

Social Justice and Social Security Committee
Cost of living: disabled people and unpaid carers
27th April 2023

Energy Action Scotland Submission

Introduction

Unprecedented increases in energy costs have had a devastating impact on households across Scotland this winter. Pre-pandemic, a quarter of households, over 600,000¹ were struggling with their energy costs.

The UK Government has provided a number of financial supports during 2022 through social security and energy suppliers. It has introduced the Energy Price Guarantee which limited the level of unit costs for gas and electricity on 1 October to a 25% increase from April 1 2022 costs and a second review will result in a further 20% increase on unit costs from 1 April 2023. This is a trebling of costs in little over 2 years. Alternative fuels have similarly increased but are unregulated and do not have an equivalent of the energy price guarantee.

Scottish Government estimates of the impact of 1 April 2022 price increases was that more than 1 in 3 households in Scotland² would be in fuel poverty and 1 in 4 will be in extreme fuel poverty. Millions of households in the UK are in energy debt already.³

Energy Action Scotland estimates of the impact of financial support, including changes to benefits provided by Social Security Scotland, and the introduction/maintenance of the Energy Price Guarantee means that the estimates for 1 April remain broadly true albeit potentially higher as a result of the removal of the £400 energy bills support scheme payment to all.

The impact of this will undermine the health and wellbeing of many people and put pressure on NHSScotland, with fuel poverty related NHS costs pre-pandemic estimated to be over £100million in Scotland. Sadly, enduring high costs, with inadequate financial support will lead to an increase in mortality, which in previous years accounted for over 6 deaths every day in winter as well as a potentially detrimental impact on infant mortality. Scotland's GP practices⁴ are deeply concerned about the impact of high energy costs and the wider cost of living crisis in our communities.

In polling⁵ during 2022 we identified that 81% rationed energy during winter 2022/23, while 55% were rationing hot water, and 13% were reducing use of medical equipment.

Fuel Poverty is highest in remote and rural Scotland (See Diagram 1) where there is more all-electrically, oil, LPG, or solid fuel heated homes. The differential between the costs of gas and electricity per kwh are significant when translated to equivalent heat requirements.

¹ <https://www.gov.scot/publications/scottish-house-condition-survey-2019-key-findings/pages/1/>

