



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# **Social Justice and Social Security Committee**

**Thursday 6 February 2025**

**Session 6**



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**SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE**  
**5<sup>th</sup> Meeting 2025, Session 6**

**CONVENER**

\*Collette Stevenson (East Kilbride) (SNP)

**DEPUTY CONVENER**

\*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

**COMMITTEE MEMBERS**

\*Jeremy Balfour (Lothian) (Con)  
\*Mark Griffin (Central Scotland) (Lab)  
\*Gordon MacDonald (Edinburgh Pentlands) (SNP)  
\*Marie McNair (Clydebank and Milngavie) (SNP)  
\*Paul O'Kane (West Scotland) (Lab)  
Liz Smith (Mid Scotland and Fife) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Claire Cairns (Coalition of Carers in Scotland)  
Richard Gass (Glasgow City Council)  
Debbie Horne (Independent Age)  
Heidi Karjalainen (Institute for Fiscal Studies)  
Roz McCall (Mid Scotland and Fife) (Con) (Committee Substitute)  
Mark McLeod (Energy Saving Trust)  
Adam Stachura (Age Scotland)

**CLERK TO THE COMMITTEE**

Diane Barr

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Social Justice and Social Security Committee

Thursday 6 February 2025

*[The Convener opened the meeting at 09:30]*

### Decision on Taking Business in Private

**The Convener (Collette Stevenson):** Good morning, and a very warm welcome to the fifth meeting in 2025 of the Social Justice and Social Security Committee. We have received apologies from Liz Smith, and I welcome to the meeting Roz McCall, who joins us as a substitute.

Our first item of business is a decision on taking business in private. Does the committee agree to take agenda items 3 and 4 in private?

**Members indicated agreement.**

## Pensioner Poverty

09:30

**The Convener:** Our next item of business is a round-table discussion on the causes of pensioner poverty and the actions required to resolve them.

I welcome our witnesses to today's meeting. In the room, we have Adam Stachura, associate director of policy, communications and external affairs, Age Scotland; Richard Gass, welfare rights and money advice manager, Glasgow City Council; Debbie Horne, policy and public affairs manager, Independent Age; and Mark McLeod, fuel poverty partnerships manager, Home Energy Scotland. We are joined remotely by Claire Cairns, director, Coalition of Carers in Scotland; and Heidi Karjalainen, senior research economist, Institute for Fiscal Studies. Thank you for joining us.

This meeting is in a round-table format, which we hope will enable a free-flowing conversation—the committee is very much in listening mode today. Please indicate to me when you wish to speak; those attending online should type an R in the Zoom chat box.

We intend to focus on four main themes today, but we should have time to discuss other relevant issues. I invite Marie McNair to introduce the first theme.

**Marie McNair (Clydebank and Milngavie) (SNP):** Good morning. It is great to see everyone today; thank you for your time.

Our first theme is pension age income trends. We know that pensioner poverty levels were falling until 2008, when then they started to rise again. By 2015, relative poverty was at 15 per cent and has remained around that figure. I am interested in hearing the reasons for that, the main drivers of pensioner poverty today and the most effective routes out of it.

In 2023, 98 per cent of those of pension age were in receipt of state pension. To what extent are state pension levels the elephant in the room when it comes to pensioner poverty? I note that recent research from the House of Commons library asserts that the United Kingdom devotes a smaller percentage of gross domestic product to state pension compared to other advanced economies.

To start off with, then, does any of the witnesses have any comments on the reasons for and the impact of pensioner poverty and what requires to change in relation to UK pension policy? I will just pop that out there to whoever wants to start.

**Adam Stachura (Age Scotland):** There was a lot in that question. I will be brief, as others will have valuable contributions to make.

You are right about the state pension being relatively low and modest. We also have a two-tier state pension system, with the basic state pension and the new state pension; the figures for the maximum in each are wildly different—indeed, by a few thousand pounds. If you are on the old state pension—that is, if you started getting your pension before 2016—you will get a maximum of about £8,500 a year, but that can vary, depending on the national insurance contributions that you have made, the big stamp, the wee stamp and all the rest of it. With the new state pension, the maximum is about £11,500 or £11,600 a year just now.

There is a caveat that we have to remember, though. According to age profile, 60 per cent of Scottish pensioners are on the old state pension, and 40 per cent are on the new state pension, but research from one of the pension consulting firms—I cannot remember exactly which—has shown that only half the people who receive the new state pension get the maximum amount. We talk about things such as the triple lock and the uprating of £400 or so that will come in next year—that might be £6 or £7 a week—but only 20 per cent of Scottish pensioners will receive that. We need to think about the context of what the state pension is and what it does.

