

Warm Home Discount as an effective form of Fuel Poverty relief

A Changeworks report for Citizens Advice Scotland

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Executive Summary

This research, commissioned by Citizens Advice Scotland, analyses the effect of the Warm Home Discount (WHD), an annual rebate of £140, on Fuel Poverty in Scotland in a quantitative and qualitative way. With the recently passed Scottish Fuel Poverty Bill and the consequently changed Fuel Poverty definition, the demographics of households defined as Fuel Poor have changed.

The aim of this research was to determine to what extent the eligibility criteria for the WHD Broader Group align with this new Fuel Poverty definition, and how effective the Broader Group eligibility criteria are for reaching Fuel Poor and vulnerable households with low incomes.

Data from the 2018 Scottish Household Survey (and its subset the Scottish House Condition Survey) was used to determine how many households qualified for the WHD Broader Group, to what extent WHD eligible households classified as Fuel Poor and to analyse the Fuel Poverty Gap (i.e. the amount with which either the fuel bill needs to be lowered, or the net adjusted household income needs to be increased by to lift a household out of poverty). In addition, semi-structured interviews with householders receiving WHD (both Core and Broader Group recipients) were conducted to review their perceptions and experiences of applying for WHD, Fuel Poverty and the impact of the WHD, the timing of the payments, and switching suppliers whilst receiving WHD.

Key findings

WHD eligibility

- In 2018, 9.3% of Scottish households received WHD, of which 4.3% belonged to the Core Group and 5.0% to the Broader Group.
- Based on the criteria from eight energy suppliers, 29-32% of the Scottish households were eligible for the Broader Group WHD.

WHD and Fuel Poverty

- 36% of the urban Fuel Poor households and 42% of the rural Fuel Poor households did not qualify for WHD. This 'Fuel Poor, not WHD eligible' group consisted mostly of couples and single adults of working age.
- 20% of households not in Fuel Poverty qualified for the WHD Broader Group. This 'Not Fuel Poor, WHD eligible' group mostly consisted of single pensioners.

WHD and Fuel Poverty alleviation

- The WHD did not significantly lift Scottish households out of Fuel Poverty.
- The influence of the WHD and other fuel payments such as the Winter Fuel Payment and Cold Weather Payment on Fuel Poverty statistics depends on whether they are viewed as a reduction in fuel costs or an increase in income. The former reduces National Fuel Poverty levels significantly whereas considering these payments part of the income does not).

WHD and the Fuel Poverty Gap

- The Fuel Poverty Gap for most households was a so-called 'Fuel Bill-related Fuel Poverty Gap', which means that for most Fuel Poor households the reduction in fuel bill needed to define the household as non-fuel poor was lower than the increase in income needed to achieve this.
- The Fuel Poverty Gap was almost twice as high in rural areas compared to urban ones, both for the Fuel Bill-related Fuel Poverty Gap (£580 in urban households, £1100 in rural) and the Income-related Fuel Poverty Gap (£299 and £537, in urban and rural households respectively).

Receiving the WHD in practice

- Energy suppliers do not tailor the application process to the needs of those that are vulnerable or live with disabilities, despite the intention of the Broader Group criteria to benefit those living in challenging situations.
- The interviewed Broader Group recipients typically felt a greater benefit from WHD than Core Group interviewees.
- In particular, interviewees with low heating regimes and those who struggle to pay their bills felt the benefit of the £140 more than those with large debts or those with higher monthly energy bills.

Conclusion

Although some WHD recipients mentioned the £140 had a large impact on their finances or ability to warm their home, the WHD does not impact the overall Fuel Poverty statics significantly. For other fuel payments, such as the Winter Fuel Payment or Cold Weather Payment, to make an impact statistically it would depend on whether the rebates are considered part of the income or a fuel cost reduction. Despite this not influencing householders' experiences of Fuel Poverty, clarity on how Fuel Poverty levels are calculated is important.

Not all Fuel Poor households were WHD Broader Group eligible, this is explained by the different criteria of the new Fuel Poverty definition and WHD Broader Group eligibility. Firstly, the income threshold for WHD eligibility at £16,190 differs from the (variable) income threshold for Fuel Poverty under the new Fuel Poverty definition. Secondly, the new Fuel Poverty definition uses a Net Adjusted Income that takes into account housing costs and care costs, which the WHD eligibility criteria do not. If the intention of the Broader Group WHD criteria would be to capture more households in Fuel Poverty, they should be adapted to align with the new Fuel Poverty definition.

The Fuel Poverty Gap differs substantially between urban and rural areas, with the latter being almost twice as high for both Income- and Fuel Bill-related Fuel Poverty Gaps. Therefore, an uplift for households in rural areas should be considered.

Finally, interviewed households expressed the need for greater clarity about when to expect the WHD payment and whether or how it should be paid back when switching suppliers. In addition, more active assistance from the energy suppliers for their vulnerable customers would be appropriate.

1.1 Introduction

Citizens Advice Scotland commissioned Changeworks to research how the Warm Home Discount (WHD), a UK government programme that provides a one-off £140 rebate to the electricity bills of UK homes that are at risk of Fuel Poverty, contributes to Fuel Poverty alleviation in Scotland using the new Scottish Fuel Poverty definition. This piece of work consists of a quantitative analysis on WHD eligibility and Fuel Poverty data, supplemented by a qualitative analysis of interviews with WHD recipients.

1.2 Background and Context

Fuel Poverty in Scotland

With the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 the Scottish Government intends to eradicate Fuel Poverty in Scotland. It specifies statutory targets of no more than 5% of Scottish households in Fuel Poverty by 2040. The previous target to eradicate Fuel Poverty by 2016 was not met, despite significant investment of over £0.5 billion since 2009 in the Scottish Government's energy efficiency programme. Due to rising energy costs, Fuel Poverty levels are higher now than when this target was set in 2002.¹ After the recommendations of two short-life expert groups, the Scottish Fuel Poverty Strategic Working Group and the Scottish Rural Fuel Poverty Task Force, the statutory definition of Fuel Poverty in Scotland was reviewed, and a new was definition adopted.

Under the previous definition, a household was defined as being in Fuel Poverty if it spends more than 10% of its income to keep the home at a reasonable temperature. The new definition, which includes an adjusted temperature regime for vulnerable households as well, is designed to reflect more accurately those most affected by Fuel Poverty and prevent high-income households with high energy costs from being considered as Fuel Poor.

According to the recently passed Scottish Fuel Poverty Bill², a household is in Fuel Poverty if:

- the fuel costs necessary for the home in which members of the household live are more than 10% of the household's adjusted net income, and
- after deducting fuel costs, the household's remaining adjusted net income is insufficient to maintain an acceptable standard of living for members of the household.

For the 'acceptable standard of living' mentioned in this definition the Minimum Income standard (MIS) is used. The MIS is calculated annually for 11 different

¹ SPICe (2018) [Briefing: Fuel Poverty \(Target, Definition and Strategy\) \(Scotland\) Bill](#)

² Scottish Parliament (2019) [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Bill, as amended at stage 3](#)

household compositions by the MIS research group from Loughborough University³. For the Fuel Poverty data used in this work the MIS After Housing Costs data (MIS AHC) was used, which excludes housing costs, childcare costs, council tax and water charges costs.

This new definition, compared to the '10%' definition, results in the same levels of Fuel Poverty under the old heating regime standard, and slightly higher under the new heating regimes⁴. In addition, it shows a shift towards more Fuel Poor households in flats, a more even distribution between older households, families, and other households in Fuel Poverty, and less Fuel Poor households in remote rural areas.

Warm Home Discount

The new Fuel Poverty legislation explicitly recognises four drivers of Fuel Poverty: energy prices, income, energy efficiency and how energy is used in the home. Energy prices are continually rising, and over the last year the price for all domestic fuels (solid fuel, liquid fuel, gas and electricity) increased by 7.5% in real terms.⁵ The WHD is designed to address energy prices as a driver of Fuel Poverty, through the provision of a means-tested, unconditional one-off energy bill rebate of £140 for low income and vulnerable households. The WHD scheme places a legal obligation on medium and large energy suppliers to support households in Fuel Poverty or those at risk of Fuel Poverty.

Households eligible for WHD are split into a Core Group and Broader Group. Core Group eligibility is based on the Guarantee Credit Element of Pension Credit and is administered automatically by DWP. Broader Group eligibility is designed to target those households with one of more of the following:

- a child under 5
- someone with a disability or long-term health condition
- a low income (below the threshold of £16,190).

Broader Group applications are administered by energy suppliers on a first-come first-served basis. Accessing the WHD can be somewhat of a lottery due to the different eligibility criteria used by energy suppliers, and the varying application windows. For example, this year Utilita only offered a seven-day window for WHD applications. Many Broader Group recipients become reliant on the £140 discount, but the current application and administration processes provide no certainty to recipients.

The effectiveness of WHD in mitigating Fuel Poverty is directly linked to Broader Group recipients' ability to complete the application, either online or by telephone.

³ Loughborough University Centre for Research in Social Policy [The Minimum Income Standard for the United Kingdom](#)

⁴ Scottish Government (2017) [A new definition of Fuel Poverty in Scotland: review of recent evidence](#)

⁵ Department for Business, Energy and Strategy (2019) [Quarterly Energy Prices United Kingdom, Quarter 4 \(July– September\) 2019](#)

One of the major hurdles anecdotally reported by Affordable Warmth Advisors at Changeworks in this process is that many prepayment customers do not know their account number, which is required by suppliers to process WHD applications. In addition, findings from a study by The University of York⁶ indicate that the WHD can discourage recipients from switching energy suppliers due to suppliers' differing eligibility criteria for the Broader Group, and the administrative burden of reapplying for the scheme. This means that WHD recipients are unable or unwilling to adopt the strategy of supplier switching in order to manage their energy costs.

Until recently, much of the policy relating to support other than energy efficiency measures has been the responsibility of the UK Government. However, under the 2016 Scotland Act, Fuel Poverty became a devolved matter. This included devolving powers to design and implement a Fuel Poverty scheme supplier obligation to Scotland, although certain aspects of the scheme remain reserved to the Secretary of State, including the spending targets⁷. In addition, following the Social Security (Scotland) Act 2018, the Scottish Government established Social Security Scotland which will administer the Winter Heating Assistance and the Cold Spell Heating Assistance.

As a result of the Fuel Poverty definition change in Scotland, and given the Scottish Government's devolved social security powers, there is a need to understand how schemes such as the WHD are aligned with how we now measure and identify the problem of Fuel Poverty.

Previous research by BEIS⁸ found that households in receipt of the WHD may not necessarily have the highest risk of living in cold homes. The report questioned whether the proxies used by energy suppliers for identifying Broader Group eligibility sufficiently targeted those in Fuel Poverty.⁹ Initial analysis¹⁰ of the new definition indicates that Fuel Poverty rates are likely to be highest amongst households:

- where the highest income householder is female or aged under 35
- where at least one member has a long-term sickness or disability.

The findings from BEIS described above and relative high fuel poverty levels of non-pensioner households in Scotland provide ample motivation to research how well the current WHD criteria (both from the Core and Broader Group) match the new Scottish Fuel Poverty definition.

1.3 Purpose of this research

The purpose of this research was to review the effectiveness of the WHD in mitigating Fuel Poverty in Scotland. Citizens Advice Scotland (CAS) wished to

⁶ University of York (2013) [Fuel Poverty and disabled people: the impact of policy change](#)

⁷ Department for Business, Energy and Strategy (2016) [Warm Home Discount Scheme](#)

⁸ Department for Business, Energy and Strategy (2018) [Evaluation of the Warm Home Discount Scheme: Analytical Paper 2](#)

⁹ Department for Business, Energy and Strategy (2018) [Evaluation of the Warm Home Discount Scheme: Synthesis Evaluation Report](#)

¹⁰ Scottish Government (2018) [Draft Fuel Poverty Strategy for Scotland 2018](#)

understand whether the WHD qualifying criteria are appropriate in targeting those in Fuel Poverty in light of Scottish Government's new definition, and whether the rebate is effective in lifting households out of Fuel Poverty. The primary research question was:

“Does the current design of the Warm Home Discount (WHD) alleviate Fuel Poverty, and to what extent, and what re-design or additional financial support is required to achieve this goal?”

More specifically, this research wanted to identify:

- Whether the WHD Core and Broader Group criteria are effective in identifying households in Fuel Poverty under the new definition.
- To what extent the WHD helps in alleviating Fuel Poverty.
- How the WHD compares in effectiveness to other energy related support, such as the Cold Weather Payment and the Winter Fuel Payment.
- How the WHD rebate should be adjusted to address the Fuel Poverty Gap under the new Fuel Poverty definition.

2. Methodology

The research consisted of a quantitative analysis of Ofgem and Scottish Household Survey data, as well as a qualitative analysis of interviews with WHD recipients (Core Group and Broader Group) from different demographics.