² <https://www.gov.scot/publications/budget-statement-stage-3-2022-23/>

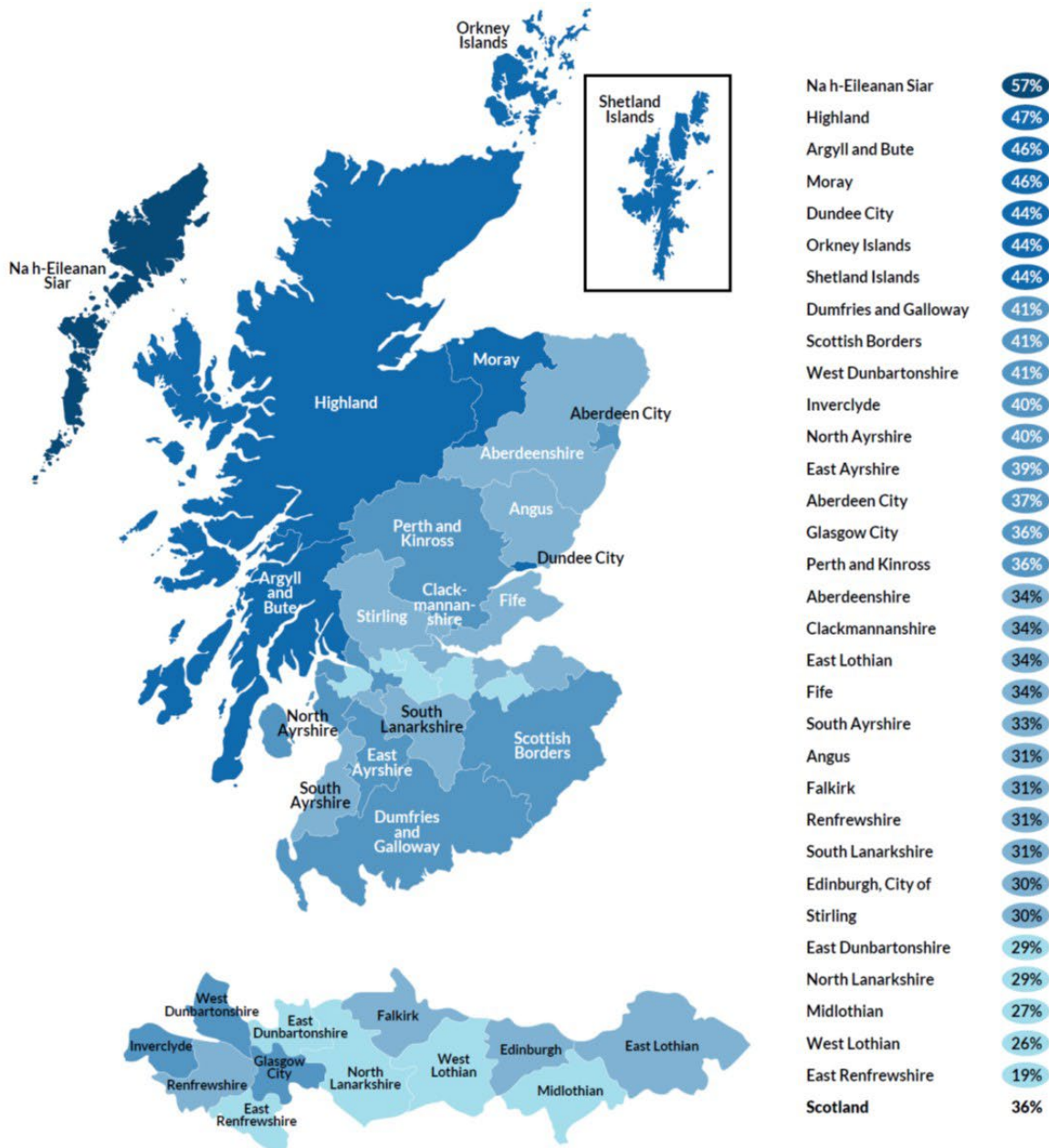
³ <https://www.cas.org.uk/news/increasing-numbers-people-missing-energy-bills>

⁴ <https://www.gla.ac.uk/schools/healthwellbeing/research/generalpractice/deepend/reports/>

⁵ <https://www.eas.org.uk/uk-fuel-poverty-monitor>

Diagram 1 – Fuel Poverty in Scotland 2022 (estimated)

FUEL POVERTY BY LOCAL AUTHORITY



February 2022 Source: Statement by Cabinet Secretary for Finance and the Economy, Kate Forbes MSP

Climate plays a significant role in the need for households to consume energy to stay warm. In Scotland in the region of 50% of all homes are at Energy Performance Certificate levels of D or worse⁶. These homes are not efficient, they will be hard and expensive to heat therefore cold and damp during the winter months. This will exacerbate conditions such as respiratory or coronary/ circulatory, increasing attendance at GP but also affect the mental health and wellbeing of those enduring these conditions⁷.

Communities in need of support

There is a patchwork of financial support being provided to households in response to the cost of living crisis. None of which recover a position for any household consistent with the level of energy costs proportionate to income experience in 2019/20. Of course 1 in 4 households in Scotland were in fuel poverty at that time. 1 in 3 households in rural Scotland. Over 1 in 3 households are now in fuel poverty and this is rising as the basket of household costs are affected by inflation and rising housing costs.

The fuel poverty gap, which is the amount in £ required for a household to no longer be in fuel poverty, is likely to have increased significantly. In 2019 the median fuel poverty gap in Scotland was £750. Across the period 2017-2019 the fuel poverty gap⁸ ranged from £440 (Clacks/Renfrew) to £1640 (Orkney). For those with disability or other vulnerabilities location clearly plays a significant role in determining the costs of maintaining health and wellbeing. Higher energy costs will have further increased the fuel poverty gap and whilst we await the results of the Scottish House Condition Survey for 2021 given that costs are 2.5 times more expensive on a calculation for typical households it is likely that the median fuel poverty gap is likely to be in the region of £1500, ranging from £900 to £3300.

