



Winter Fuel Payments for “off-gas grid” households

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Author: Steven Kennedy
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Four million (15% of) households in the UK are not connected to the mains gas grid and people in this situation generally have very little choice in their source of heating fuel. Households with oil-fired central heating, and those using solid fuel or liquid petroleum gas (LPG) to heat their homes, are much more likely to be in fuel poverty than “on-grid” households. The higher fuel costs faced by off-grid households are the main reason for this, although there are other factors.

It has been suggested that bringing forward the timing of Winter Fuel Payments (WFPs) for off-grid households might provide some help by enabling them to stock up on fuel at a time of year when prices are likely to be lower than in the middle of winter. A Private Member’s Bill presented by Mike Weir MP – the [Winter Fuel Allowance Payments \(Off Gas Grid Claimants\) Bill](#) – is expected to have its Second Reading on 7 September 2012.

WFPs – worth £200 or £300 per household – are intended to provide reassurance to older people that they can afford to turn up their heating in the coldest winter months. Payments are usually made between November and the end of the year to those who satisfied the conditions for entitlement during the September “qualifying week”.

While making early WFPs to off-grid households would be feasible, it could cause problems for the scheme as a whole and add to administrative costs. On-grid households could also feel aggrieved at being denied access to early payments. A particular problem is that the WFP scheme is predicated on a well-established annual timetable for establishing entitlement and making payments into individuals’ bank accounts just before the coldest winter weather is likely. Moving the qualifying week to earlier in the year in order to make earlier payments to off-grid households would present difficulties. Alternatively, off-grid households could be offered an advance payment facility, with the money recoverable from their WFP, but this could be complicated – and expensive – to set up.

Further information can be found in Library standard notes SN/SC/5806, [Heating oil and other off-gas grid heating](#); and SN06019, [Winter Fuel Payments update](#).

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1 Off-gas grid households and fuel poverty¹

A 2011 report by the Office of Fair Trading (OFT), *Off-Grid Energy: An OFT market study*, estimated that 4 million households across the UK were “off-gas grid”. This included households in areas that were potentially connectable to the gas network as well as those who lived too far from it to make connection practical or economic. The report drew on a range of sources but the total figure is thought to be a conservative estimate. The following table illustrates the wide variations in the proportion of off-grid households within the UK.

Off-grid populations by nation

	England	Scotland	Wales	NI	UK
Households (thousands)	2,631	488	253	594	3,966
Percentage of all households	12%	21%	19%	80%	15%

Source: *Off-Grid Energy: An OFT market study October 2011*, Office of Fair Trading

Households with oil-fired central heating, and those using solid fuel or liquid petroleum gas (LPG) to heat their homes, are much more likely to be in fuel poverty than “on-grid” households.

Fuel poverty data and estimates are not consistent across the UK so the OFT report use a different approach by overlaying postcode sector data on connections to the gas network onto detailed local level data on fuel poverty. Because of the different methodologies in the home countries the fuel poverty rates are banded into 20% groups rather than set at absolute levels of fuel poverty across the UK. The resulting [map](#) can be viewed at the OFT website.² The local level fuel poverty data is modelled from national estimates, not directly recorded at this level.

The OFT report estimated that fuel poverty rates across Great Britain as a whole were 32% for off-grid and 15% for on-grid households (the fuel poverty estimates are however generally for 2008 or earlier and subsequent fuel price rises will have increased fuel poverty levels for all groups across the country). The OFT report noted that differences in fuel costs were the main driving factor behind the higher incidence of poverty among off-grid households, but other factors also contributed towards this pattern including poorer energy efficiency and relatively large proportions of single person households. The average costs of heating and providing hot water for a typical three bedroom house with LPG have been estimated at around £2,300 per year (based on April 2012 prices with a conventional boiler), heating oil is thought to cost around £1,700 and gas around £1,200.³

Heating oil prices rose sharply in the summer of 2008 but fell back rapidly to around 30 pence a litre before increasing again steadily throughout 2009 and early 2010. The OFT’s investigation was brought forward in response to further sharp increases in the cost of heating oil during the prolonged cold snap in late November and December 2010, when prices of up to 80 pence a litre were reported in some areas on single days. The OFT found that lack of competition in the heating oil sector was not an issue (although it criticised some trading practices). The OFT did find however that the smaller LPG market was highly concentrated, with few suppliers. In particular, people with cylinder LPG heating were likely

¹ Statistics provided by Paul Bolton, Library Social and General Statistics Section

² http://www.of.gov.uk/shared_of/market-studies/off-grid/OFT1380.pdf#page=18

³ Sutherland Tables, *Comparative Domestic Heating Costs*, April 2012

to struggle with heating costs and be unable to switch fuel supply easily. More information can be found in the Library standard note on [Heating oil and other off-gas grid heating](#).