2.1 Quantitative data analysis

For the quantitative analysis in this project we used data from Ofgem, the Scottish Household Survey (SHS) 2018 and its subset the Scottish Housing Condition Survey (SHCS) 2018. The SHCS is part of the SHS and involves physical surveys of the properties where the surveyed households live. More details on how the SHS data and other data were used in this study is described below. In addition, a full description of the SHS methodology and how this data is collected is published annually by the Scottish Government¹¹ (though not yet available for 2018) and highlighted in the SHCS 2018 key findings report.¹²

Households receiving WHD – Ofgem data

Ofgem provided the amount spent on the WHD in 2017/2018 and 2018/2019 for both the Core Group and the Broader Group, and for both the UK and Scotland. Given that the WHD in 2018 was £140, this amount was used to calculate the number of households receiving the WHD. Note that the calculated amounts could be a slight underestimation, as some households do not receive the full WHD rebate because of practical limitations.¹³

Scottish Household Survey data

The majority of the quantitative data analyses was done on household level data from the Scottish Household Survey (and as part of the Scottish House Condition Survey). From the SHS we requested the following at household level:

- Household composition
- Household net income
- Housing costs
- Benefits received
- Winter Fuel Payments received
- Cold Weather Payments received
- Modelled fuel costs to achieve the assigned heating regime¹⁴

¹¹ Scottish Government (2019) [Scottish House Condition Survey: 2017 Methodology Note](#)

¹² Scottish Government (2020) [Scottish House Condition Survey: 2018 Key Findings](#)

¹³ Such households have a pay-as-you go meter with a limit of for example £50 applied at any one time, so the supplier may provide the WHD in instalments with a gap in between. If households close their account before the last instalment, they will not have received the full £140 rebate.

¹⁴ For non-vulnerable households this consists of 21 °C in the living room and 18 °C in others, 9 hours of a working day and 16 days in the weekend. For vulnerable households (those where at least one

- Assigned Minimum Income Standard (MIS) after housing, care and fuel costs
- Council Tax and water costs
- Fuel Poverty status (according to the new Fuel Poverty definition)
- WHD status (modelled in SHCS)

A full list of received data can be found in Appendix 7.1. The SHS dataset received from the Scottish Government contained data from 10,519 households, and the Fuel Poverty status was provided for 2,899 of those households as part of the SHCS data. The data also contained the weightings needed to calculate national averages for the overall dataset and the sub-set used for Fuel Poverty calculations, given that some household types are under- or over-represented in the SHS dataset itself.

Because the data received from the Scottish Government was limited to 2018, geographical analyses were not done beyond national and urban/rural level. This is because the sample size for the SHCS part is too small for local authority level analysis (normally, data from the two years before is included in local authority level SHCS Fuel Poverty analyses).

WHD Broader Group eligibility

Broader Group WHD eligibility is designed to target those households with a low income, with someone with a disability or long-term health condition in the household, and/or with children under the age of five. However, the explicit criteria applied to customers differs among suppliers, and not all suppliers are obligated to offer WHD, depending on their size¹⁵.

To analyse the importance of these different criteria, we made an inventory of WHD Broader Group criteria for the six large energy suppliers in Scotland (E.ON, SSE, Scottish Power, EDF Energy, British Gas, and NPower). In addition, the criteria from two smaller suppliers that offer Broader Group WHD (Bulb and Octopus) were included. The WHD Broader Group criteria mostly specified being in receipt of certain benefits, having an income threshold of £16,190, and being able to provide proof of having children.

To assign WHD Broader Group eligibility per supplier to each household in the SHS dataset we used SHS data on:

- Net household income
- Household composition
- Benefits received

to flag if the conditions for WHD eligibility were met for the specific supplier.

member is aged 75 or over, or at least one member has a long-term sickness or disability) this is 23 °C and 20 °C, respectively, for 16 hours per day.

¹⁵ *Suppliers with more than 250,000 customers UK wide are obligated to offer both Core and Broader Group WHD, suppliers with more than 200,000 customers are obligated to offer Core group WHD, whereas others can offer WHD voluntarily.*

It was not possible to flag WHD Core Group eligibility for the SHS households, because the data on receiving Pension Credit did not specify if this was the Guarantee Credit or Savings Credit Element, and information on the former is needed for this. We therefore did not include specific estimates for the number of households receiving WHD as part of the Core Group beyond the estimates based on the national values received from Ofgem for this study.

Household composition and Minimum Income Standard (MIS) group

Household composition data from the SHS data was used to assign one of the 11 MIS Groups to the households. These 11 groups are used in the Fuel Poverty calculations to assign a minimum income for an acceptable standard of living to a household, taking into account that needs of different household types vary. This minimum income standard is subsequently compared to a household's Net Adjusted Income. The MIS groups consist of:

- Single pensioner
- Single working age
- Couple working age
- Couple pensioner
- Couple, 2 children
- Lone parent, 1 child
- Couple, 3 children
- Couple, 1 child
- Lone parent, 2 children
- Couple, 4 children
- Lone parent, 3 children

We used the same method as the SHS to assign one of these 11 groups, or a hybrid (like pensioner/non-pensioner couple) to the households that did fall into one of these categories.

WHD and Fuel Poverty

The Fuel Poverty status for the households was taken from the SHS and SHCS data, which was calculated according to the new Fuel Poverty definition. A description of the methodology can be found in the 2018 Key findings report¹⁶.

A household in the SHS dataset is Fuel Poor when:

- Modelled fuel costs (for the correct heating regime) is less than 10% of the net income after housing costs.

And

¹⁶ Scottish Government (2020) [Scottish House Condition Survey: 2018 Key Findings](#)

- Income (after housing costs, benefits received for care and the SHS modelled fuel costs for the correct heating regime) is lower than 90% of the MIS (after the MIS modelled housing, care and fuel costs).

For the criteria above, the MIS for households in remote rural, remote small towns, and island areas (RRRSTI) was uplifted as suggested by the 2017 Scottish Fuel Poverty Definition Review Panel¹⁷: 15% for working age single adults and couples, 19% for single pensioners or coupled pensioners and 27.5% for family households.

Using the previously assigned WHD Broader Group eligibility we calculated what proportion of the households that were Fuel Poor were not WHD eligible and vice versa. We divided this further for urban/rural areas and analysed what MIS groups were proportionally over and/or underrepresented in these groups.

To calculate if the WHD helps households out of Fuel Poverty, we compared how many of the Fuel Poor households in the SHS dataset would have been Fuel Poor if they did not receive the WHD. We added the WHD costs (£140) to fuel costs of households that were modelled to receive WHD in the SHS dataset and subsequently calculated Fuel Poverty levels in the dataset. In addition, we did the same for the Winter Fuel Payment and Cold Weather payment, of which the values received were given by the SHS data. Winter Fuel Payment for households range from £100 to £300, depending on their household composition¹⁸. The cold weather payment consists of £25 for each seven-day period of very cold weather between 1 November and 31 March¹⁹.

In addition to analysing the effect of removing the WHD and other fuel payments, we performed a more generic sensitivity analysis. A sensitivity analysis increases or decreases one specific element of a model while keeping everything else the same to analyse its influence on the final output. This allows for a more general assessment of the influence of decreasing the fuel bills or increasing income. Here, we increased Net Adjusted Income in the SHS dataset by 2%, 5%, 10% and 15% while keeping everything else the same. Likewise, we decreased the modelled fuel bills in the SHS dataset by 2%, 5%, 10%, and 15%.

Weighted median Fuel Poverty Gap

The Fuel Poverty Gap represents the amount with which either the fuel bill needs to be lowered, or the net adjusted household income needs to be increased by, whichever is lower, to lift a household out of poverty. Because the new Fuel Poverty definition contains two criteria, the Fuel Poverty Gap values can be divided in two groups:

- **Income Fuel Poverty Gap:** the amount needed to increase the Net Adjusted Income to be 90% or higher than the MIS AHC minus MIS fuel costs.

¹⁷ Scottish Government (2017) [A new definition of Fuel Poverty in Scotland: review of recent evidence](#)

¹⁸ UK Government [Winter Fuel Payment](#)

¹⁹ UK Government [Cold Weather Payment](#)

- **Fuel Bill Fuel Poverty Gap:** the amount needed to decrease the fuel bill, so it is 10% or less of the net income minus housing costs.

The median Fuel Poverty Gap gives a better representation than the average Fuel Poverty Gap, because very high or low outlying values do not skew a median the way they can skew averages. A weighted median Fuel Poverty Gap was calculated for the Income and Fuel Bill-related Fuel Poverty Gap, and each were calculated for urban and rural households.

2.2 Qualitative data analysis

Methodology

As part of the research a series of interviews were carried out with WHD receiving householders. These semi-structured interviews followed a topic guide (see Appendix 7.2), and explored householders experiences and perceptions of the following:

- WHD Application process
- Fuel Poverty
- Timing of payments
- Receipt of other energy-bill related aid
- Impact of the WHD

Interviewees were recruited via both Citizens Advice Bureaux and Changeworks' Affordable Warmth Team networks. The sample aimed to represent the structure outlined in Table 1. This weighting is intended to reflect the greater spread of household compositions eligible for WHD under the Broader Group criteria.

Table 1: Sampling strategy as outlined in the proposal

	Rural	Urban
Broader Group	5	5
Core Group	3	3

The set-up from Table 1 was followed, but due the relatively small recruitment pool and limited information on household composition it was not possible to recruit strictly to this structure. Furthermore, as outputs from the quantitative data analysis were made available, sampling a variety of household types became more important to our focus than the Broader-Core Group associations. We were particularly keen to include some non-pensioner households as well. Table 2 shows the proportion of household types eligible for the Broader Group WHD in the interviewee sample.

Table 2: Proportion (%) of Broader Group eligible households categorised by household type

	% of WHD eligible overall
Single pensioners	50%
Single non-pensioners	28%
Couple pensioners	9%
Lone parents	3%
Couple with children	2%

A total of 14 interviews were completed, with 13 householders being CAB clients and one a Changeworks client. The nature of the interviewee participants including their household composition, WHD classification, and rurality are outlined in Table 3.

Table 3: Completed interview household composition, WHD Group and rurality

	Rural	Urban
Broader Group	Single pensioner	Single non pensioner
	Single pensioner (lives with unemployed daughter)	Single non pensioner
	Couple pensioners (long term sick)	Single pensioner
	Lone parent	Single pensioner
		Lone parent
		Lone parent
Core Group	Single pensioner	Couple pensioner
	Single pensioner	
	Couple pensioner	

The interviews were conducted via telephone, each lasting between 15 and 30 minutes. With permission these were recorded, and notes made. Interviewees were incentivised with £20 shopping vouchers.

Analysis

The interview notes were coded through thematic analysis²⁰, by identifying themes and patterns within the data. The utilised codes and their relationships are visible in Figure 1. The same codes were used in both the Broader Group and Core Group interview analyses. The qualitative analysis software Nvivo was used to deliver this.

²⁰ Braun, V. and Clarke, V. (2006) Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3 (2). pp. 77-101.

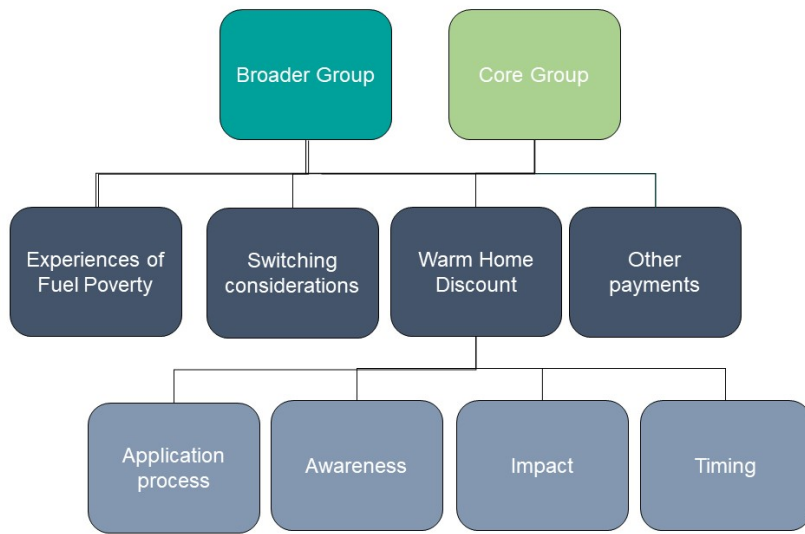


Figure 1: Codes used during interview analysis

3. Quantitative Analysis

3.1 Warm Home Discount recipients in 2018

Ofgem provided CAS with the value spent on the WHD in the financial years 2017/2018 and 2018/2019 for both the Core Group and the Broader Group (Table 4).

The National Records of Scotland estimated that in 2018 there were 2,477,275 households in Scotland²¹. Averaging the WHD recipients of the years 2017/2018 and 2018/2019, we estimated that 229,938 households received WHD in 2018, which was 9.3% of Scottish households. More specifically, on average 107,083, or 4.3%, of Scottish households belonged to the Core Group of WHD recipients, and 122,855, or 5.0%, to the Broader Group.

Table 4: Value spent on Warm Home Discount in the UK and in Scotland in 2017/2018 according to Ofgem data.

	United Kingdom	Scotland
Core Group		
Value WHD spent 17/18	£ 170,282,380	£ 16,382,769
Households receiving WHD 17/18	1,216,303	117,020
Value WHD spent 18/19	£ 156,271,640	£ 13,600,440
Households receiving WHD 18/19	1,116,226	97,146
Broader Group		
Value WHD spent 17/18	£ 135,765,980	£ 16,999,480
Households receiving WHD 17/18	969,757	121,425
Value WHD spent 18/19	£ 154,555,520	£ 17,399,770
Households receiving WHD 18/19	1,103,968	124,284
Average Households		
	2,203,127	229,938

Fuel Poverty in Scotland in 2018 was 25%²², so if 9.3% of Scottish households that year received WHD, and taking account that not all WHD recipients were Fuel Poor, this means that the majority of the Fuel Poor households did not receive WHD.