One-off payments have been normalised as the response to the crisis. Many are still not effectively reaching those in most need. Targeting has generally been poor. At best some payments were means tested but there have been universal supports provided to even the wealthiest of households. Important for those that received them but insufficient in themselves.

It is clear that without the Energy Price Guarantee and the cost of living package provided by the UK Government that many more households would have face simply unaffordable energy costs.

None of these supports reflect what was known about fuel poverty in relation to the geographic and demographic factors that increase the likelihood of people experiencing difficulty.

Universal payments rather than equitable payments means that the scale of the impact of rising energy costs on those known to be most vulnerable, the old, those with essential medical needs, families with young children, people in more remote rural communities have largely gone unaddressed. In Scotland the Fuel Poverty (Targets, Definition and Strategy) Act 2019⁹ recognises that some households will have a requirement for enhanced heating conditions, warmer for longer, which logically increases consumption, yet no support sought to address this. We estimate that those that might be identified as being in need of enhanced

⁶ <https://www.gov.scot/publications/scottish-house-condition-survey-2019-key-findings/>

⁷ <https://www.instituteofhealthequity.org/resources-reports/fair-society-healthy-lives-the-marmot-review>

⁸ <https://www.gov.scot/publications/scottish-house-condition-survey-local-authority-analysis-2017-2019/pages/8/>

⁹ <https://www.legislation.gov.uk/asp/2019/10/enacted>

heating¹⁰, warmer for longer, that they would experience a 60% increase in their heating costs. This is likely to vary dependent on the condition, size and heating system of the property that they inhabit.

The UK Government has provided a £150 payment to those with a disability as part of its cost of living payments alongside a payment for older people of £300 and an additional payment for people in receipt of Universal Credit (£650 in 2022/23 and £900 in 2023/24). Whilst many may use these uplifts to pay for energy these are not necessarily directly relatable to energy as it is equally likely that these monies were necessary across a range of household essentials impacted by soaring inflation.

Colleagues at Scope UK have identified more widely the increased costs experienced by people with a disability.¹¹ Over 90% of households with disabilities are worried about paying for energy. 57% disabled people eligible for the £650 cost of living payment said it would not be enough to cover their increased costs for essentials.

80% disabled people receiving the £150 cost of living payment said it would not be enough to cover their increase cost for essentials.

Disabled households on gateway benefits may also be able to receive the £150 Warm Home Discount payment via their energy supplier. This is a payment that is available annually and was increased by a mere £10 during 2022/23 having been £140 for the previous 3years. Proportionately more disabled people can receive payments in Scotland than in England and Wales as the scheme was not altered as was the case elsewhere. However it remains a modest payment which all households contribute £16 towards in their energy bills. A net benefit of £134.

There are consistent calls and a growing body of evidence that better targeting is necessary to avoid the worst of the current crisis. In the UK publication the Fuel Poverty Monitor¹² we worked with National Energy Action to identify the steps that could be taken to improve outcomes for vulnerable people. This includes recommendations for the introduction of a social tariff which would provide a significant reduction on the standing charges/unit rates of gas/electricity for auto enrolled households. For this to be truly fair and equitable a similar level of cost support would be required in non-regulated fuels including heating oil/lpg/solid fuels/biofuels etc.

Government systems have not enabled better targeting of support. Indeed those with the 'most' have more easily accessed financial support than those on the lowest incomes. Over 25% of Energy Bill Support Scheme payments to legacy prepayment meters have not been redeemed.

¹⁰ The enhanced heating regime identified in the Fuel Poverty (Targets, Definition and Strategy) Act 2019 increases heating hours from 9 to 16hrs for 5 weekdays, achieving 16hrs at the weekend and increases temperatures by approximately 10% from a regime of 18-21 degrees C to 20-23 degrees C each day

¹¹ <https://www.scope.org.uk/campaigns/research-policy/cost-of-living-report/>

¹² <https://www.eas.org.uk/uk-fuel-poverty-monitor>

Energy Use for Households with Additional Needs

In 2016 Scotland made the most significant advance in health and social care, arguable since the inception of the NHS in 1948. Health and social care integration legislation created 31 integration authorities who are now responsible for upwards of £8.5 billion of funding for local services that were previously managed separately by NHS Boards and local authorities.