My last point, which I am sure that others will want to get into, is that we need to look at the drivers of pensioner poverty. A lot of those relate to the time before someone is a pensioner, such as their income, whether they are in work, or whether that a carer or are bringing up a family. It is not just about the state pension but about someone's pension contribution or their over-reliance on the state pension, because between 50 per cent and 60 per cent of pensioners in Scotland will be either wholly or pretty much reliant on their state pension as their only source of income.

People can make private pension contributions, and final salary-type pension schemes—particularly in the public sector—have really helped a lot of people, but if you are from a working-class background or industry, or you have been caring for a lot of your life or bringing up kids, or you are an older woman, you probably did not have access to any of those things, so you will be really reliant on the state pension. The fact that it is so low, given all the costs that we have to bear just now, is really quite staggering.

**Richard Gass (Glasgow City Council):** Adam Stachura mentioned the two different state pensions: the new state pension and the former state retirement pension. One of the realities of the

new state pension is that it was introduced in 2016 and pitched at 5p above the basic rate of pension credit. That has created a scenario where older pensioners who are below the threshold for pension credit can be topped up to the pension credit level, and the folk who are on the rate that is 5p above do not get pension credit. What we have discovered recently—or rather, what has been in the press recently—is that access to pension credit can be the key to receiving additional entitlements.

Looking at the uprating for 2025-2026, we see that the new state pension will be £3.15 a week above the rate for a single pensioner on pension credit. If someone receiving that is in rented accommodation and the state pension is their only means of income, they will not be able to get pension credit because they will have £3.15 too much. In reality, once the tapers for housing benefit and council tax reduction kick in, they will have only 48p more a week, which is £26 over the year, and yet that extra money is switched off.

I know that we will shortly talk about other entitlements, but if we are going to increase state pension values, that increase needs to be significant. If we give someone just a bit above their applicable amount and they rely on housing benefit, the taper of 85 per cent means that they will lose 85 per cent of what they have above the pension credit level.

**Debbie Horne (Independent Age):** To build on what Richard Gass said about the very close gap between the pension credit threshold and the state pension level, at Independent Age, we frequently hear from older people that they are just £1 or £2 above the pension credit threshold and they miss out on thousands of pounds of additional support. That is a key driver of pensioner poverty, and we are campaigning for the UK Government to review the adequacy of the social security system for older people. That means looking at the state pension and pension credit and working on a cross-party basis to agree on what is an adequate income in later life, because too many older people simply do not have enough to live on due to the current benefit levels.

**Claire Cairns (Coalition of Carers in Scotland):** I want to pick up on some of the points that Adam Stachura made about unpaid carers. Very often, by the time people, particularly carers, reach pension age they are already in poverty. When carers receive their state pension, they can no longer receive the carer support payment, which was previously known as the carers allowance. A lot of older carers are quite angry about that, because they still have caring responsibilities and are still caring for the same number of hours. That impacts on their income, but at the point they begin to receive their state

pension they are no longer eligible for the carer support payment.

If they get pension credit, they get an extra carer premium of £45.60, but as a few people have mentioned, a lot of people are not aware that they are able to claim pension credit or that they are eligible for it, which means that they miss out on that.

Our point of view is that the Government should look at developing an older carers payment that is linked to carer support payment. That would enable people to receive an additional payment because of the responsibilities of caring and the extra costs associated with it. Doing that has been talked about, but never delivered.

**Heidi Karjalainen (Institute for Fiscal Studies):** As others have said, the amount of state pension in the UK is quite low compared with other countries, but that is because we also have a lot of private saving and a big private pension system.

The future challenge has to do with what we are going to do to ensure that people who are currently working age are saving enough for retirement. However, the solutions to solve the issues with current pensioner poverty are going to be different, because people who are retired can no longer save in a private pension.

I will also highlight that fewer people are going to be eligible for pension credit because of the level of the new state pension, unless they have received disability benefits or are entitled to carer support payment, for example. Loading more additional benefits on to pension credit is becoming a bigger issue. The issue of being above or below the threshold to receive pension credit is growing all the time. We should be thinking about that and about whether there are other ways to target additional support to pensioners, rather than by loading more benefits on to pension credit.

**The Convener:** Has any research been done on what an average pensioner should have in a week and what the gap is between that and what they receive?

**Debbie Horne:** Work has been done by the Joseph Rowntree Foundation, which produces the minimum income standard with Loughborough University. That work is not specific to pensioners; it looks at people with children, working-age adults and pensioners. It has a minimum income standard of £22,000 per year for older people. When that is compared to what somebody on a full new state pension receives in a year—about £12,000 and a bit—we can see that there is a considerable gap between what is needed to live a decent and dignified life and what older people currently receive.