3.2 WHD eligibility using SHS data

The Broader Group eligibility is designed to target those households that are low in income and vulnerable, or wholly or mainly in Fuel Poverty²³. This means in practice that households will need to evidence to their energy supplier that they have a low income, as well as the care for a child under 5 and/or having members of the household with a disability or long-term health condition. Criteria to qualify for the

²¹ National Records of Scotland [Estimates of Households and Dwellings in Scotland, 2018](#)

²² Scottish Government (2020) [Scottish House Condition Survey: 2018 Key Findings](#)

²³ Ofgem (2018) [Warm Home Discount: Guidance for suppliers v 6.1](#)

Broader Group WHD from the energy suppliers therefore involve a check for benefits or allowances that indicate one of these criteria applies, such as receiving Child Tax Credits, disability-related benefits, or income-based benefits that supplement low incomes.

It should be noted that the SHS data on received benefits was not always specific enough to be compared with the eligibility criteria from the suppliers. For example, for British Gas a household can be Broader Group WHD eligible if it receives income support benefits (i.e. income-based job seeker's allowance) and child tax credits that include a disability element. Although we could identify if a household received child tax credits, it was not possible to test for the disability element of the child tax credit. Likewise, for SSE a household would be eligible if children born on or before 1 April 2011 receive free school meals, which is something not possible to determine from the available SHS benefit types data. Estimates on WHD eligibility in this study should therefore be regarded as *conservative estimates*, with actual eligibility probably being higher.

The phrasing of WHD Broader Group eligibility (as per the websites of the suppliers) varies among the suppliers as well (for all requirements see Appendix 7.3). This variability is partially explained by some benefits being changed to Universal Credit or Employment and Support Allowance recently or soon (as indicated in Table 2), but not completely. For example, only three of the eight energy suppliers allow receipt of income-related Council Tax Reduction either as a proof of low-income (Octopus), or as an additional criterion to receiving income-related benefits (SSE and E.ON), in order to qualify for Broader Group WHD when combined with another criterion.

In Table 5 we flagged if benefits received by households in the SHS dataset were part of the Broader Group WHD eligibility criteria from the different suppliers, which illustrates the variability in requirements among them.

Table 5: 'Qualifying benefits for Broader Group WHD (as per SHS data availability) and estimated percentage of households eligible for each supplier

Benefit type in SHS	'Big Six' Suppliers						Small Suppliers	
	Scottish Power	SSE	EDF Energy	British Gas	Npower	E.ON	Bulb	Octopus
Pension Credit		x	x	x		x	x	x
Universal Credit	x	x	x	x	x	x	x	x
Housing Benefit +		x					x	x
Council Tax Reduction		x				x		x
Working Tax Credit +	x	x		x		x	x	x
Child Tax Credit	x	x	x	x	x	x	x	x
Income Support	x	x	x	x	x	x	x	x
Jobseeker's Allowance	x	x	x	x	x	x	x	x
Employment and Support Allowance	x	x	x	x	x	x	x	x

Benefit type in SHS	'Big Six' Suppliers						Small Suppliers	
	Scottish Power	SSE	EDF Energy	British Gas	Npower	E.ON	Bulb	Octopus
Carer's Allowance		x	x				x	
Child Benefit			x					
Personal Independence Allowance	x	x	x		x	x	x	x
Disability Living Allowance	x	x	x		x	x	x	x
Attendance Allowance	x		x				x	x
Severe Disablement Allowance *		x				x		
Incapacity Benefit *	x	x			x			
Industrial Injuries Disablement Benefit		x						x
Total per energy supplier	10	15	11	7	8	11	12	13
Percentage Households eligible in SHS dataset (%)	5%	8%	13%	10%	8%	14%	11%	23%

* Benefit that changes or changed to Employment and Support Allowance, *Benefit that changes or has been changed to Universal Credit

When combining the data from all the suppliers, 29.1% of the households in the 2018 SHS dataset qualified for the Broader Group WHD with at least one energy supplier (Figure 2). Given that according to the Ofgem data 9.3% of the Scottish Households received WHD in 2018, this means that conservatively estimated, just under a third of the eligible households receive the WHD.

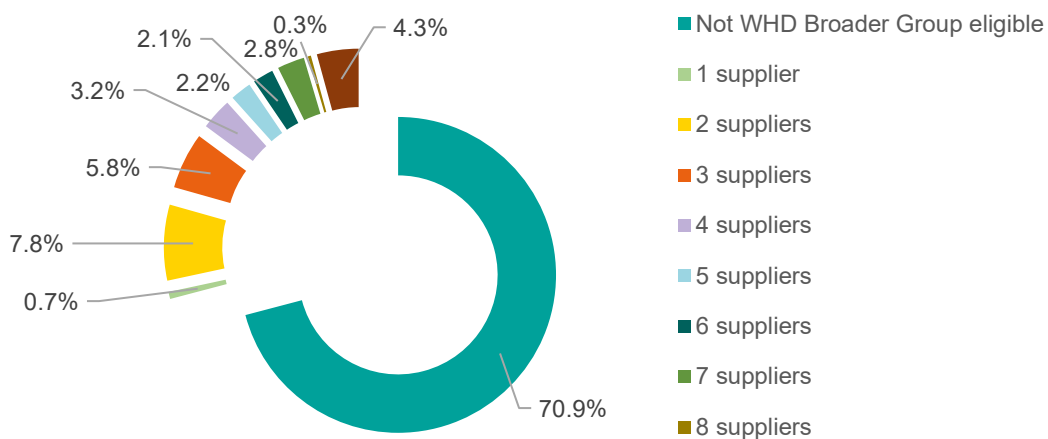


Figure 2. Percentage of households eligible for WHD under Broader definition for number of energy suppliers where they qualify (including the small suppliers Bulb and Octopus). Percentages are weighted according to the provided SHS weights.

Given that there was no data on what part of the Pension Credit was received in the SHS data (the Guarantee Element and/or Saving Element), we could not determine exactly how many of the Broader Group eligible households would qualify as a Core

Group household as well. We did compare which households received Pension Credit and had an income low enough to be in receipt of the Guaranteed Element of Pension Credit (£167.25 per week for single people or £255.25 per week for couples). All households in the SHCS dataset that received Pension Credit with such a low income were eligible for the Broader Group WHD as well. We can therefore assume that those qualifying for the Core Group are very likely to be eligible under the Broader Group definitions as well, and that the total Broader Group eligibility numbers reflect the overall eligibility.

Interestingly, one of the interviewed householders that is currently with one of the 'Big Six' energy suppliers mentioned not wanting to switch to smaller suppliers because they don't expect to qualify for WHD with a smaller supplier (see section 4.5). In our analysis, however, 4.3% from all households only qualified with Bulb or Octopus, which are significantly smaller suppliers (Figure 2). Although Bulb and Octopus are relatively small suppliers in the UK (1.4M and 288K customers in 2019, respectively²⁴), they have sufficient customers to make offering the Broader Group WHD to customers obligatory. Any energy supplier with less than 200,000 customers in the UK is not obligated to offer the Broader Group WHD to their clients, though they can do so voluntarily.

WHD eligibility and modelled recipients

In the SHCS dataset from 2018 (which is a subset from the SHS data), 8% of the households have an assigned status of 'WHD recipient'. This WHD status is not based on a specific SHCS or SHS survey question, but a modelled result from the SHCS survey data (a detailed description of the methodology can be found in the SHCS 2014 Methodology Notes²⁵). When we compare this data to the WHD eligibility that was assigned to households in the analysis above, it shows that 7% of the overall households were both WHD eligible (according to our analysis) and a WHD recipient (according to the WHD data) (Figure 4). Furthermore, 1% of the households were modelled to receive WHD in the SHS dataset but were not flagged as WHD eligible in our analysis. In addition, 25% of the households were WHD eligible, but modelled not to receive WHD, and 68% of the SHCS households were not WHD eligible, nor were they modelled to receive it.

Overall, in the SHCS data set 32% of the households qualified for WHD (7% and 25%), compared with 29% in the overall SHS dataset. Therefore, using conservative assumptions in flagging households for WHD eligibility, the SHS data on household income, composition and benefits received indicates that 29-32% of the Scottish households qualified for Broader Group WHD in 2018.

²⁴ Ofgem (2020) [Number of domestic electricity customer accounts by supplier \(excluding pre-payment customers\): Standard variable, fixed and other tariffs \(GB\)](#)

²⁵ Scottish Government (2015): [Scottish House Condition Survey: 2014 Methodology Notes](#)

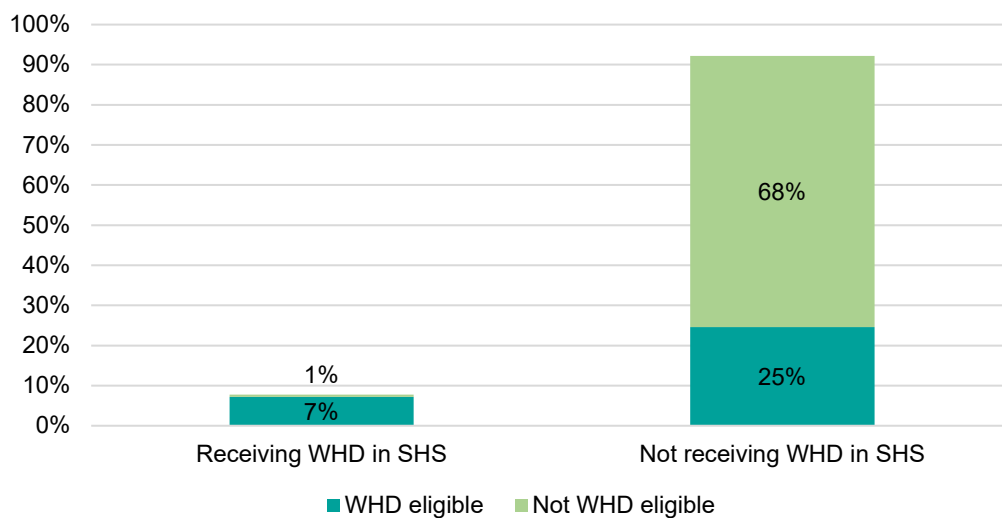


Figure 3: Percentage of the households modelled to receive WHD in the SHS and their WHD eligibility based on the criteria given by the eight energy suppliers in this study.

3.3 WHD eligibility and Fuel Poverty

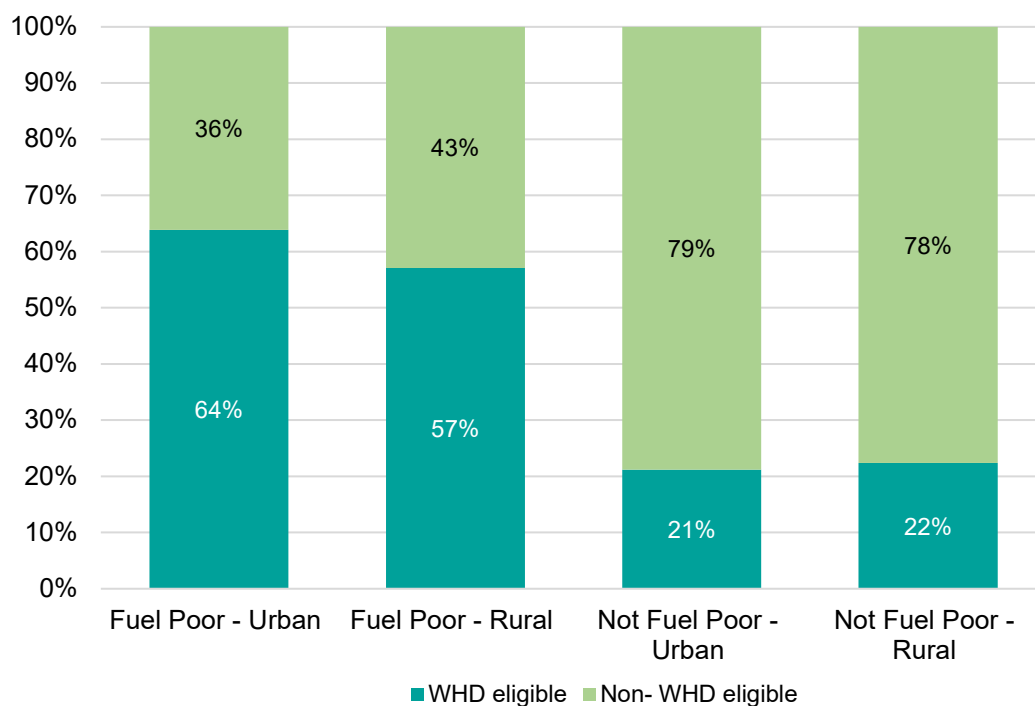


Figure 4: Percentage of WHD eligible households for Fuel Poor and non-Fuel Poor households from urban and rural areas.

The WHD is meant to help households in Fuel Poverty or Fuel Poverty risk groups reduce the money spent on energy bills. However, not all households in Fuel Poverty or Fuel Poverty risk groups are WHD eligible based on the analysis from section 3.1. From the Fuel Poor households in urban areas 64% are WHD eligible, and in the rural areas this is 57% (Figure 5). Likewise, 21% of the Urban and 22% of the Rural households not in Fuel Poverty were flagged as WHD eligible. Although the assignment of WHD eligibility in this study was conservative, it suggests that up to a

third of the households experiencing Fuel Poverty (using the new definition) would not qualify for WHD.