Integration truly reflects the complexity of the services that support our population and aims to improve care and support for people, their carers and their families. It does this by putting a greater emphasis on joining up services and focussing on anticipatory and preventative care and the importance of, as far as practicable, providing care and support at home in the community.

The main purpose of the integration planning and delivery principles is to improve the wellbeing of service-users. Amongst the stated priorities of the Scottish Government in ensuring this it states that those services be provided in a way which:

- Take account of the particular needs of different service-users
- Takes account of the particular needs of service-users in different parts of the area in which the service is being provided
- Take account of the particular characteristics and circumstances of different service-users
- Protects and improves the safety of service-users
- Best anticipates needs and prevents them arising

The word energy isn't used here but its fundamental importance in protecting the health and wellbeing of service-users is reinforced by each of these.

It is also by inference that access to affordable energy is important in the National Health and Wellbeing Outcomes listed for Integration authorities by Government :

Outcome 1: People are able to look after and improve their own health and wellbeing and live in good health for longer

Outcome 2: People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community

Outcome 3. People who use health and social care services have positive experiences of those services, and have their dignity respected

Outcome 4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services

Outcome 5. Health and social care services contribute to reducing health inequalities

Outcome 6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being

Outcome 7. People using health and social care services are safe from harm

Outcome 8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide

Outcome 9. Resources are used effectively and efficiently in the provision of health and social care services

For many people **Outcome 2** underpins the ethos of integration and indeed we are now seeing people with complex, long term and life limiting conditions live at home with support where it is required rather than in hospital or other support facilities. We wholeheartedly support this as the best quality of life for the majority of people however we must draw attention to the gaps in provision which is threatening the lives and wellbeing of so many.

In people living at home this brings associated power and heating requirements associated with the nature of the condition that they have.

Arthritis and Musculoskeletal Conditions

Individuals with musculoskeletal (MSK) conditions (conditions which involve joints, bone, ligaments, muscles, nerves or tendons, which together make up the MSK system) faced additional costs prior to the current cost of living crisis. These additional costs include energy, medicines, food, and travel. A recent survey of members by Versus Arthritis showed that people with arthritis and other MSK conditions urgently need more support to cope with costs of living that are spiralling out of control.

Many people with arthritis and MSK conditions use more electricity and gas than average households. This may be to maintain a warm home to help manage their condition or to heat water for hot baths, for example, they may also use more home utilities simply because they are at home more, including working from home, because of poor mobility or the fatigue that is associated with these conditions.

This has led to increased utility bill costs for people with MSK conditions. A 2018 survey¹³ reported that:

- Around two-fifths (44%) of those with arthritis overall say they had incurred some sort of extra utility cost in the previous year as a direct result of their condition, or where their condition was a main factor.
- Additional use of gas or electricity was the most common type of extra cost experienced as a direct or indirect result of an arthritis condition, with 43% saying they had incurred this cost within the previous year
- One in five (21%) said they often went without basic needs including food or heating in order to be able to pay for treatments needed to manage their pain.¹⁴

Our most recent polling has suggested that despite the price cap, people with arthritis are struggling to pay for energy that they need to manage their condition well. 85% of those in Scotland reported that they (or the person they know/ care for) are using less energy.

