

A solid orange right-angled triangle pointing downwards and to the right.

Collette Stevenson MSP
Convener
Social Justice and Social Security Committee
The Scottish Parliament
Edinburgh
EH99 1SP

25 September 2024

Dear Convener,

Today the Scottish Fiscal Commission has published [Supplementary Costing – Pension Age Winter Heating Payment – September 2024](#) to accompany the Winter Heating Assistance (Pension Age) (Scotland) Regulations 2024 laid by the Scottish Government.

The publication provides an updated forecast for Pension Age Winter Heating Payment (PAWHP). This new forecast takes account of the proposed change in eligibility for PAWHP to people over the State Pension age receiving specific means-tested benefits.

We estimate that 137,000 households in Scotland will receive PAWHP in 2024-25. This reflects the change to eligibility as well as including a rise in Pension Credit take-up as those who are entitled to – but not previously in receipt of – Pension Credit might now claim the benefit to qualify for PAWHP. We previously forecast around 1 million people would receive the payment in 2024-25 before the policy change. These revised caseload forecasts are not strictly comparable however, as they are estimated on a different basis with our new estimates based upon the number of households rather than the number of people. But the figures do provide an illustration of the magnitude of change in eligibility. We estimate the total spending on PAWHP will now be to £32 million in 2024-25, which is £148 million lower than we forecast before the policy change.

The new Scottish regulations mirror the changes announced by the UK Government on 29 July 2024 for England and Wales. These changes will reduce the funding the Scottish Government receives through the social security Block Grant Adjustment. The size of the reduction in funding will be confirmed at the UK Budget on 30 October 2024 and will be based on revised OBR forecasts of UK Government spending on Winter Fuel Payments. We expect the reduction in funding from the UK Government to broadly align with the reduction in spending.

I have also copied this letter to the Convener of the Finance and Public Administration Committee.

I am happy to provide any further information that would assist scrutiny of these regulations.

Yours sincerely,

A handwritten signature in black ink that reads "Graeme Roy".

Professor Graeme Roy