over the state pension age, and we therefore do not anticipate that our policy will have a direct impact on children and young people up to the age of 18.

Although children or young people may be cared for by an individual in receipt of PAWHP, the purpose of this payment is to assist with the extra heating costs associated with older age. For those aged under 19, there is another form of heating assistance delivered by Social Security Scotland, known as Child Winter Heating Payment (CWHP) (formally Child Winter Heating Assistance), which helps to mitigate the additional heating costs that the households of the most severely disabled children and young people face in the winter months.

Initial assessment of PAWHP under its original universal eligibility criteria found that there was minimal to no impact on children and young people, and this was further considered through an overall public consultation on PAWHP.

However, following the recent change in policy to restrict PAWHP eligibility to those in receipt of relevant eligible benefits, one of these eligible benefits is Child Tax Credits. As PAWHP is now linked to Child Tax Credits, a measure with bearing on child poverty rates through its support of low income individuals with responsibility for a child, we have undertaken initial analysis to assess the number of individuals in receipt of Child Tax Credits who may now be entitled to PAWHP.

For the children who are part of a household in which an individual is entitled to PAWHP, either through receipt of Child Tax Credits or other eligible benefits, PAWHP will have an indirect positive impact on their rights under Article 26 (right to benefit from social security) and Article 27 (right to an adequate standard of living).

3. Please provide a summary of the evidence gathered which will be used to inform your decision-making and the content of the proposal.

From:

- existing research/reports/policy expertise
- consultation/feedback from stakeholders

- HMRC Provisional Child Tax Credit Statistics 2022<sup>1</sup>

4. Further to the evidence described at '3' have you identified any 'gaps' in evidence which may prevent determination of impact? If yes, please provide an explanation of how they will be addressed.

The only available HMRC provisional statistics date from April 2022. These figures are grouped by age group at the UK level, but not by client type (such as those of state pension age). The only data available is therefore for those aged 60+. Many within this group will therefore not be of state pension age, and will therefore not be eligible for PAWHP. The data is therefore not available to provide exact figures on the number of clients in receipt of Child Tax Credits who are eligible for PAWHP.

5. Analysis of Evidence.

Assuming that the percentage of people in Scotland who claim Child Tax Credit remains constant across all age groups, it is estimated that there are approximately **1,000 single individuals aged 60 or over** in Scotland who receive Child Tax Credit. For couples where the eldest partner is 60 or over, the estimate is around **2,000**.

This suggests there are roughly 3,000 recipients of Child Tax Credits in Scotland aged 60 or over.

However, as noted in section 4, these figures relate to those aged 60 and over more broadly, rather than specifically to those of state pension age. There is no figure for the number of individuals entitled to PAWHP in receipt of Child Tax Credit, however we would expect this figure to be lower.

Although the numbers are expected to be low, for the children who are part of a household in which an individual is entitled to PAWHP, either through receipt of Child Tax Credits or other eligible benefits, PAWHP will have an indirect positive impact on their rights under Article 26 (right to benefit from social security) and Article 27 (right to an adequate standard of living).

6. What changes (if any) have been made to the proposal as a result of this assessment?

Given lack of precise data on the number of individuals eligible for PAWHP in receipt of Child Tax Credits, and the indication from the data available that these numbers are likely to be very low, no changes have been made as a result of this assessment.

## Conclusion

7. As a result of the evidence gathered and analysed against all UNCRC requirements, what is the potential overall impact of this proposal on children's rights? Children's Rights

---

<sup>1</sup> [Child and Working Tax Credits statistics: Provisional awards – April 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/child-and-working-tax-credits-statistics-provisional-awards-april-2022)

Positive  Negative  Neutral  No impact

8. If you have identified a positive impact on children's rights, please describe below how the proposal will protect, respect, and fulfil children's rights in Scotland.

As this payment is intended to provide support with the heating costs associated with older age for individuals of pension age on low incomes, the overall impact on children of this SSI is expected to be neutral.

For the children who are part of a household in which an individual is entitled to Pension Age Winter Heating Payment, either through receipt of Child Tax Credits or other eligible benefits, Pension Age Winter Heating Payment will have an indirect positive impact on their rights under Article 26 (right to benefit from social security) and Article 27 (right to an adequate standard of living).

9. If a negative impact has been identified please describe below. Is there a risk this could potentially amount to an incompatibility?

N/A

### **Mitigation Record**

What options have been considered to modify the proposal in order to mitigate negative impact or potential incompatibility issues?

N/A

Please summarise mitigation actions taken below

N/A

### **Issue or risk Identified per article/ Optional Protocol**

N/A

### **Action Taken/To Be Taken**

N/A

### **Date action to be taken or was taken**

N/A

10. As a result of the evidence gathered and analysed against all wellbeing indicators, will the proposal contribute to the wellbeing of children and young people in Scotland?

Yes  No

If yes, please provide an explanation below:

Those children who live in households with people of pensionable age who are in receipt of a relevant benefit will be positively impacted due to the household being more able to afford to heat the home in winter.

11. How will you communicate to children and young people the impact that the proposal will have on their rights?

This CRWIA will be published to be made available to anyone with an interest and, has been drafted in language which is accessible to children and young people to understand.

## **Post Assessment Review and sign-off**

12. Planning for the review of impact on children's rights and wellbeing

As part of the decision-making process, plans for reviewing the impact on children's rights and wellbeing need to be developed.

- How will the impact of the proposal on children's rights and wellbeing be monitored?
- When will you review and update the CRWIA if required?

Regular evaluation or review of the benefit following implementation of the policy will be carried out.

There is no expectation that children and young people will be impacted by PAWHP if they are cared for by someone who receives this payment, as the financial assistance provided is expected to be used to support the needs of the individual that the benefit is designed for.

While we have reached the decision that there are no aspects of the proposal which are deemed relevant to the UNCRC requirements, we will continue to monitor the impact of the policy throughout the policy development and its implementation and will review that decision on an ongoing basis.

13. Sign off

Policy Lead Signature & Date of Sign Off: Owen Allen – 17/09/24

Deputy Director Signature & Date of Sign Off: Ian Davidson - 17/09/24

Date CRWIA team first contacted: 13/06/24





© Crown copyright 2024



This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.scot](http://www.gov.scot)

Any enquiries regarding this publication should be sent to us at

The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

ISBN: 978-1-83601-839-1 (web only)

Published by The Scottish Government, September 2024

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA  
PPDAS1505330 (09/24)

W W W . g o v . s c o t