¹³ Arthritis Research UK (2018). Cost of Arthritis. Available on request

¹⁴ Versus Arthritis (2021). Cost of COVID. Available on request

We know that people with arthritis report negative experiences of cold weather. 96% of those surveyed in Scotland told us that the cold weather has a negative impact on their condition. Out of those who said that the cold weather had a negative impact on their condition:

- 88% said that their pain (or pain of the person they care for) gets worse
- 87% said that joints become stiffer
- 76% said that mobility gets worse
- 64% said that it's harder for them/ the person they care for to use their hands
- 63% said that they/ the person they care for gets more fatigue
- 65% said that they/ the person they care for experiences lower mood
- 47% said that they/ the person the care for or know finds it harder to take care of everyday needs (such as dressing, washing, cooking)

High energy bills for the families of children with life-shortening conditions

The families of seriously ill children incur unavoidably high household energy costs. Together for Short Lives, the UK-wide body supporting children with life-shortening conditions, has said that research shows that families with seriously ill and disabled children are already paying almost double that of an average UK household on their energy bills. This can be for a number of reasons:

- **Running life-saving equipment:** Many families are providing round the clock care and don't have a choice about turning off electricity-powered equipment that keeps their child alive and comfortable - such as ventilators, feed machines and suction machines.
- **Running other energy-intensive equipment:** This may include electricity-powered beds, air mattresses, extra fridges for storing equipment. Doing extra washing and drying due to continence issues is often also a factor.
- **Keeping their home warm:** Many families need to maintain higher room temperatures, as some less-mobile disabled children get cold quicker, while others have health conditions that mean they can't regulate their body temperature. Families may also need to heat additional areas of the home for paid carers.

We support CHAS who are calling on the Scottish Government to do more to provide direct and targeted support to these families. In particular, a scheme should be devised to enable families to recoup the running costs of life-saving and energy-intensive equipment.

As an example, one of the families CHAS supports has two children with a life-shortening condition, both supported by CHAS. Due to the level of care required, both parents are unable to work and their only income is benefits. The family is in £1900 arrears with their energy bills due to unavoidably high usage. Their monthly bills are now £700.

Their energy consuming equipment includes:

- 3 hoists
- Oxygen Sats machine
- Oxygen concentrator
- Profiling bed
- Air mattress
- Suction machine
- Feed machine
- Fridge for storing medication/feeds

People Living With Long Term Conditions

In October 2022 the Health and Social Care Alliance Scotland (the ALLIANCE) published a report entitled '[Disabled People, Unpaid Carers and the Cost of Living Crisis: Impacts, Responses and Long Term Solutions](#)'. This was in response to their serious concerns about the unequal impacts of the rising cost of living on the people and organisations they support. In particular disabled people, people living with long term conditions, and unpaid carers are likely to be more heavily impacted by rising energy costs, whether due to spending more time at home, having less physical tolerance for lower temperatures, the need to power and charge assistive technologies, or to keep medications at a safe temperature.

Energy Action Scotland was pleased to be one of the partner organisations with whom the ALLIANCE spoke as part of their scoping exercise.

Of the two key themes that arose from this exercise, all participants agreed that ensuring individuals could afford their energy bills was absolutely essential. One member described their own experience,

“I have a small, travel powerchair for hospital visits and a larger one for shopping. They both take 4 hours to charge up. My bath raiser takes 16 hours to charge! I cannot manage without them. I feel cold all the time and dread the winter now with my Arthritis. I will not be able to afford the bills”

The report is a difficult read. Gathering members for a discussion based around lived experience, attendees explained how rising energy bills and the wider cost of living had affected them personally.

“Reliance on powered mobility equipment such as wheelchairs was repeatedly mentioned, with one participant stating that they were scared to charge theirs due to the spiralling costs, impacting on their independence. At least two attendees had wet rooms at home and had found related costs had increased substantially, to the extent that one person had stopped using it and was instead washing themselves with wet wipes to save money.

“A number of contributors also highlighted the impact of cold temperatures on their conditions – for example due to having difficulty regulating their body temperature, or by worsening chronic pain. Some had already begun to go without heating and were reporting that they were cold and shivering as a result.

“For one individual energy costs were so unaffordable that they had even begun cutting back on lighting, to the extent that they said they would have been sitting in the dark if they were not attending the meeting. One participant, reflecting on the range of additional energy costs, felt they did not have an option to use less energy for these things, and that cutting back was impacting their human rights. Another was already in energy debt and was worried about being having their supply terminated entirely.

“Cutting down on food was another common experience. Some attendees were prioritising other people over themselves, for example their children or a person they cared for. Two separate attendees said that all they had had to eat that day was a biscuit with a cup of tea – one of them added they generally only had one meal a day.