Fuel Poor, not WHD eligible

Looking at the group that is Fuel Poor but not WHD eligible, (Figure 6 and Table 6), it is apparent that the three MIS groups most over-represented here are:

- Couples of working age;
- Single adults of working age, and
- Pensioner couples

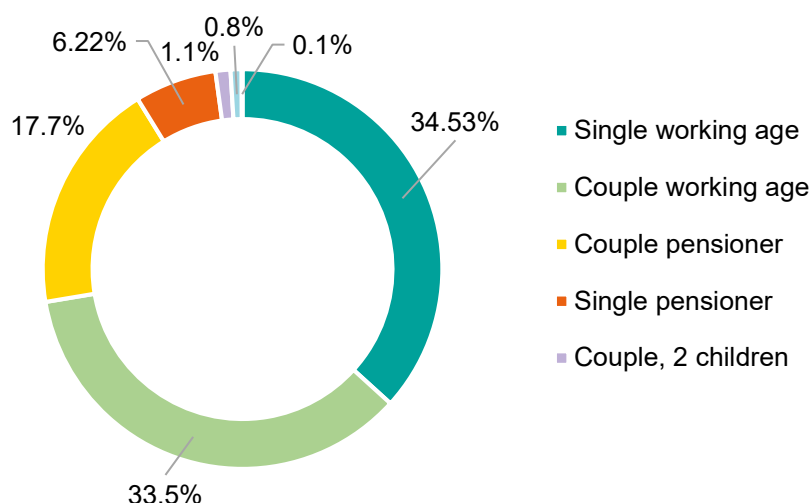


Figure 5: Fuel Poor and non-WHD eligible households divided by the MIS household types.

Table 6: Details of the Fuel Poor and non-WHD eligible households from Figure 4.

MIS Group	Proportion in Fuel Poor, not WHD eligible group	Proportion Fuel Poor in SHCS dataset	Average net income SHS dataset	90% of the MIS per group
Couple working age	33.5%	19.5%	£ 15,351	£ 21,210
Single working age	34.5%	32.7%	£ 11,541	£ 14,261
Couple pensioner	17.7%	12.5%	£ 15,730	£ 18,066
Couple, 2 children	1.1%	0.9%	£ 23,719	£ 36,158
Couple, 1 child	0.8%	0.9%	£ 25,233	£ 33,625
Single pensioner	6.2%	26.0%	£ 14,798	£ 12,751
Lone parent, 2 children	0.1%	0.7%	£ 19,093	£ 31,964
Couple, 3 children	-	-	-	-
Couple, 4 children	-	-	-	-
Lone parent, 1 child aged	-	-	-	-
Lone parent, 3 children	-	-	-	-

These non-WHD eligible household types probably did not qualify because they do not receive income related benefits or have an income above the £16,190 threshold. Indeed, compared with the income criterion in the new Fuel Poverty definition (90% of the MIS), the income threshold for WHD eligibility is much lower for many household types, including working couples (Table 6). In other words, a Fuel Poor household with an income over £16,190 that does not receive any benefits is unlikely to qualify for WHD.

Not Fuel Poor, WHD eligible

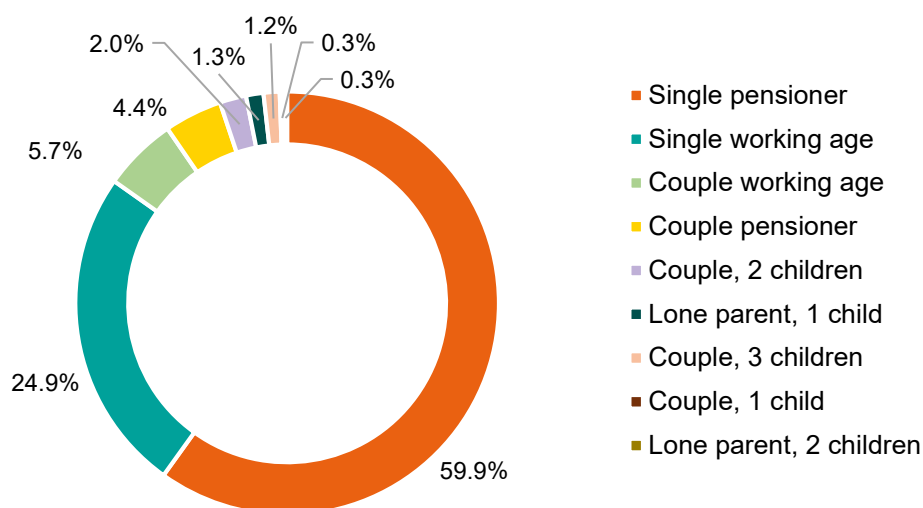


Figure 6: Non-Fuel Poor and WHD eligible households divided by the MIS household types.

Just over one-fifth of the not-Fuel Poor households were WHD eligible both for urban and rural households (Figure 5). Here, the largest MIS group in absolute terms were the Single Pensioners (Table 7, Figure 7), which are overrepresented as well (i.e. we find more single pensioners in this group than expected on a random sample from all non-Fuel Poor households). This group does not necessarily have a high income, but because the housing costs of many pensioners are low (they are likely to have paid off their mortgage) they are not considered Fuel Poor when income is adjusted for housing costs. Nonetheless, they qualify for the WHD Broader Group due to the benefits, pensions credit, or other payments they receive.

Interestingly, there is a relatively large representation from the ‘Single working age’ group for Fuel Poor households not qualifying for WHD, as well as for those qualifying for WHD but that are not Fuel Poor (Figure 5 and Table 6). This highlights that particularly single people of working age, as well as couples of working age, might be hard to capture appropriately with the current WHD criteria.

Table 7: Details of the Non-Fuel Poor but WHD eligible households from Figure 4.

MIS Group	Proportion in not Fuel Poor, WHD eligible group	Proportion not Fuel Poor in SHCS dataset	Average net income SHS dataset	90% of the MIS per group
Single pensioner	59.9%	20.4%	£ 17,772	£ 12,750
Single working age	24.9%	21.7%	£ 16,031	£ 14,260
Couple working age	5.7%	29.0%	£ 23,281	£ 21,210
Couple pensioner	4.4%	17.1%	£ 25,440	£ 18,066
Couple, 2 children	2.0%	2.8%	£ 37,036	£ 36,158
Lone parent, 1 child	1.3%	0.3%	£ 13,565	£ 29,412
Couple, 3 children	1.2%	0.4%	£ 27,344	£ 42,059
Couple, 1 child	0.3%	2.3%	£ 11,928	£ 33,625
Lone parent, 2 children	0.3%	0.2%	£ 21,678	£ 31,964
Couple, 4 children	-	-	-	-
Lone parent, 3 children	-	-	-	-

Effect of WHD on Fuel Poverty levels

To analyse the overall effect of WHD on Fuel Poverty levels, we used the modelled fuel costs in the SHCS dataset, which includes an assumption about receiving WHD, and added £140 if they had been modelled to receive WHD. Subsequently, the Fuel Poverty status was calculated per household using these new fuel costs, after which the overall Fuel Poverty levels were calculated. Removing the WHD had no significant effect on the national Fuel Poverty levels (Table 8), Fuel Poverty levels were 25.0% with and without the WHD.

When removing the other two fuel related payments (the Winter Fuel Payments and Cold Weather Payments) the effect on Fuel Poverty levels varies depending on whether we consider these benefits part of a household's income or if we subtract them from the modelled fuel costs. The SHS considers Winter Fuel Payments and Cold Weather Payments a benefit, and as such part of the household income. Without these payments as part of the income and without the WHD, Fuel Poverty levels increase to 25.3%, which is not a significant difference. However, if we subtract these payments from the modelled fuel costs together with the WHD, rather than considering the other fuel payments part of the income, it reduces Fuel Poverty levels by 3 percentage points.

This difference is a consequence of the Fuel Poverty definition and how it is calculated. In other words, it has consequences for the calculated Fuel Poverty levels, not the overall amount a household can spend.

Table 8: Levels of Fuel Poverty with and without WHD and other fuel payments (Cold Weather Payment and Winter Fuel Payment)

Data used	Fuel Poverty level	Number of households in dataset lifted out of Fuel Poverty
Fuel Poverty in SHS dataset	25.0%	-
- Without receiving WHD	25.0%	1
- Without WHD or other fuel payments as part of income	25.3%	8
- With WHD and/or other fuel payments as part of fuel costs	22.1%	83

Sensitivity analysis income and fuel bill changes on Fuel Poverty levels

In addition to analysing the effect of removing the WHD and other fuel payments, we performed a more generic sensitivity analysis to the SHCS Fuel Poverty data.²⁶ Here, we increased Net Adjusted Income (i.e. the income minus housing costs and care costs) in the SHS dataset with 2%, 5%, 10% and 15% while keeping everything else the same. We also decreased the modelled fuel bills in the SHS dataset with 2%, 5%, 10%, and 15%. Such an analysis allows to show the effects of higher net incomes or lower fuels costs in a systematic way.

Overall, up to a 15% increase in Net Adjusted Income or a 15% decrease in modelled fuel costs resulted in similar decreases in Fuel Poverty, from 25% to 21% and 20%, respectively (Table 6). However, the average increase in Net Adjusted Income will need to be higher in absolute values than the decrease in fuel bills. As with the section above, this difference can be explained by the nature of the Fuel Poverty definition, of which the first criterion divides the fuel bill by the net income after housing costs to compare. As such it is an artefact of how Fuel Poverty is calculated, and not something that reflects differences in householders' experiences when they receive rebates or income supplements. Nonetheless, it shows it is important to consider whether payments or rebates are part a household's income or if they should be deduced from the fuel costs when calculating their influence on Fuel Poverty statistics.

²⁶ A sensitivity analysis increases or decreases on specific element of a model while keeping everything else the same to analyse its influence on the final output.

Table 9: Sensitivity analysis of Net Adjusted Income increases (%) and Fuel Bill decreases (%) on Fuel Poverty levels.

Increase in net income or decrease in modelled fuel costs	Income increase		Fuel Bill decrease	
	Fuel Poverty level	Average needed net income increase	Fuel Poverty level	Maximum needed fuel bill reduction
2%	24%	£ 254	24%	£57
5%	24%	£ 599	24%	£385
10%	22%	£ 1,175	22%	£374
15%	21%	£ 1,640	20%	£454

3.4 The Fuel Poverty Gap and WHD uplift

The Fuel Poverty Gap represents the amount with which either the fuel bill needs to be lowered or the net adjusted household income needs to be increased with, whichever is lower, to lift a household out of poverty. The median weighted Fuel Poverty Gap can therefore be split into two types: Income or Fuel Bill-related. Overall, there are more households with a Fuel Bill-related Fuel Poverty Gap than with an Income-related Fuel Poverty Gap (Figure8).

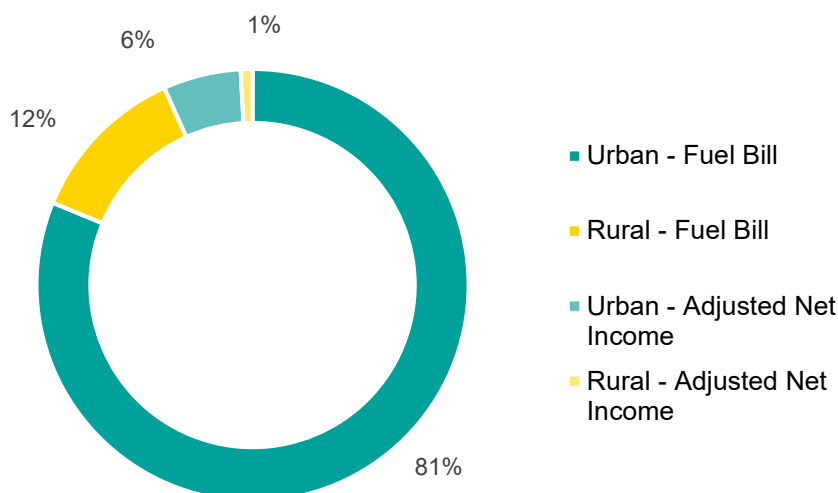


Figure 7: Proportion of Fuel Poverty Gap types in dataset.

The actual weighted median Fuel Poverty Gap in 2018 was £650²⁷, but when split into different Fuel Poverty Gap categories it varies substantially. It is important to note that the Fuel Poverty Gap is determined by the *lowest* value from the Income

²⁷ Scottish Government (2020) [Scottish House Condition Survey: 2018 Key Findings](#)

and Fuel Bill-related Fuel Poverty Gap. Before selecting the lowest value per household, the median Fuel Bill-related Fuel Poverty Gap was £656, and the Income-related Fuel Poverty Gap was £4,826. However, when applying the Fuel Poverty Gap calculation and selecting the lowest Fuel Poverty Gap value per household, this changed to a median Fuel Bill-related Fuel Poverty Gap of £669 and an Income-related Fuel Poverty Gap of £585.

The latter can seem counterintuitive and is a consequence of the changes in the Fuel Poverty definition, which now has two criteria: one comparing the fuel costs and income and the second comparing the Net Adjusted Income with the MIS values. For a household to be defined as being out of Fuel Poverty it needs to be relieved from one of those criteria. For example, the group with Income-related Fuel Poverty Gaps (i.e. where the Income-related Fuel Poverty Gap was lowest) on average have higher median modelled fuel costs (£2,592) than the overall Fuel Poor households in the dataset (£1,427), and a higher median Net Adjusted Income as well (£11,069 vs. £8,142, respectively). As a result, the Fuel Poverty criterion that compares Net Adjusted Income with 90% of the MIS AHC is more likely to be unfulfilled for this group than the criterion comparing income and fuel costs.

The weighted median Fuel Bill-related Fuel Poverty Gap differs substantially between the urban and rural Fuel Poor households, with the former being £580 and the latter being almost twice as high at £1,100. This difference can be explained by the higher fuel costs in rural areas where households are less connected to the gas grid and the average EPC rating per property is lower²¹.