1.1 Help for off-grid households⁴

Some people who rely on heating oil have formed “oil clubs” to lower prices through collective purchasing or bargaining. This is an idea that has gathered some momentum for general (electricity and mains gas) energy bills and indeed has been encouraged by both Consumer Focus and the Government.⁵ The Federation of Petroleum Suppliers also advises people to “buy early before winter” when prices may rise. However, in practice filling an oil tank is an expensive business and the costs all fall at once.

Further information on these and other schemes can be found in part 5 of the Library standard note on [Heating oil and other off-gas grid heating](#).

In February 2012 Consumer Focus (CF) published [Off-Grid Fuels: An investigation of the off-grid energy market](#) (Baker and Faulk, 2012). This outlines research carried out and considers how additional price support might be made available to off-grid households. Policy options considered by CF include the Government offering a higher level of “Warm Home Discount” (WHD) to off-grid customers to reflect their higher heating costs, and making Winter Fuel Payments earlier. It found little support for extending social tariffs to off-grid markets, however. A table (see Figure 2 on page 17 of the report) shows the range of policy options available for price support. CF makes a number of recommendations for oil suppliers, and for the Government in the short- and medium- to long-term (pp 23-25). The short term measures recommended include exploring bringing forward the payment of WFP and prioritising off-grid customers in any extension of WHD. However, because gas remains the cheapest form of heating, the extension of the gas network is seen as a longer-term priority and CF has also suggested that gas connections should be considered as eligible measures under Green Deal and that the Government should consider gas network extension projects in any economic stimulus package.

Following the Department of Energy and Climate Change [Consultation on the Green Deal and Energy Company Obligation](#), which ended on 18 January 2012, the Government has not included “connection to the gas mains” as a qualifying measure under Green Deal, but it has extended the Energy Company Obligation which supports Green Deal for hard to treat homes and low income households. The “Carbon Saving Communities” (CSC) target is a new, third obligation on energy supply companies, which says that at least 20% of the carbon savings measures must be in low income communities. It also has a “rural safeguard sub-obligation” requiring suppliers to deliver at least 15% of their CSC obligation to rural, low income households in settlements with a population size under 10,000. These households must be in receipt of one or more of the “Affordable Warmth” qualifying criteria, or in, or next to, a qualifying low income area. The Library Standard Note on [The Green Deal](#) has more background.

The remainder of this note looks in more detail at the Winter Fuel Payments scheme and at the possibility of making earlier payments to off-grid households.

⁴ Information provided by Patsy Richards, Library Science and Environment Section

⁵ See DECC press notice 2012/064, [Davey: Next steps on collective purchasing for a better energy deal](#), 23 May 2012

2 The Winter Fuel Payments scheme

The Winter Fuel Payment is a tax-free annual payment to help older people meet the cost of their winter fuel bills.

To be eligible for a Winter Fuel Payment for a particular winter, a person must reach the relevant age threshold before the end of the “qualifying week”, which is the third full week in September (for Winter 2012-2013, this is 17-23 September 2012). The qualifying age for the Winter Fuel Payment is linked to the State Pension age for women, which is increasing gradually to match the State Pension age for men.⁶

The Winter Fuel Payment was £20 (or £50 for those in receipt of means-tested benefits) when first introduced in winter 1997-1998, increased to £100 in 1999-2000 and then to £200 in 2000-2001. An additional £100 for households with someone aged 80 or over was first introduced in 2003/2004. The “standard” rate remains £200 per eligible household where the oldest person is under 80, and £300 for households containing a person aged 80 or over.⁷

How much an individual receives will however depend on their circumstances. A person who lives alone will receive the full amount (ie £200 or £300). A couple both over the qualifying age but under 80 would each receive £100, while a couple where one partner is over 80 but the other is under 80 would receive £200 and £100 respectively. Where couples are claiming Pension Credit, the partner receiving the Pension Credit will receive the full Winter Fuel Payment for the household. A table is available at the Directgov website showing how much individuals would get in different circumstances.⁸

Not all those who satisfy the age condition will receive a Winter Fuel Payment. Those excluded from entitlement include those who, during the qualifying week, were in a care home and were getting Pension Credit, or were a “person subject to immigration control”, or had been receiving free inpatient treatment in a hospital for more than 52 weeks.