“The pre-existing issue of the “Disability Price Tag”, where disabled people already face additional costs whilst also facing limitations on their income, was also raised from two different angles. One disabled attendee added that the gap in income versus expenses arising from the cost of living was simply added to the already existing gap, which was never adequately filled. Research from Scope was highlighted, showing that on average disabled people face extra costs of £583 per month, with one in five facing extra costs of more than £1,000 per month.”

Kidney Care UK has estimated that the cost of running a home dialysis machine for a year will be between £814 and a staggering £1,918 per year from October 2022. Furthermore, a piece published in the British Medical Journal noted that even the most basic essential powered medical equipment can consume 6.15kWh of electricity per day, before factoring in other equipment such as nebulisers.⁵⁴ Additionally, households with electrically powered mobility scooters will see a sharp increase in their mobility costs.

What would better support look like

Without a doubt better support would be more targeted and provided in advance of need. It would be automatic and would not require the most vulnerable to have to work harder than the majority of the population where support may be provided. Support would be scaled to recognise the need to provide a proportionate uplift reflective of circumstance.

There have been significant delays in people in the most difficult of circumstance receiving financial support. Whilst this is true of Scotland and the rest of GB as a whole, the effects for rural communities has arguable been greater where the Alternative Fuel Payment, for heating other than gas/electric, only began to be rolled out during February 2023. Many households did not receive any payments until March. Indeed many households have yet to receive these payments in April as some have to apply with evidence in contrast to those that received automatic payment.

People require payment in advance of need, not in retrospect. For those with prepayment meters, cashflow demand to access energy is significantly higher in winter months than for households with direct debit. This is even more relevant to people with pre-payment meters who require a substantially different cashflow requirement than those on credit contracts. When there is no money there is simply no energy meaning that it may simply be unsafe for some people to ever be on a prepayment arrangement.

Scotland needs better support to improve housing and to help Scotland and the UK meet its fuel poverty and netzero ambitions. Yet funding approaches to incentives and drive change consistently fall below expectations. Whether that is the delivery of the Energy Company Obligation, UK Government programmes or Scotland Area Based Improvements there is a shortage of capacity, a shortage in the supply chain which results in underspending or a failure to meet targets. These must be redesigned to create the change that is needed.

The Public Bodies (Joint Working) (Scotland) Act 2014 (the Joint Working Act) includes very little about housing and mandates only that aids and adaptations be integrated into local arrangements. We? Our membership? Our colleagues? feel that a habitable home is often the foundation of our sense of wellbeing and that integrated authorities are perfectly placed to focus on that benefit, to individuals as well to the wellbeing of the population. It is therefore time to look at the aspects of housing that should be added to local arrangements so we can ensure that people live in houses that are fit for their needs, physically as well as financially and thermally.

Longer term reform

The rapid increase in energy prices has been demonstrably damaging to households across Europe. High wholesale gas prices drove energy costs high across Europe regardless of the nature of national energy generation.

Governments across Europe responded with a range and variety of measures.¹⁵ Financial payments, energy cutting strategies, taxation all to mitigate to some extent the impact of price rises.

Fundamental questions have been largely left to one side. Should we have a right to affordable energy, affordable clean energy? Should we not have a right to live in a good quality energy efficient home? Should we not have a right to a level of income that meets basic requirements?

In the GB market there is the potential to introduce a social tariff¹⁶ to support those on the lowest incomes and the greatest vulnerabilities. Whilst we have been here before it is clear that the current system has not provided the right level of protection. Auto enrolment, substantial unit price reductions and a greater proportion of our energy system costs reflected in general taxation can deliver a far fairer system.

¹⁵ <https://www.bbc.co.uk/news/61522123>

¹⁶ <https://www.ageuk.org.uk/discover/2023/april/what-are-social-tariffs/>

Energy Action Scotland and its members support the introduction of fairer pricing for energy as part of a just transition. It will need more than retail reform. We need a reform of the entire system, from generation to distribution and retail, to ensure that fairness is at the heart of the system.

Submitted by

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24 April 2023