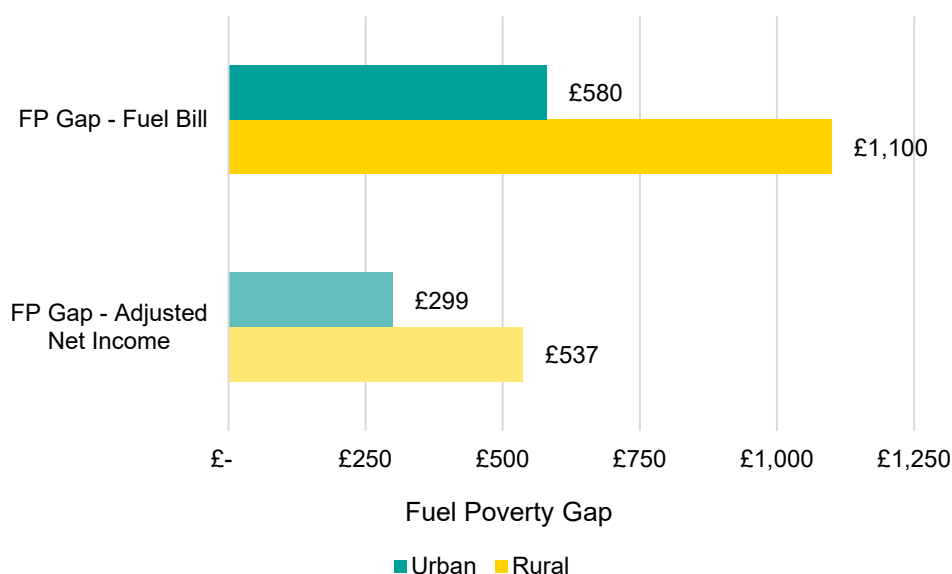


Figure 8: Median weighted Fuel Poverty Gap per type and urban or rural areas.

The weighted median income-related Fuel Poverty Gap differed less in absolute terms between urban (£299) and rural households (£537), even though proportionally this is also almost twice as high. Nonetheless, high and low Fuel Poverty Gap values

can be found throughout the urban and rural households for both the Fuel Bill-related and Income-related Fuel Poverty Gaps (Figure 9 and Figure 10).

The Scottish Government aims for the Fuel Poverty Gap to be no more than £250 in 2040, with no more than 5% households in Fuel Poverty. In this analysis, 77% of the Fuel Poverty Gap values (combining income and fuel bill-related values) were higher than £250. In order to reach the 2040 goals, the median fuel bill will have to decrease, and the median Net Adjusted Income will have to increase substantially.

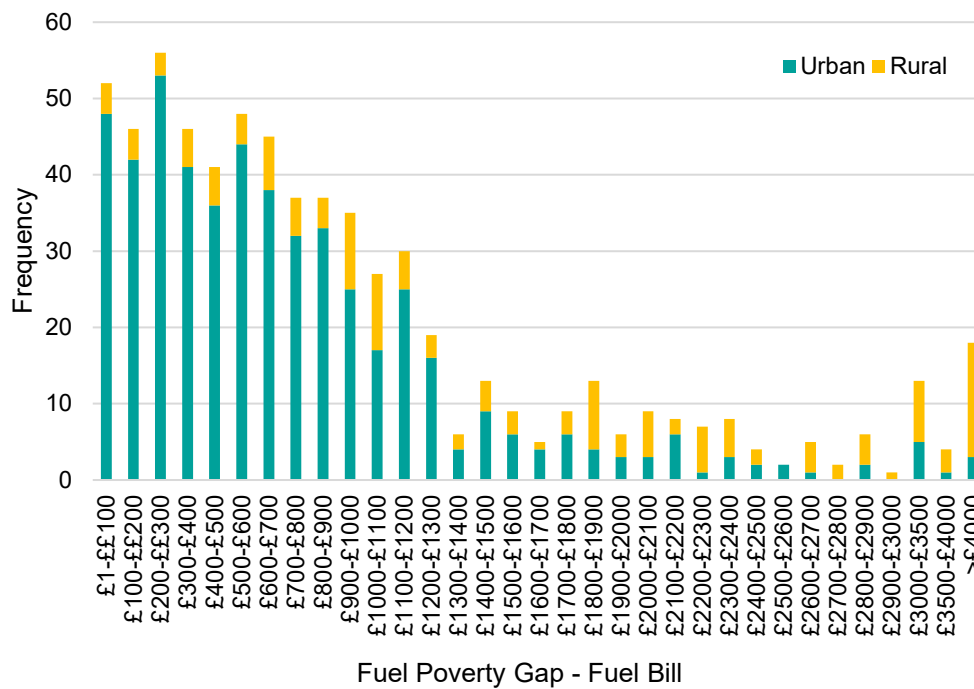


Figure 9: Frequency of Fuel Poverty Gap values that are fuel bill-related in the SHS 2018 dataset

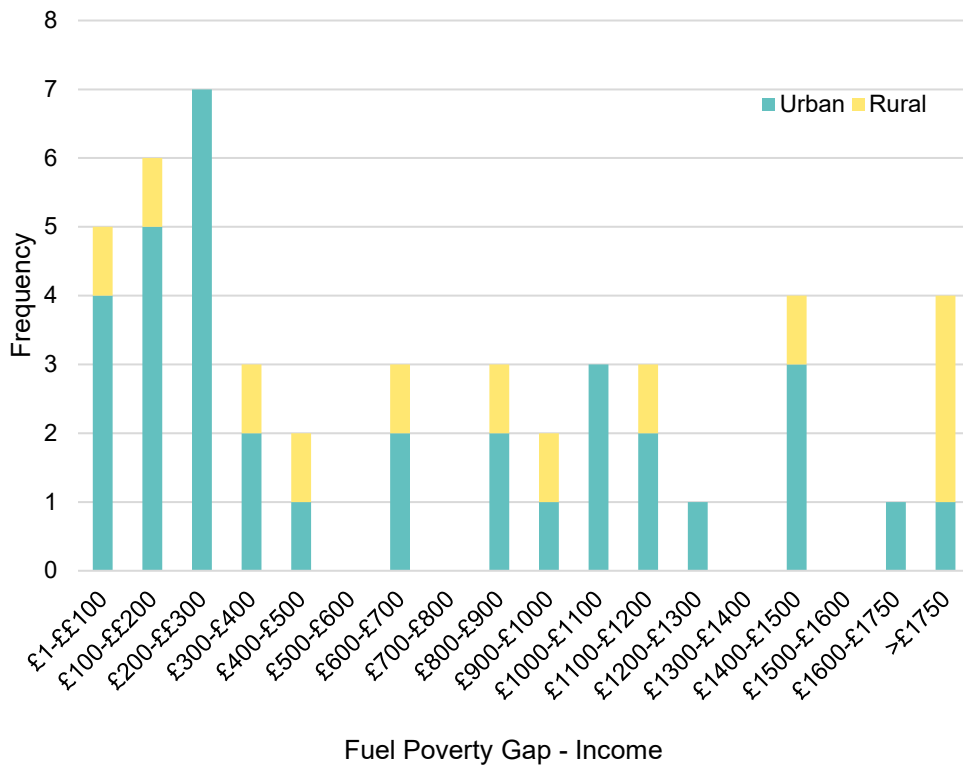


Figure 10: Frequency of Fuel Poverty Gap values that are income-related in the SHS 2018 dataset

4. Qualitative Analysis

Sample

Fourteen interviews were completed for this report. As mentioned above, a wide range of households from both urban (7) and rural (7) areas, males (8) and females (6) were interviewed. For the Broader Group WHD recipients (10), these included single pensioners (4), couple pensioners (1), single non-pensioners (2) and lone parents (2). The Broader Group interviewees included a wide range of heating systems and fuel types, including air source heat pumps, coal, electric, oil and gas.

Core Group interviewees (4) had a range of household compositions. These included a pensioner living with their partner, two single pensioners and a pensioner living with his wife and son. Two of the households heated their homes with gas central heating, and the others had electric storage heaters. When asked about their heating regimes, those with gas used the heating between 5 and 8 hours/day, whilst the electric storage heaters automatically went on and off.

4.1 Experiences of Fuel Poverty

Broader Group

Many of the interviewees shared their experiences of living in poverty, being unable to afford food, the use of foodbanks and being in debt with energy suppliers.

Heating regimes (i.e. duration of central heating use) were very short for some and very long for others (mainly for those with health problems). Generally, interviewees did not feel able to have the heating on as much as they need to. One interviewee did not use the heating at all:

“If I had a spare couple of thousand, I would be able to pay the debt off. I haven’t had the heating on since October last year, I’m just really frightened to put the heating on, I am paying them as much as I can.”
(Single pensioner)

Another confined themselves to living in the bedroom:

“I don’t have much furniture in my living room, so I live in the bedroom most of the time. I got one of those oil filled radiators too, so I use that.”
(Single non-pensioner)

Interviewees who felt that they were better able to manage their expenses, explained their budgeting practices. These consisted of not going out drinking or smoking, and topping up the meter with any surplus at the end of the month:

“No, no, I never let it [the meter] run low. I make sure when I get the money, I put half in the gas and half in the electric, as soon as I get it.”
(Single non-pensioner)

When asked whether they went without leisure activities, in order to pay for heating, all 10 interviewees from the Broader Group explained that this was common practice. A few also shared their experiences of not being able to afford food:

“Every week I’m like “god I’ve got to make sure I’ve got enough coal”. So, you end up buying cheap cuts of meat and freezing them, so you’ve got enough coal for the winter [...] I take the cheaper options for food, and I don’t go out. I tend to buy my clothes from charity shops, I never buy anything new for myself.”
(Lone parent)

“Oh, I certainly go without leisure, I don’t have any! I don’t pay a lot in food, what I do pay mostly goes to my cats”.
(Single pensioner)

“I live frugally, I don’t drink or smoke, I don’t like the high life. I just go to see my grandkids playing football. I certainly couldn’t go out more than once a week. But not being a drinker/smoker that’s bound to save me lots of money.”
(Single pensioner)

Core Group

All of the interviewees of this group considered their energy bills to be expensive, yet issues with running into debts or difficulty paying for food were either not present or not shared. Only one interviewee mentioned having installed a gas heater in addition to their central system because of the high cost of energy. When asked if the house is warm enough, they responded:

“It really depends, my wife and I are pensioners, so we go to bed at 8. We put on extra blankets when it’s cold. Sometimes that can be a bit daunting.”

(Couple pensioners)

4.2 Warm Home Discount

Broader Group

All of the Broader Group interviewees felt that the application process was easy. This is likely to be due to the overall sample mostly of consisting Citizens Advice Bureau (CAB) clients (13 out of 14), and most of the interviewees having applied with their CAB's support. In fact, many would not have been able to apply without the support of CAB, both in informing them of the existence of the WHD and in applying on their behalf. Many of the interviewees had physical or mental health issues, aspects which do not seem to be considered in the ways in which WHD is advertised and administered.

"I would not be able to apply without CAB, because of all the automatic systems and spending money on phone waiting and waiting. I am very happy that CAB can help. I find it quite a strain..."

(Single pensioner- partially blind)

"The number of times I had phoned up and they said it's on me to get the claim in, but they never said how or when. I'm on 6 tablets a day so [...] I was having to cut back on everything..."

(Single pensioner)

Only four interviewees had found out about the payment independently: via leaflets in community centres (2) and through word of mouth (2). Notably, no one mentioned finding out about the payment through their energy companies. Many commented on the fact that it is not advertised anywhere:

"If someone isn't fortunate enough to go to CAS I don't know if an individual can apply for it themselves. Last year they sent me a letter saying to re-apply but not saying how or by when."

(Single pensioner)

Core Group

Since the Core group interviewees do not have to find out or apply for the payment, the discussions around the WHD were shorter than those in Broader Group interviews. Despite this, two of the interviewees did experience applying before becoming automatically eligible, which they found easy to do.

One interviewee (on gas) criticised the fact that the payment goes to the electricity meter instead of the actual heating:

"To me it's not enough, because let's face it, the weather is horrendous! So, obviously £140 may seem a lot because you have your electric and gas so you are using both, if they gave 140 to gas and 140 electric that would make a hell of a difference because you can't have one without the other. It's all right for the Government to say, "you can get electric heaters"."

(Couple pensioners)

4.3 Timing

Broader Group

Interestingly, most of the interviewees did not know what time of the year they receive the WHD, probably because they had not received any letter of receipt along with the payment. Those who did remember the time of the year mentioned: February (2), December (1) and November (1). As expected, the majority agreed the winter months of December/January to be the most useful time of the year to receive the payment.

Core Group

Interviewees explained that they receive the payment in December “*just before Christmas*”, which was considered a good time by all. One interviewee felt it was unjust that Broader Group recipients receive the payment in March:

“I find it distressing that people who are not on the core group get our payment in March, which is ridiculous. So, you can imagine people with small kids that are not going to get it in time. Which I think is shocking. They should get it when the weather gets colder.”

(Couple pensioners)

4.4 Impact

Broader Group

When asked whether the payment had had any impact, the responses were very positive. Eight of the interviewees were very grateful, finding the payment a great help and because of it were able to live in a warmer house.

“It helps me in the winter, definitely. As far as keeping the heating going so I have less to put in out of my own pocket so I can use it on something else for myself.”

(Single pensioner)

The remaining two didn't find it helpful. One had quite significant fuel debts:

“Oh it had helped in the past, but it got swallowed up now because I owe so much money to the heating companies”

(Single pensioner)

The remaining interviewee commented on the fact that their heating bills feel just as expensive as they did before they received the payment. They were also the only Broader Group interviewee to mention that the payment should be increased.