The Labour Government explained the rationale for the Winter Fuel Payments scheme as follows:

Winter fuel payments were introduced as part of the Government’s initiative to tackle fuel poverty amongst pensioners. Winter fuel payments give older people reassurance that they can afford to heat their homes in winter. They are paid in a lump sum each winter to ensure that money is available when fuel bills arrive. Older people are targeted because they are particularly vulnerable to the effects of cold weather during the winter months and older people are more likely to be on fixed incomes.⁹

As far as the current Government is concerned, the Pensions Minister Steve Webb said in a written answer on 23 May 2011:

⁶ [Social Security Winter Fuel Payments Regulations 2000 \(2000/729\)](#) as amended by SI 2009/1488

⁷ Additional payments have also been made alongside the standard Winter Fuel Payment, sometimes for reasons other than to help with fuel bills. The details of this are set out in Library Standard Note SN06019, [Winter Fuel Payments update](#)

⁸ See [Winter Fuel Payment – how much you can get and when you'll be paid](#)

⁹ [EXPLANATORY MEMORANDUM TO THE SOCIAL FUND WINTER FUEL PAYMENT \(TEMPORARY INCREASE\) REGULATIONS 2010](#); SI 2010/1161, April 2010

The winter fuel payment provides a significant contribution to an older person's winter fuel costs and provides vital reassurance that people can afford to turn up their heating.¹⁰

He has also made the point that the payments are only one part of the overall Government programme to support vulnerable groups in winter. The wider programme of support includes Cold Weather Payments and provision for some of the poorest pensioners to get a "rebate off their electricity bills under the Warm Home Discount scheme."¹¹

Around 12.6 million people in 9.1 million households currently benefit from the Winter Fuel Payment, but the number of recipients will fall by around 500,000 by 2016-17 as the qualifying age rises along with the state pension age for women. Expenditure is forecast to fall from £2.1 billion in 2012-13 to around £1.9 billion by 2016-17 (at 2012-13 prices).¹²

2.1 Rationale for the September qualifying week

To be eligible for a Winter Fuel Payment in a particular year, a person must be ordinarily resident in Great Britain¹³ and have reached the relevant age threshold before the end of the "qualifying week", which means the week beginning on the third Monday in the September of that year.¹⁴ For winter 2012-2013, the qualifying week will therefore be the week beginning Monday 17 September 2012.

The qualifying week is in September to enable the DWP to establish entitlement and make the necessary checks in time to make payments before colder winter weather may be expected. The work involved – and the scale of the task – means that late September is the latest possible date for establishing entitlement in order to make payments in time.

An argument frequently made is that the qualifying week should be *later* than September, so that people reaching the qualifying age after then would receive a payment. Many people are aggrieved when they discover that they are not entitled to a Winter Fuel Payment – or not entitled to the higher rate for those aged 80 or over – because they reached the relevant age threshold after the qualifying week, but before or during the winter in question.

A parliamentary written answer from 2007 set out why a later qualifying week would be problematic:

Dr. Cable: To ask the Secretary of State for Work and Pensions what assessment he has made of the (a) effects and (b) administrative costs of changing the date relating to eligibility for winter fuel payments to (i) 31 October and (ii) 31 December each year. [117326]

James Purnell: If the deadline to qualify for this winter's payment had been the 31 October, around 60,000 more people in Great Britain would have become eligible to receive a payment at an additional cost of approximately £8 million. If the deadline had been the 31 December, around 150,000 more people in Great Britain would have

¹⁰ [HC Deb 23 May 2011 c493w](#)

¹¹ [HC Deb 5 April 2011 c755w](#)

¹² DWP [Benefit expenditure tables](#)

¹³ Under EU law, people can however in certain circumstances receive the Winter Fuel Payment if they are resident in another EEA country. Until recently, this was only possible if the person had first qualified for the WFP in the UK before they moved abroad, but in light of recent developments in EU case law the Government now accepts that, in certain situations, claims may be made by people who are already abroad when they reach the qualifying age. For further information see DWP Memo DMG 31/12, [Winter Fuel Payments – effect of CJEU judgment](#), August 2012

¹⁴ Regulation 2 [Social Fund Winter Fuel Payments Regulations 2000](#); SI 2000/729 as amended

become eligible to receive a payment at an additional cost of approximately £21 million.

The qualifying week for winter fuel payments is set in legislation as the third full week in September. This date is used in order to establish entitlement and make payments before Christmas. If a later date were used, the payment exercise could not be completed in time for the payments to be available by Christmas. We decided to make all automatic payments by Christmas to reassure pensioners that they will have extra money available to pay for heating their homes during the coldest part of the year. If the qualifying week were to be significantly later than it is at present, then payments would have to be made in the early part of the following year. Departmental computer systems are already working to full capacity during the early months of the year to accommodate the uprating of benefits in April. It would not be possible to issue over 11 million winter fuel payments at the same time without putting this at risk.

No assessment has been made of the administrative costs if the qualifying date was changed to either 31 October or 31 December each year but they are likely to be negligible as the same processes would be used.¹⁵

The current Government has said that it has no plans to review the September qualifying week rule. For example, in February 2011 the Pensions Minister Steve Webb said:

The qualifying week is set in legislation as the third full week in September. We use this date so that we can establish entitlement, undertake the necessary checks and make payments before Christmas. The Government believe that making payments by Christmas every year is helpful in reassuring pensioners that they will have money available to pay for heating their homes during the coldest part of the year. We have no plans to change the qualifying week.¹⁶

3 Early Winter Fuel Payments for off-grid households

3.1 2010 Energy and Climate Change Committee report on Fuel Poverty

As noted in Part 1.1 above, early Winter Fuel Payments for off-grid households was floated in a report published by Consumer Focus in February 2012. The case for making Winter Fuel Payments earlier in the year for off-grid households had also been made by the Energy and Climate Change Committee in its March 2010 report on *Fuel Poverty*.¹⁷ The relevant extract from the Committee's report is below (note that the Minister quoted was David Kidney MP, Parliamentary Under-Secretary of State at the Department for Energy and Climate Change under the Labour Government):

34. As a means of tackling fuel poverty, the case for Winter Fuel Payments is weak. Its payment is unfocused and not targeted on people in or near fuel poverty. However, as a universal means of supplementing pensioner incomes, which is easily understood and easy to pay, the political case for the retention of Winter Fuel Payments is strong. However, it would be more intellectually honest to rename the benefit; concede that it a general income supplement; and stop accounting for it as a fuel poverty measure.

35. If the Winter Fuel Payment is to be retained and classified as a fuel poverty measure, it makes sense to pay it at a time when it can do most to help people who

¹⁵ HC Deb 7 February 2007 cc1057-1058w

¹⁶ HC 3 February 2011 c898w

¹⁷ [HC 424 2009-10](#), 30 March 2010

are fuel poor. We return to this matter in the section below about households off the gas grid.

[...]

72. We are pleased to note the Minister's enthusiasm for the potential for novel technologies to help alleviate fuel poverty for people off the gas grid, but are disappointed about how long it has taken to assess these technologies. It is clear that work on this is at a very early stage and we urge the Department to report back on the trials currently underway at the earliest opportunity. Households off the gas grid pay more for their fuel and are more likely to be in fuel poverty and the Government should ensure that it takes effective steps to help them.

73. People off the gas grid buy their fuel in a market which is largely unregulated. We raised with the Minister the prospect of regulating these markets, but he was not convinced of the case for doing so. He noted that, at a meeting with members of the Bill Committee looking at the Energy Bill, representatives of the Office of Fair Trading, the Competition Commission and Consumer Focus concluded "that they did not think more regulation was the solution". [Q160 (DECC)] He understood that it might be possible to "reach some bigger players" if the regulation was aimed at the major players in the oil industry, rather than the myriad small-scale suppliers, but he was "not convinced" that regulation would bring benefits, "given the findings the Competition Commission... reported last year after a five-year investigation, and the extra costs we would put on an industry that feels under pressure". [Q161 (DECC)]

74. One modest but potentially helpful step the Government could take for people who rely on filling expensive oil or gas tanks concerns the timing of Winter Fuel Payments. We put it to the Minister that there might be benefits to bringing forward in the year the timing of payments to assist people who have to fill such tanks, when they could do so at a cheaper cost than in the middle of winter. He noted that it was the Treasury's responsibility to determine the timing of such payments, but he did "think there was something" in the argument for making the payments earlier. [Q162 (DECC)]

75. We note the difficulties inherent in seeking to regulate the market for fuels bought by people off the gas grid. However, this group is disproportionately likely to be fuel poor and we believe the Government must review urgently the case for regulating this market. As a more modest step, we urge DECC to discuss with HM Treasury the case for flexibility in the timing of winter fuel payments, so that people off the gas grid have the opportunity to maximise the fuel they are able to buy.