One way in which the interviews tried to determine the impact the payment has on the household, was by asking how they thought their household would manage, if the payment ceased:

“I would need to cut back on some of the food I buy from Iceland just to make sure I have gas and electric. When I do my washing, I put my stuff on the heaters. But definitely it would impact me, there’s no doubt about that, it would be a big difference.”

(Single non-pensioner)

“It would affect me quite a bit, it’s such a great help, I think my direct debit would need to increase and me spending more money. So, it’s a great thing.”

(Single- non pensioner)

Core Group

In contrast, when the Core group interviewees were asked about the impact that the WHD payment has had on them, the responses were largely pessimistic and mainly considered the payment to be too small to make any significant impact.

“Obviously, it makes a difference, but it gets swallowed up with everything else.”

(Single pensioner)

“It doesn’t impact a great deal because of paying so much per month.”

(Couple pensioners)

4.5 Switching considerations

Broader Group

Conversations about switching suppliers exposed fear in many of the interviewees, mostly due to difficult past experiences with energy companies.

“To be honest I’m a bit scared to switch because of the hassle I went through before with Scottish power.”

(Lone parent)

“I am a bit frightened because not all of the other companies give the WHD.”

(Single pensioner)

One person had switched without thinking about whether the new company offered WHD and had lost out on the payment. Another interviewee said that their energy company had informed them that if they switched before March, then they would need to return the WHD payment.

“I do look round, but this [WHD] ties me in until March. They sent me a letter saying that if I leave I have to pay it back.”

(Lone parent)

Core Group

Interviewees were asked whether the WHD had had any relevance to their switching considerations. Two of the interviewees who live in the Shetland Isles had not considered switching, due to their geographical location:

“I don’t know if we can [switch] in Shetland.”

(Single pensioner)

Another respondent who had recently switched, said that they had not considered the WHD, because the monthly savings were more important. They had saved £50/month, much more than the WHD payment.

“It was a problem because I left Green Star and they said that I wouldn’t get it anymore, but I knew differently as I worked in the DWP [Department for Work and Pensions]”

(Couple pensioners)

4.6 Other payments

Broader Group

Most of the interviewees did not receive other financial assistance for their heating bills. Two mentioned receiving the cold weather payment, one who deemed it as not very useful since they were in significant debt with the energy company and the other welcomed its contribution.

Core Group

One of the aims of the interviews was to understand the relationship between the WHD and other fuel payments (e.g. Winter Fuel Payment). Only one of the Core Group interviewees received the Cold Weather Payment, which they were very critical of how little it was.

4.7 Summary and reflections

Fuel Poverty

Interviews from the Broader Group revealed high levels of Fuel Poverty, mental/physical health issues and debt. These appeared to be much more visible than for those in the Core Group. In spite of the Broader Group criteria being designed to benefit those living in challenging situations (disability, debt etc.), it was clear that the energy companies do not tailor the application process to suit the needs of those eligible. Furthermore, no efforts to advertise the payment were identified through the interviews. In fact, none of the interviewees has found out about the payment through their energy companies. This means that there is a potential for a large section of Broader Group-eligible households to not be aware of the payment or to not have the capabilities to apply. It remains to be researched whether, this might not be the case if interviews were to be carried out with those who have not been in contact with the CAB or Changeworks.

Urban/Rural considerations

No significant differences were observed between the rural and urban interviewees. As expected, those in very rural areas like Shetland commented on not being connected to the gas grid and being limited/unable to switch energy suppliers.

WHD

Generally, the WHD seemed to make the most impact on those in the Broader Group. Those with low heating regimes and those who struggle to pay their bills felt the benefit of the £140 more than both those with large debts or those with longer heating regimes and higher monthly energy bills. Most of the Broader Group interviewees were not aware of when they received the payment, however all generally agreed the months of December/January to be optimal.

Switching considerations

Most of the interviewees had not considered switching or had done so under the guidance of the CAB. For the small minority who had switched, the WHD did not play a significant role in their considerations. Worryingly, one energy supplier had informed one of the interviewees that if they were to switch, they would lose the payment and would have to return it.

Other payments

It was not possible to determine the impact of receiving the WHD in combination with other fuel payments, since only a small minority of interviewees mentioned receiving any.

Sample

It is important to note that since the interview sample came from Citizen's Advice Scotland and Changeworks' Affordable Warmth Team referrals, those interviewed had often been through crises and required the support of these institutions. It also means that information from those who had independently found out about the payment and application have not been well captured in the sample.

Finally, a high number of interviewees passed on thanks and praise to the CAB staff for helping them with the WHD and further areas of support.

“It was only when I went to CAB that I was able to reclaim the WHD [...] [Advisor X] has been terrific!”

“[Advisor X] from CAS did it for me too because my son had done it wrong the first time, so I had been refused! [Advisor X] did it for me and she told me I had been accepted; she is really good!”

“I am not happy with them [energy companies] at all. I’m in touch with CAB, if it wasn’t for [Advisor X] at CAB it would be very difficult for me, [...] I rely on him”

5. Summary of the findings

Warm Home Discount and eligibility

In 2018, 9.3% of the Scottish Households received WHD, of which 4.3% belonged to the Core Group of WHD recipients and 5.0% to the Broader Group. That year, at least 29-32% of the Scottish households were eligible for the WHD Broader Group, based on the 2018 SHS data and the criteria from eight energy suppliers. This means that the recipients of WHD represented only one-third of the households that would qualify.

WHD and Fuel Poverty

From the households in Fuel Poverty, 36% of the urban Fuel Poor households and 42% of the rural Fuel Poor households did not qualify for WHD. These groups mostly consisted of singles and couples of working age. The WHD is particularly aimed at vulnerable households with a low income, which also means that households with a low income but not in Fuel Poverty qualified for WHD (i.e. 20% of the not Fuel Poor households qualified for WHD).

The mismatch in Fuel Poor households and WHD Broader Group eligibility can be explained by the different criteria of the Fuel Poverty definition and WHD Broader Group eligibility:

- Firstly, the income threshold for WHD eligibility at £16,190 differs from the (variable) income threshold for Fuel Poverty under the new Fuel Poverty definition. Because the WHD eligibility criteria are not as variable, it excludes Fuel Poor households with incomes higher than £16,190 that receive no benefits and do not have children.
- Secondly, the new Fuel Poverty definition takes into account housing costs and care costs, and uses a Net Adjusted Income, which the WHD eligibility criteria does not. As a result, pensioners with no or low housing costs and a low income can qualify for WHD although they are not Fuel Poor according to the new Fuel Poverty definition.

Fuel Poverty alleviation

The data analysis indicates that the WHD does not significantly lift Scottish Households out of Fuel Poverty, which was reflected in the interviews with WHD recipients, particularly the Broader Group recipients. The latter indicated that even with the rebate they heat their properties only for short periods, or not as much as they'd like to, as well as running into debts or difficulty paying for food. In addition, they would go without leisure activities in order to pay for heating. WHD recipients in the Core Group also thought their bills were expensive but reported no issues in paying for food or running into debt. Moreover, while some recipients were grateful of the payment, there was scepticism to the extent the amount helped householders.

Interestingly, the overall influence of other fuel payments on Fuel Poverty levels such as the Winter Fuel Payments and Cold Weather Payments depend on whether it is considered to reduce the fuel costs or to increase the net income. Although for the

households' budgets it might not matter, it highlights the importance of clarity in calculating and defining Fuel Poverty related statistics when it comes to income and fuel costs.

WHD and the Fuel Poverty Gap

The Fuel Poverty Gap was almost twice as high in rural than in urban areas, whether this was a fuel bill-related Fuel Poverty Gap (£580 in urban households, £1100 in rural) or an income-related Fuel Poverty Gap (£299 and £537, in urban and rural households respectively). This higher rural Fuel Poverty Gap reflects the overall higher fuel bills and lower incomes in rural areas.

Moreover, the Scottish Government aims for the Fuel Poverty Gap to be no more than £250 in 2040, with no more than 5% households in Fuel Poverty. In this analysis, 77% of the Fuel Poverty Gap values (combining income and fuel bill-related values) were higher than £250. In order to reach the 2040 goals, both the median fuel bill will have to decrease, and median Net Adjusted Income will have to increase substantially.

Receiving the WHD in practice

The group of interviewed WHD recipients was limited and might not reflect the overall WHD eligible households. Nonetheless, a number of observations were made. In the experience of the interviewed in this study, it seems energy suppliers do not tailor the application process to suit the needs of those that are vulnerable or live with disabilities, even though the Broader Group criteria were designed to benefit those living in challenging situations. Without help they would have not applied for the WHD by themselves. Furthermore, given that none of the interviewees recalled the WHD being advertised, a large section of Broader Group WHD eligible households is not be aware of the existence of WHD.

In addition, most of the Broader Group interviewees were not aware of when they received the payment, however all generally agreed the months of December/January to be optimal.

Finally, some interviewees from the Broader Group indicated they worried losing out on WHD or having to pay it back if they would switch suppliers. Those who had switched had done so with the help of CAB

6. Recommendations

Given the results of the data analysis and interviews with WHD recipients, and considering the purpose of the research, we come to the following recommendations.

WHD eligibility – Because the WHD is aimed at helping Fuel Poor households and those who are vulnerable and with a low income, the WHD eligibility criteria should reflect the new Fuel Poverty Definition better. More specifically this would mean:

- Adjusting the minimum income criteria in the WHD eligibility to the MIS of different household types;
- Acknowledging the housing cost element of the Fuel Poverty definition in the WHD criteria.

WHD uplift – In order for the WHD to contribute more substantially to Fuel Poverty alleviation it should be higher than £140. In addition, it should include an uplift for rural areas that reflect the median Fuel Poverty Gap being almost twice as there than for urban households.

WHD application process – Interviewed households expressed the need for greater clarity about when to expect the WHD payment and confirmation as to when this has gone through could help with budgeting. Moreover, some would not have been able to apply by themselves (because of mental health illnesses, physical disabilities, no computer skills), so more active assistance from the energy suppliers for their vulnerable customers would be appropriate. Finally, suppliers should provide more clarity about whether and how the rebate needs to be paid back when switching.

7. Appendices

7.1 Data received from Scottish Household Survey

The data was received for the 2018 Scottish Household Survey data. For the analyses income and costs given per week or months were all recalculated to annual values.

ID in Scottish Household Survey data	Description of the data, or question in Scottish Household Survey
COUNCIL	Local authority
SHS_6CLA	Six fold Urban/Rural Classification 2016
ANNETINC	Total Net Annual Income - Narrow definition (as 2017 and before)
HTCOSTAMT_1	Cost of electricity - amount variable
HTCOSTAMT_2	Cost of gas - amount variable
HTCOSTAMT_3	Cost of heating oil - amount variable
HTCOSTAMT_4	Cost of solid fuel - amount variable
HTCOSTAMT_5	Cost of bottled gas - amount variable
HTCOSTAMT_6	Cost of bulk LPG - amount variable
HTCOSTAMT_7	Cost of paraffin - amount variable
HTCOSTAMT_8	Cost of other - amount variable
HTCOSTAMT_9	Cost of combined - amount variable
HH57A_01	Universal Credit
HH57A_02	Housing Benefit
HH57A_03	Council Tax Reduction
HH57A_04	Working Tax Credit (WTC)
HH57A_05	Child Tax Credit (CTC)
HH57A_06	Income Support
HH57A_07	Jobseeker's Allowance (JSA)
HH57A_08	Employment and Support Allowance (ESA)
HH57A_09	Carer's Allowance
HH57A_10	Child Benefit
HH57A_11	Guardian's Allowance
HH57A_12	Maternity Allowance
HH57A_13	Statutory Maternity/Paternity Pay, Statutory Adoption Pay
HH57A_14	Statutory Sick Pay
HH57B_01	Personal Independence Payments (PIP)
HH57B_02	Disability Living Allowance (DLA)
HH57B_03	Attendance Allowance
HH57B_04	Severe Disablement Allowance
HH57B_05	Incapacity Benefit
HH57B_06	Industrial Injuries Disablement Benefit
HH57C_01	Pension Credit
HH57D_07	Winter Fuel Payments
HH57D_08	Cold Weather Payments
BENINC32	Beninc32 - Income from Winter Fuel Payments (D7)
BENINC33	Beninc33 - Income from Cold Weather Payments (D8)
HHTYPE_NEW	Household type revised for uniform retirement at 65
AGE_1	Age_1 - Age of Person 1
AGE_2	Age_2 - Age of Person 2
AGE_3	Age_3 - Age of Person 3
AGE_4	Age_4 - Age of Person 4
AGE_5	Age_5 - Age of Person 5
AGE_6	Age_6 - Age of Person 6
AGE_7	Age_7 - Age of Person 7
AGE_8	Age_8 - Age of Person 8
AGE_9	Age_9 - Age of Person 9