The current Government's response to the Committee's report was published on 25 October 2010.¹⁸ In response to the recommendation in paragraph 75, it said:

Whilst we have sympathy with the difficulties faced by off grid energy consumers, the Government supports the retention of competitive markets in the supply of heating oil and liquid petroleum gas (LPG), as we believe it is in the best interests of both the industry and these consumers.

Responsibility for the robust enforcement of competition law in the UK lies with the independent competition authorities, the Office of Fair Trading (OFT) and the Competition Commission (CC). Both general consumer protection legislation and competition law applies to this sector.

¹⁸ [Fuel Poverty: Government Response to the Committee's Fifth Report of Session 2009-10](#), HC 541 2010-12

The Government does however have sympathy with the difficulties faced by these consumers and recognises that that more needs to be done to support them. That is why we have included a commitment in the Coalition Agreement to seek to extend protection and support. to off-grid energy consumers.

We will therefore need to identify an efficient package of measures and explore better ways of targeting support at vulnerable households off the gas grid, ensuring that any programme that we implement complements the measures we take on fuel poverty in general. For example, options to be explored include the further roll out of household energy efficiency measures and/or proposals to promote renewable heating. Affordability will obviously be a key concern when considering the options for consumer support to this group.

Winter Fuel Payments are paid to individuals aged over the female State Pension Age in the qualifying week (the week beginning on the third Monday in September). The process to establish entitlement of over 12.3 million older people takes six weeks and the first payments, to the poorest pensioners, are sent in November. Using a single qualifying week enables large numbers of payments to be made before the New Year (in anticipation of colder weather in the winter period) at low administrative cost. Individuals, including those who are off the gas grid, choose when to purchase their fuel and it would be inappropriate for the Government to pre-empt such decisions.

3.2 Policy options and issues

Apart from in its response to the Energy and Climate Committee report, the Government has not made any comment about why earlier payments to some groups would not be desirable.

There are different ways in which early payments could be made. The Government could-

- Introduce a separate, earlier qualifying week and payment schedule for off-grid claimants only (eg aiming to make payments over the summer or early autumn); or
- Move the qualifying week to earlier in the year and pay off-grid claimants in the summer or autumn, but keep to the usual winter payment schedule for other claimants; or
- Retain the September qualifying week, but introduce some form of advance of payment facility for off-grid claimants.

Whatever the option, policymakers would want to ensure that early payments are used for the intended purpose, ie to purchase fuel.

The Winter Fuel Payment is intended to provide reassurance for pensioners who might otherwise be tempted to cut back on fuel use in the coldest part of the year. Recipients do not have to use the money received to pay bills directly, but even if the payment, when received, is used for expenditures other than fuel, it does not necessarily follow that it is of no help with fuel costs, since it can relieve the recipient of the burden of other household costs which might otherwise cause the person to cut back on their fuel use.

It would however defeat the purpose of making earlier payments if recipients were to use the money in other ways, and potentially leave them in an even more precarious situation by the middle of winter. Recipients of “ordinary” Winter Fuel Payments might also feel aggrieved if others were to receive “no strings” early payments. One possible solution would be to make early payments in the form of non-transferable vouchers that could only be used to purchase

fuel. However, a voucher scheme would involve additional costs and could be seen as discriminatory and/or patronising to off-gas grid households.

A further challenge for any early payment scheme would be how to identify individuals in off-gas grid households (and equally, how to check that those claiming to be off-gas grid customers are in fact off-grid). Any scheme would presumably involve such individuals making a proactive claim (rather than leaving it to the authorities to identify eligible households). Publicising the scheme, processing claims and verifying eligibility would all entail additional costs.

Each of the three options listed above would have advantages/disadvantages. These are discussed below.

Earlier qualifying week and payments for off-grid claimants only

In effect, this would introduce a separate Winter Fuel Payments scheme for off gas grid claimants only. Assuming the target date for early payments was the beginning of September and a minimum period between the qualifying week and payment of six weeks, this would require the qualifying week to be around mid-July. For other claimants however, the current qualifying week and payment schedule would continue to apply.

This option would mean that the entire Winter Fuel Payments scheme would not need to be recast. However, it is likely that there would be additional expenditure since two schemes would have to operate in parallel.

“Ordinary” Winter Fuel Payments claimants – particularly those with particular needs, eg disabled people – might also feel aggrieved at being denied early access to their Winter Fuel Payment.

Earlier qualifying week for all but early payments for off-grid claimants only

This would have the advantage of retaining a common qualifying week for all claimants, whether on or off grid. The main problem with this option would be the longer interval between the qualifying week and payment for “ordinary” claimants. This increases the likelihood of a change in circumstances before payment occurs, such as:

- A person moving into a care home;
- Other changes in the household, eg due to bereavement; or
- A person ceasing to be ordinarily resident

Such changes can happen under the existing rules. For example, where a person dies after the September qualifying week their Winter Fuel Payment will still be paid to their partner or their estate. However, the longer the interval between the qualifying week and payment, the greater the likelihood that the amount paid will no longer reflect the household's circumstances by that time.

Moving the qualifying period to earlier in the year while retaining the existing age rules would also cause problems. As noted above, it is a common complaint that people just miss out on a Winter Fuel Payment or the higher amount for those aged 80 or over because they do not reach the relevant age until after the September qualifying week. Moving the qualifying week to earlier in the year would mean more such cases.

An advance of payment facility for off-grid claimants

This would probably be the simplest option, since it would leave the existing Winter Fuel Payment intact. The advance payment facility could be entirely separate from the Winter Fuel Payment, although there would have to be some mechanism to recover the amount advanced from the recipient's Winter Fuel Payment when it is eventually paid.

Issues that would have to be resolved include:

- Who would administer the advanced payment system – the DWP or some other agency?
- How to decide who is eligible
- How to deal with changes in circumstances following an advanced award – eg if it turns out that the person is not eligible for a Winter Fuel Payment, should the amount paid written off?

There is also the question of how the scheme would be funded. If the Government was unwilling to commit additional resources, advance payments could be made at a lower rate than the standard Winter Fuel Payment, with the “excess” recovered on payment of the WFP covering the additional costs of the scheme. But the greater the cost of administering the scheme, the less that could be paid out in advance, potentially cancelling out the advantage of early payment to off-grid claimants.

There is some indication that the previous Government was looking into the possibility of some kind of advance payment facility to help off-grid customers. During the Environment and Climate Change Committee's evidence session on 20 March 2010, the then DECC Minister David Kidney did “think there was something” in the argument for making Winter Fuel Payments earlier but he also went on to say-

I would just like to add that we funded NEA [National Energy Action] to do some work for us about whether there were other ways that we could help people who do face these big up-front costs to buy in their fuel in order to then consume it over the following weeks or months, perhaps with the help, for example, of credit unions in providing reasonable rates of loans to people to be able to do this work. They are due to report to us this month, so there might be more than one way to skin a cat in this case and we are looking at more than one way to deliver an effective solution for people.¹⁹

4 Mike Weir's Private Member's Bill

Mike Weir came tenth in the ballot for Private Members' Bills on 17 May 2012. His *Winter Fuel Allowance Payments (Off Gas Grid Claimants) Bill* was presented on 20 June, with the support of Members from various parties.²⁰ The Bill was published on 18 July, when Mr Weir issued the following [press release](#):

¹⁹ HC 424-II 2009-10 Q162

²⁰ The Bill was supported by Hywel Williams, Nigel Dodds, Sarah Newton, Albert Owen, Alan Reid, Margaret Ritchie, Sir Robert Smith, Angus MacNeil, Katy Clark and Thérèse Coffey

MIKE'S OFF-GRID ENERGY BILL PUBLISHED: CROSS-PARTY SUPPORT TO HELP PENSIONERS BEAT HEATING BILLS

The Public Bills Office have published the text of a Private Members Bill, sponsored by SNP MP Mike Weir, that would help off-grid pensioner households beat soaring winter energy costs – and paving the way for the proposed legislation to receive its second reading in the House of Commons on 7 September.