ID in Scottish Household Survey data	Description of the data, or question in Scottish Household Survey
AGE_10	Age_10 - Age of Person 10
HJ2	hj2 - At the moment, how much does your household pay EACH MONTH in mortgage payments, excluding any contents or buildings insurance or mortgage protection?
HJ3	hj3 - I'd now like to ask you about the cost of renting your home. How much is the total rent for your household's accommodation, that is before any Housing Benefit is deducted?
HJ4	hj4 - How long a period does that rent cover?
ELC11	ELC11 - How much does your household usually pay per week or per month for childcare during school term?
ELC11A	ELC11a Per week or month?
ELC12	ELC12 - And during the school holidays, how much does your household usually pay per week or per month for childcare?
ELC12A	ELC12a Per week or month?
ELC17_KIDOTH1	ELC17 - other child 1: How much, if anything, does your household usually pay per week or per month for childcare during school term-time?
ELC17A_KIDOTH1	ELC17a Per week or month (child 1)?
ELC18_KIDOTH1	ELC18 - other child 1: And during the school holidays, how much does your household usually pay per week or per month for childcare?
ELC18A_KIDOTH1	ELC18a Per week or month?
ELC17_KIDOTH2	ELC17 - other child 2: How much, if anything, does your household usually pay per week or per month for childcare during school term-time?
ELC17A_KIDOTH2	ELC17a Per week or month (child 2)?
ELC18_KIDOTH2	ELC18 - other child 2: And during the school holidays, how much does your household usually pay per week or per month for childcare?
ELC18A_KIDOTH2	ELC18a Per week or month (child 2)?
ELC17_KIDOTH3	ELC17 - other child 3: How much, if anything, does your household usually pay per week or per month for childcare during school term-time?
ELC17A_KIDOTH3	ELC17a Per week or month (child 3)?
ELC18_KIDOTH3	ELC18 - other child 3: How much, if anything, does your household usually pay per week or per month for childcare ?
ELC18A_KIDOTH3	ELC18a Per week or month (child 3)?
ELC17_KIDOTH4	ELC17 - other child 4: How much, if anything, does your household usually pay per week or per month for childcare during school term-time?
ELC17A_KIDOTH4	ELC17a Per week or month (child 4)?
ELC18_KIDOTH4	ELC18 - other child 4: How much, if anything, does your household usually pay per week or per month for childcare ?
ELC18A_KIDOTH4	ELC18a Per week or month (child 4)?
CT2A	Council Tax
LA_WT	Household weight
STREAM	Interview stream (1-4 are included in heating costs)
HB509	hb509 - In which of these ways do you occupy this accommodation?
year	Date of interview, year
tsWghtP	Paired Grossing Weight
fpWghtAHC	Paired Grossing Weight AHC
lafpwghtAHC	Fuel Poverty weight for 3 year LA analysis
la	Local Authority Area
FullMIS	MIS before RRRSTI uplift
fullmis_uplifted	MIS with RRRSTI uplift
arc_P75std	Modelled annual running costs under the 3 degree heating regime including enhanced heating regimes

ID in Scottish Household Survey data	Description of the data, or question in Scottish Household Survey
arc_P75std_whd	Modelled annual running costs under the 3 degree heating regime including enhanced heating regimes and WHD applied
whd	WHD flag (is household receiving WHD according to SHS model?)
incAHC	Household income (HIH and spouse) after housing costs
totaldlapipaa	Disability adjustment - Amount received in disability benefits
FP3mis9010_rrrstdis	FP3(75) - 90% MIS & 10% threshold for costs-inc ratio - with RRRSTI uplift and disability adjustment
FP3mis9010_rrrstdis_ext	FP3(75) - 90% MIS & 10% threshold for costs-inc ratio - with RRRSTI uplift and disability adjustment and extreme fuel poo

7.2 Interview topic guide

Warm Home Discount Topic Guide

Aim of interviews:

1. To identify the extent to which WHD helps recipient householders in real-life terms, including:
 - Lived experience of Fuel Poverty
 - Impact of any other additional payments (e.g. Cold Weather)
2. Understand the ease at which the payment is accessed, including:
 - Experience with the application process
 - Timing of the payments
3. To support the outcomes of the data analysis in their observations of whether WHD eligible households are Fuel Poor households.

INTRODUCTION

5 mins

- Introduce:
 - Yourself.
 - Changeworks: is an environmental charity that helps people to save money on their energy bills and seeks to improve warmth and comfort in people's homes.
 - The project: Citizens Advice Scotland have funded Changeworks to deliver a research project to learn more about how Warm Home Discount helps those who receive it.
 - As a participant in this research, you'll receive a £20 shopping voucher to thank you for your time.
- About the interview:
 - There is no right or wrong answer; we are simply interested in your opinions and views. Please answer as honestly as you can.
 - The interview will last around 20-30 minutes.
 - Your interview is confidential, and we will not use your name in any of our reports.
- Are you ok with me recording the interview? This is to ensure we have a record of what you have said but this will only be used internally and will not be shared with anyone outside of the research team.
- Data protection: Changeworks will store the interview notes and recording securely, on our UK based server. All of the interview findings will be summarised and anonymised in our report which is likely to be published by Citizens Advice Scotland. Notes and recordings will be deleted within six months of the end of the project.

- Are you happy to take part in the interview?
 - Thank you for agreeing to take part

GENERAL

5 mins

- Could you start by telling me a little about yourself and your household? (*prompts: where do you live, how many people live in the household (number of adults/older adults/children), do any of you work (full time/ part time), type of heating system*)
- How affordable do you feel your heating bills are? (*differentiate between heating and electricity, if separate*)
 - How do you pay for your heating?
 - How much does your heating cost per month?
 - During this period, how many hours a day do you usually have the heating on? Is this enough to reach a comfortable temperature? Do you ever feel cold?
 - Do you ever experience any anxiety when receiving the bill/when meter is running low (If PPM)?
 - Do you ever have any trouble paying your heating bills? Have you ever been disconnected?
 - Do you ever need to go without other things (*Prompt: leisure activities, food*) or borrow money to help pay for the heating?

WARM HOME DISCOUNT

10 mins

The following questions are about the Warm Home Discount payment.

- How long have you been receiving the WHD payment?
- (If Broader Group) How did you find the application process?
 - How did you find out about the payment?
 - How did you apply (paper or online)?
 - How did you find the application process? *Prompt: easy/difficult? Any support needed?*
- When do you receive the WHD payment? Is this a suitable time of year to receive the payment? Why/not? (*would there be a more ideal time for you?*)
- You mentioned that you started receiving the WHD back in X, did this have any impact on you and your household?
 - If YES, what impacts did it have? (*Prompts: less anxious about bills, bills more affordable, afford to have the heating on for longer, reduced need to go without other things / borrow money*)
 - If NO, why do you think this was the case?

- If this payment was not available, what impact would this have on you/your household? (*Prompts: would you still be able to pay off the energy bills, would you need to make savings elsewhere? Where?*)
- Have you ever considered switching supplier? (*Why/why not? Does the WHD influence your considerations?*)
- Do you receive any other support with your fuel bills? (*Prompts: Cold weather payment, winter fuel payment.*)
 - Do you know how much money you receive?
 - Do these payments have any impact on your household? (If so, what are these impacts? *Prompts: less anxious about bills, bills more affordable, afford to have the heating on for longer*)
 - Out of these payments, which one is most important to you? Why? (*prompts: is it mainly about the value, or the ease in applying for it, the timing of the payment etc.?*)

FINAL COMMENTS

2 mins

- CAS may carry out media work in relation to this research. Journalists are often keen to include case studies in their stories, which can involve a research participant telling the journalist about their views and experiences directly. Would you be interested in doing this should the need arise?
- That's the end of our questions. Do you have anything further feedback you'd like to add about Warm Home Discount?

Thank you very much for your time. Do you have any questions for me? Can I just confirm your address..... So that I can send the voucher as soon as possible.

7.3 Requirements for WHD Broader Group per supplier

Table 10 provides per supplier the requirements for WHD Broader Group eligibility of the “Big Six” energy suppliers and the assumptions were made in this analysis. Benefits or criteria not provided by the SHS data could not be included in the analysis are detailed as well. The similar table is given for the smaller suppliers Bulb and Octopus (Table 11).

Table 10: Criteria for Warm Home Discount Broader Group eligibility of the “Big Six” energy suppliers, the assumptions that were made and the criteria that could not be included in this study

Supplier	Broader Group Criteria	Assumptions	Not included
Scottish Power	<p>Household must be in receipt of:</p> <ul style="list-style-type: none"> Income Related Employment and Support Allowance Income Based Jobseeker's Allowance Income Support; or Universal Credit and has earned income between zero and £1,349 in at least one of the twelve preceding assessment periods. <p>Or the following applies:</p> <p>Total gross household income is less than £16,190 AND the household also meets at least one of the following criteria:</p> <ul style="list-style-type: none"> - There is a child permanently living in your household who is 5 years or under; or is 18 years or under in full time education and is entitled to free school meals; 	<p>Two of the key benefits for qualifying were Income Related Employment Support Allowance (ESA) and Income Based Jobseeker's Allowance (JSA). Data was only provided on whether a person was in receipt of ESA and JSA, not whether it was income related or income based. We assumed all ESA and JSA and income related/ income based.</p> <p>The total gross household income has to be less than £16,190. We only received the net household income. We assumed the net income to be 80% of the gross.</p>	<p>The following was not included due to disability and pension criteria (<i>italics</i>) which were not provided in the SHS data.</p> <ul style="list-style-type: none"> Receives Child Tax Credit or Working Tax Credit which includes a <i>disability element or severe disability element, disabled child element or severely disabled child element or family element</i> or Universal Credit Equivalent; Receives an Income Related Benefit which includes a <i>disabled child premium, disability premium, severe disability premium, enhanced disability premium</i> or Universal Credit Equivalent;

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> - A member of the household receives Child Tax Credit or Working Tax Credit which includes a disability element or severe disability element, disabled child element or severely disabled child element or family element or Universal Credit Equivalent - Receives an Income Related Benefit which includes a disabled child premium, disability premium, severe disability premium, enhanced disability premium or Universal Credit Equivalent - Receives Pensioner Premium, Higher Pensioner Premium or Enhanced Pensioner Premium - Is in receipt of the limited Capability for work and work-related activity as construed in accordance with regulations 39 and 40 of the Universal Credit Regulations 2013(a) - Is in receipt of the disabled child element; Receives Disability Living Allowance (DLA), Personal Independence Allowance (PIP); Incapacity Benefit or Attendance Allowance; Is aged 65 or over - The household's annual energy spend is, more than 10% of the annual income 		<ul style="list-style-type: none"> • Receives <i>Pensioner Premium, Higher Pensioner Premium or Enhanced Pensioner Premium</i>; • Is in receipt of the limited Capability for work and work-related activity as construed in accordance with regulations 39 and 40 of the Universal Credit Regulations 2013(a); • Is in receipt of the disabled child element. <p>As no information was provided on free school meals, the following criteria was not included:</p> <ul style="list-style-type: none"> • 18 years or under in full time education and Is <i>entitled to free school meals</i>.
SSE	<p>Household must be in receipt of:</p> <ul style="list-style-type: none"> • Income support 	<p>One criteria was Council Tax Reduction (not including single occupancy discount), only information on whether Council Tax</p>	<p>One of the main criteria for qualifying is receipt of Pension Credit (Not State Pension Only). Only information on</p>

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> • Income-Based Jobseeker's Allowance • Income related Employment and Support Allowance • Universal Credit (or be not in work or self-employed) <p>AND at least one of:</p> <ul style="list-style-type: none"> • War Disablement Pension • Incapacity benefit • Disability Living Allowance • Personal Independence Allowance • Child born on or after 1 April 2014 • A pensioner premium (all rates) • A disability premium (all rates) • Severe Disablement Allowance • Industrial Injuries Disablement Benefit • Child Disability Living Allowance • Child Tax Credit which includes a disability element for a child born on or after 1 April 2000 • A disabled child premium/addition • Child aged 18 years or under and in full time education born on or after 1 April 2001 • Carer's Allowance (when caring for someone who resides at the same property) • Support or work related activity component 	<p>Reduction was received was provided, but not whether this included a single occupancy discount. It was assumed that all cases of Council Tax Reduction did not include single occupancy discount.</p> <p>Carers Allowance (when caring for someone who resides at the same property). Information was provided only on whether in receipt of Carers Allowance and not whether this was for caring for someone in the same property. It was assumed that all those in receipt were for someone in the same household.</p>	<p>whether or not Pension Credit was received. No information as to whether it was State Pension only was provided. To avoid inclusion of the Core group, State Pension has been excluded.</p> <p>No details of receipt of the following qualifying benefits was received:</p> <ul style="list-style-type: none"> • War Disablement Pension • A pensioner premium • A disability premium • Industrial Injuries Benefit • Child Disability Living Allowance • Child Tax Credit which includes a disability element for a child born on or after 1 April 2000 • A disabled child premium/addition • Free School meals for children born on or before 1 April 2011

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> • Council Tax Reduction (not including single occupancy discount) • Disability Living Allowance <p>OR in receipt of Incapacity Benefit and at least one of the additional criteria:</p> <ul style="list-style-type: none"> • Council Tax Reduction (not including single occupancy discount) • Housing Benefit <p>OR in receipt of Contribution Based Employment and Support Allowance and at least one of the additional criteria:</p> <ul style="list-style-type: none"> • Council tax reduction (not including single occupancy discount) • Housing benefit <p>OR receive free school meals for children born on or before 1 April 2011 (no additional criteria)</p> <p>OR receive Child Tax Credit on an income of £16,190 or less (before tax) and at least one of the additional criteria:</p> <ul style="list-style-type: none"> • Disability living allowance • Personal Independence Allowance • child born on or after 1 April 2014 • A pensioner premium (all rates) 		