The bill would allow the payment of winter fuel allowance to pensioners, whose homes are not on the gas grid, earlier in the year to allow them to fill up their tanks before the onset of winter when prices tend to be cheaper and also to avoid delivery difficulties in adverse winter conditions. Off grid households do not benefit from special tariffs available to help 'mains' energy customers, nor are they able to follow UK Government advice to "switch" suppliers since a virtual monopoly exists in many areas.

Mr Weir – one of just 20 MPs successful in a ballot to present a Bill in the House of Commons – revealed that the Bill (the Winter Fuel Allowance Payments [Off-Grid Claimants] Bill) has already secured cross-party support – with Tory, Liberal Democrat, Labour, Plaid Cymru, Democratic Unionist and SDLP MPs listed as supporters.

Mr Weir, the SNP Energy and Climate Change spokesperson at Westminster, said:

"The cross-party and cross country backing for this bill show that there is widespread support for action to help fuel poor pensioners whose homes are not connected to the mains gas grid. This is as much a problem in Cornwall as it is in Caithness.

"There is clear evidence that the price of home fuel oil rises rapidly from October through the winter until it begins to fall again in the spring. At present winter fuel allowances are paid out in December, which tends to be when prices are high. For those who pay quarterly energy bills this is less of a problem but for those who have to pay upfront to have their tanks filled it means that they have to pay out to fill their tanks for the winter before they get the money.

"My bill would provide a simple change that means that pensioners could receive their winter fuel allowance earlier to allow the tank to be fully filled prior to the usual winter price rises. It would give such households the comfort of knowing that they would be going into the winter with a full tank.

"It would also mean that, if we experience very bad weather, as happened two years ago, they would not face the difficulties that can occur with deliveries of fresh supplies. In my constituency, for example, many off grid consumers could not get supplies delivered through the heavy snow.

"The heating oil market is subject to sudden and very high price spikes and there is real concern amongst consumers that there is very little competition in the market, leaving them effectively with no option but to pay up.

"Off-grid users are the only customers not to have access to reduced tariffs and a large number of the rural fuel poor are unable to get help with heating bills at all. It is vital that this situation is addressed, and action taken to introduce robust regulation to protect consumers.

"The changes proposed in this bill do not tackle all the problems faced by off-grid customers, but the action I am proposing would deliver practical and significant support to a particularly vulnerable group who deserve help."

The Second Reading debate is expected on 7 September.

4.1 The Bill

The [Winter Fuel Allowance Payments \(Off Gas Grid Claimants\) Bill](#) was published on 18 July. The short title is:

A Bill to provide for the early payment of winter fuel allowance to eligible persons whose residences are not connected to the mains gas grid and whose principal source of fuel is home fuel oil, liquid petroleum gas or propane gas; and for connected purposes.

It has four clauses.

Clause 1 amends the *Social Fund Winter Fuel Payment Regulations 2000*²¹ to provide that, for applicants in off-gas grid households only, the “qualifying week” is the week beginning on the third Monday in July. For all others, the qualifying week remains the third week in September.

Clause 2 amends the Winter Fuel Payment Regulations to provide that, for off-grid claimants only, the Winter Fuel Payment is to be made before 30 September. For on-grid claimants, the existing payments schedule would remain.²²

The combined effect of clauses 1 and 2 is therefore to prescribe an earlier qualifying week and payments for off-grid claimants only. The pros and cons of this approach are discussed in section 3.2 above.

Clause 3 sanctions additional expenditure incurred as a result of the Bill.

Clause 4 provides that the Bill extends to England, Wales and Scotland only.

While social security is a devolved matter in Northern Ireland, there is a long-standing policy of maintaining “parity” with Great Britain in this area²³ and there is a separate but equivalent [Winter Fuel Payments scheme in Northern Ireland](#). Were the Bill to become law, it would however ultimately be for the Northern Ireland Executive and Assembly to decide whether to make equivalent changes to the scheme in Northern Ireland.

²¹ [SI 2000/729 as amended](#)

²² The existing regulations state that payments are to be made to claimants by 31 March in the following year, but most “automatic” payments are made to individuals in November or December. In most cases the DWP is able to identify people eligible for a Winter Fuel Payment from its own records and to make the payment to them without them having to submit a claim. However, if a person who is eligible for a Winter Fuel Payment does not receive payment, they have until the end of March to submit a claim.

²³ The principle is now enshrined in section 87 of the *Northern Ireland Act 1998*.