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> • A disability premium (all rates) • Child disability living allowance • Child tax credit which includes a disability element for a child born on or after 1 April 2001 <p>OR Receive Working Tax Credit and Income of £16,190 or less (before tax) and at least one of the additional criteria:</p> <ul style="list-style-type: none"> • Disability Living Allowance • Personal Independence Allowance • A disability premium (all rates) 		
EDF	<p>Household must be in receipt of one of the following benefit combinations:</p> <p>Income Support or Income-related Employment and Support Allowance, or Income-based Jobseeker's Allowance and one of the following:</p> <ul style="list-style-type: none"> • Parental responsibility for a child under the age of 5 • Receiving Disabled Child Premium or Child Tax Credit which includes a disability or severe disability element • Receives a Disability Premium, Enhanced Disability Premium, Severe Disability Premium 	<p>Two of the key benefits for qualifying were Income Related Employment Support Allowance (ESA) and Income Based Jobseeker's Allowance (JSA). Data was only provided on whether a person was in receipt of ESA and JSA, not whether it was income related or income based. We assumed all ESA and JSA are income related/ income based.</p> <p>The total gross household income has to be less than £16,190. We only received the net household income. We assumed the net income to be 80% of the gross.</p>	<p>The following was not included due to disability and pension criteria (italics) which we were not provided with.</p> <ul style="list-style-type: none"> • <i>Disabled child premium</i> or Child Tax Credit which includes <i>a disability or severe disability element</i> • <i>Disability premium, enhanced disability premium, severe disability premium</i>

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> • Receives a Disability Living Allowance, Personal Independence Allowance or Attendance Allowance • Receives a Pensioner Premium, Higher Pensioner Premium or Enhanced Pensioner Premium • Receives a work-related activity or support group component <p>Universal Credit and have earned less than £1,349 in at least one month since 1st October 2018 and one of the following:</p> <ul style="list-style-type: none"> • Receives the limited capability for work element, with or without a work-related activity element • Receives the Disabled Child Element; • Receives Disability Living Allowance or Personal Independence Allowance or Attendance Allowance • Receives the Child Element Benefit for a dependent child <p>Gross Taxable Annual Household Income of less than £16,190 and one of the following:</p> <ul style="list-style-type: none"> • Receives the Child Element Benefit for a dependent child 		<ul style="list-style-type: none"> • <i>Pensioner premium, higher pensioner premium or enhanced pensioner premium</i> • <i>Pension Credit - Savings Credit ONLY (does not receive the Guarantee Credit element of Pension Credit)</i>

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> • Receives a disabled worker element or severe disability element, Disability Living Allowance or Personal Independence Allowance or Attendance Allowance • Receives Carer's Allowance • Is aged 62 or over • In employment • Previously served in the armed forces <p>Receiving Pension Credit - Savings Credit only</p>		
British Gas	<p>Households are required to meet one of the following criteria:</p> <ol style="list-style-type: none"> 1. Receiving Pension Credit (unless already qualifying as part of Core Group) 2. Receiving Income Support, Income based Jobseeker's Allowance, Income related Employment and Support Allowance (which includes a work-related activity or support component, or Universal Credit (low income elements) <p>AND one of the following:</p> <ul style="list-style-type: none"> • Child Tax Credit that also includes disability or severe disability element • Disability Premium • Pensioner Premium 	<p>Other benefits for qualifying were Income Related Employment Support Allowance (ESA) which includes a work-related activity of support component; Income Based Jobseeker's Allowance (JSA) and Universal Credit (low income elements). As the data provided for all three was only provided on whether a person was in receipt of the benefits, it was assumed they would qualify.</p> <p>The total gross household income has to be less than £16,190. We only received the Net household income. We assumed the net income to be 80% of the gross.</p>	<p>The following was not included due to disability and pension criteria (<i>italics</i>) which we were not provided with.</p> <ul style="list-style-type: none"> • Child Tax Credit that also includes disability or severe disability element, Disability Premium or Pensioner Premium • Disabled child element <p>One of the main criteria was State Pension Credit (unless already qualifying as part of Core Group). As no information beyond whether Pension credit was received and to</p>

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> • Child element for children aged 5 or under • Disabled child element <p>3. A gross annual household income (HHI) of less than £16,190 (this includes War Disablement Pension, Disablement Pension and Working Tax Credit)</p> <p>AND at least one of the following applies:</p> <ul style="list-style-type: none"> • The account holder is living with mental or physical disability or illness • The account holder is of pensionable age • There is a child living in the house aged 5 or under • 10% or more of household income on energy bills to heat the property 		<p>avoid inclusion of the Core group, State Pension has been excluded.</p>
Npower	<p>Household must be in receipt of:</p> <ul style="list-style-type: none"> • Income support • Income-Based Jobseeker's Allowance • Income related Employment and Support Allowance • Universal Credit <p>Or have a gross annual household income of less than £16,190 AND have one of the following:</p>	<p>Two of the key benefits for qualifying were Income Related Employment Support Allowance (ESA) and Income Based Jobseeker's Allowance (JSA). Data was only provided on whether a person was in receipt of ESA and JSA, not whether it was income related or income based. We assumed all ESA and JSA and income related/ income based.</p> <p>The total gross household income has to be less than £16,190. We only received</p>	<p>The following was not included due to disability and pension criteria (italics) which we were not provided with.</p> <ul style="list-style-type: none"> • <i>Disabled child premium or Element</i> • <i>Enhanced disability premium or severe disability premium</i> • <i>Pensioner premium, higher pensioner premium or enhanced pensioner premium</i>

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> • Parental responsibility for a child aged 5 or under • Child Tax Credit • Disabled Child Premium or Element • Disability, Enhanced Disability or Severe Disability Premiums • Disability Living Allowance (for an adult or child within the household) or Personal Independence Allowances (PIP) • Long-term Incapacity Benefit • Pensioner Premium, Higher Pensioner Premium or Enhanced Pensioner Premium 	<p>the net household income. We assumed the net income to be 80% of the gross.</p> <p>Another criterion was “long-term” incapacity benefit, as the data did not record whether incapacity benefit was “long term”, all those in receipt of incapacity benefit were included.</p>	
E-ON	<p>Households qualify with one of these benefit combinations</p> <p>Savings Pension Credit only</p> <p>Income-related Employment and Support Allowance (ESA)(Contribution-based Employment and Support Allowance isn't eligible)</p> <p>Child Tax Credits (with a total household annual income of £16,190 or less)</p> <p>Council tax reduction for low income AND born before 5 July 1954. (25% single persons occupancy reduction and disability reduction isn't eligible).</p>	<p>Income Related Employment Support Allowance (ESA) was a qualifying benefit. Data was only provided on whether a person was in receipt of ESA, and not whether it was income related or income based. We assumed all ESA to be income related.</p> <p>Another criterion was Child Tax Credit with the total gross household income less than £16,190. We only received the net household income. We therefore assumed the net income to be 80% of the gross.</p> <p>Additionally, another criterion was Council tax reduction for low income AND born</p>	<p>Savings Pension Credit only was a qualifying benefit. As no information beyond whether Pension Credit was received and to avoid inclusion of the Core group, State Pension has been excluded.</p> <p>Combined benefits which could be not be included were:</p> <ul style="list-style-type: none"> • Income based Jobseeker's Allowance or Income Support with: <ul style="list-style-type: none"> ○ Any associated disability or pensioner premium. (Disability/enhanced or severe

Supplier	Broader Group Criteria	Assumptions	Not included
	<p>Income-based Jobseeker's Allowance OR Income Support with:</p> <ul style="list-style-type: none"> • Any associated disability or pensioner premium. (Disability/enhanced or severe disablement allowance or pensioner or higher pensioner premium). • Disabled child premium. • A child under five living with you. • Disability Living Allowance or Personal Independence Allowance. • Maternity Exemption certificate (MATEX) or Medical Exemption certificate (MEDEX). <p>Working Tax Credits with a household annual income of £16,190 or less WITH either one of the following:</p> <ul style="list-style-type: none"> • Disability Living Allowance or Personal Independence Allowance. • Maternity Exemption certificate or Medical Exemption certificate. • Universal Credit with monthly net earnings not exceeding £1,349 WITH either one of the following: • Limited capability for work element (with or without a work-related activity element). • A child element (with or without the disabled child element). 	<p>before 5 July 1954. (25% single persons occupancy reduction and disability reduction isn't eligible). As Council Tax Reduction was not broken down by elements, it was assumed that all those in receipt of Council Tax Reduction would qualify.</p>	<p>disability premium or pensioner or higher pensioner premium).</p> <ul style="list-style-type: none"> ○ Disabled child premium. • Working Tax Credits with a household annual income of £16,190 or less with Maternity Exemption certificate or Medical Exemption certificate • Universal Credit with monthly net earnings not exceeding £1,349 with either one of the following: <ul style="list-style-type: none"> ○ Limited capability for work element (with or without a work-related activity element). ○ A child element (with or without the disabled child element).

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> Disability Living Allowance or Personal Independence Allowance 		

Table 11: Criteria for Warm Home Discount Broader Group eligibility of Bulb and Octopus, the assumptions that were made and the criteria that could not be included in this study

Supplier	Broader Group Criteria	Assumptions	Not included
Bulb	<p>Households need to receive one of the eligible low-income benefits and one off the additional eligibility criteria must also apply to you.</p> <p>The eligible low-income benefits are:</p> <ul style="list-style-type: none"> Income Support Income-based Jobseeker's Allowance Income-related Employment and Support Allowance ESA which includes a support or work-related activity component 	<p>Whilst most of the key benefits could be identified, these would need to be in combination with other benefits, some of which assumptions would have to be made:</p> <ul style="list-style-type: none"> disability premium, enhanced disability premium or severe disability premium (this includes Disability Living Allowance, Personal Independence Payment and Attendance Allowance) – it was assumed that all those in 	<p>Likewise, whilst most of the key benefits could be identified, these would need to be in combination with other benefits, some of these had to be excluded:</p> <ul style="list-style-type: none"> the disabled child element of Universal Credit the disability or severe disability element of Child Tax Credit

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> • Child Tax Credit that's been awarded based on an annual income of £16,190 or less • Universal Credit with an earned income of £1,349 or less in at least one assessment period since 1 October 2018 • the Savings element of Pension Credit • Housing Benefit with a total annual household income of £16,190 or less • Working Tax Credit that's been awarded based on an annual income of £16,190 or less <p>The additional eligibility criteria are:</p> <ul style="list-style-type: none"> • Responsibility for a child aged 16 or younger • aged 65 or older • Receiving a Disabled Child Premium • Receiving a Disability Premium, Enhanced Disability Premium or Severe Disability Premium (this includes Disability Living Allowance, Personal Independence Allowance and Attendance Allowance) • Receiving a Pensioner Premium, Higher Pensioner Premium or Enhanced Pensioner Premium • Receiving the 'limited capability for work' or 'limited capability for work and work- 	<p>receipt of DLA, PIP and Attendance Allowance were included.</p>	<ul style="list-style-type: none"> • Carer's Premium for someone in the household • disability or severe disability element of Working Tax Credit • 'limited capability for work' or 'limited capability for work and work-related activity' element of Universal Credit

Supplier	Broader Group Criteria	Assumptions	Not included
	<p>related activity' element of Universal Credit</p> <ul style="list-style-type: none"> • Receiving the Disabled Child Element of Universal Credit • Receiving Disability or Severe Disability element of Child Tax Credit • Receiving Carer's Premium or Carer's Allowance for someone in your home • Receiving the Disability or Severe Disability Element of Working Tax Credit 		
Octopus	<p>Household is eligible if one criterion from section A and one from section B apply</p> <p>Section A, receiving:</p> <ul style="list-style-type: none"> • The Savings Element of Pension Credit only • Council Tax Reduction (excludes the 25% single person's discount) • Income Support • Income-based or Contribution-based Jobseeker's Allowance (JSA) • Income-related or Contribution-based Employment and Support Allowance (ESA) • Working Tax Credit 	<p>Assumptions were made for Council Tax Reduction (not including single occupancy discount), only information on whether Council Tax Reduction was received was provided, but not whether this included a single occupancy discount. It was assumed that all cases of Council Tax Reduction did not include single occupancy discount.</p>	<p>Savings Pension Credit only was a qualifying benefit. As no information beyond whether Pension credit was received and to avoid inclusion of the Core group, State Pension has been excluded.</p> <p>Through lack of information, these were not accounted for:</p> <ul style="list-style-type: none"> • any disability premium (all rates) or disabled child element of Universal Credit • Carer's Premium

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> • Housing Benefit with a total annual household income of £16,190 or less (before tax and National Insurance) • Child Tax Credit where the award statement shows a total annual household income of £16,190 or less (before tax and National Insurance) • Universal Credit, and have an earned income of between zero and £1,349 in at least one of the twelve preceding assessment periods • Or total annual household income is £16,190 or less (before tax and National Insurance) <p>Section B, receiving:</p> <ul style="list-style-type: none"> • Personal Independence Allowance • Disability Living Allowance (DLA), any disability premium (all rates) or disabled child element of Universal Credit • Income-related benefit which includes: <ul style="list-style-type: none"> - Carer's Premium and Carer's Allowance (for someone within the household) OR - Attendance Allowance (for applicant or their partner) OR - Industrial Injuries Disablement Benefit 		<ul style="list-style-type: none"> • Maternity Exemption Certificate (MATEX) • Medical Exemption Certificate (MEDEX) • valid war pension NHS exemption certificate and the prescription is for your disability • 'limited capability for work' element of Universal Credit

Supplier	Broader Group Criteria	Assumptions	Not included
	<ul style="list-style-type: none"> • Holding a Maternity Exemption Certificate (MATEX) • Holding a Medical Exemption Certificate (MEDEX) • Holding a valid war pension NHS exemption certificate and the prescription is for a disability • Being aged 62 and over (OR receive any pensioner premium) • Someone within the household has a disability • A dependent child under 5 (dependent child who normally resides with the applicant) • A dependent child aged 5 – 16 (dependent child who normally resides with the applicant or under 20 if in full time education (dependent child who normally resides with the applicant) • Receiving the limited capability for work element of Universal Credit 		



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