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** I have a quick question. We have touched on the fact that pensions are so low in the UK. The Organisation for Economic Co-operation and Development said that the UK spends about 4.7 per cent of GDP on pensions, whereas Greece spends nearly three times that—13 per cent. It also said that 10 countries spend double the amount that the UK does, and that 27 countries spend more than the UK.

We can identify how we can adjust or improve pensions, but what is the underlying reason why they are so low? I understand that there are private pensions but, as Adam Stachura said, not everybody has access to a private pension. Why is there such a low pension rate in the UK?

**Debbie Horne:** The triple lock has been in place for a number of years, but there was a period when it was not. During that period, the value of the social security that was available to older people declined, and that was one of the reasons why the triple lock was introduced. That is definitely a contributing factor to how we have got to this position.

**Gordon MacDonald:** So, it is a political choice.

**Debbie Horne:** Poverty is a political choice and can be solved by political choices. We are keen to see all political decision makers take all the action that they can to try to help older people and prevent poverty in later life.

09:45

**Heidi Karjalainen:** You mentioned private pensions, Mr MacDonald. Private pension provision is the reason for the current level of state pension in the UK, especially because we have moved away from a system in which people could save through their state pension and add in an earnings-related pension.

In most of Europe, there is no private pension system, so people who have higher incomes during their working lives will also save more and receive a higher earnings-related state pension in retirement. The UK decided to move away from that and introduced a flat-rate state pension for everyone. The idea is that it is a bedrock for building a pension on top of that.

That system can work for people who have average or higher incomes in working life and, therefore, have the capacity to save into a private pension during their working lives. However, we now have a group of current pensioners who did not have things like automatic enrolment to help them save for retirement and some of whom did not even benefit from the new state pension. During the early 2000s and in the 2010s, we moved towards a system that will work and

prevent pensioner poverty, especially for people with average incomes during their working lives. However, there is now the issue of what happens to the people who did not benefit from those changes.

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** I have a brief question about Claire Cairns's point about someone getting carer support payment until they retire and then not getting it in retirement. I assume that lots of people who stop getting carer support payment at that point might qualify for pension credit but do not necessarily apply for it. That appears to be a key point of transition, where, as imperfect as pension credit is, you would expect the UK Government, Scottish Government or local authority to do a wraparound income maximisation exercise, say to the individual that, because they have moved into retirement, they no longer get the carer payment, and see whether they qualify for pension credit. Does anything happen on that?

**Claire Cairns:** There are many organisations that provide that kind of advice. Carers centres often support carers in ensuring that their income is maximised, but I understand that not everybody is aware of and applies for pension credit.

I also point out that, although someone can get the carer premium on pension credit, it is horrendously complicated because, in effect, they apply for a benefit—carer support payment—that they know that they will not receive but for which they might have an underlying entitlement. That is overly complicated, which means that many people are not aware of it and many carers who might be able to get that additional carer premium do not apply for it.

Other colleagues might come in with more information on uptake of pension credit, which I am not as aware of.

**Bob Doris:** I suspect that some of my MSP colleagues will ask specific questions about that. I do not want to poach other people's questions. I will ask Richard Gass a specific, brief follow-up question.

The Scottish Government has a statutory duty to maximise devolved benefits. There is no specific statutory duty on the UK Government. Glasgow City Council has a very good track record of trying to do some of that stuff, although it is not the council's statutory duty to do that.

Are you aware of any work at the point of transition? Moving from being a carer who receives a payment into retirement, losing that payment and possibly qualifying for pension credit is a key point of transition. Is no one taking direct responsibility to check that? We know who those people are. It could be checked as a matter of

course. Am I being naive in thinking along those lines?

**Richard Gass:** You are certainly not being naive. Folk are falling through the cracks on that.

In Glasgow, if somebody gets their benefits maximised by the social work department, we should, and I hope that we do, support them at the point of transition, but there will be people who we have had no reason to have contact with—folk who have been carers, have reached retirement age and get their state retirement pension. Unless someone provides information for them, they will miss out.

Our project in Glasgow was originally targeted at over-80s and is now targeted at over-75s. We contact people when they turn 75 to help them to maximise their income. We certainly find people in that situation, but they could have gone for 10 years having missed out.

**Bob Doris:** Thank you very much.

**Mark Griffin (Central Scotland) (Lab):** I want to follow up on Richard Gass's points about the difference between the pre-2016 pension and the one that has been in place post-2016 and how that impacts on pension credit eligibility.

Has any work been done to estimate how many pensioners have retained pension credit eligibility since that change happened and how many pensioners are potentially missing out? Given the wider package of passported benefits that come with universal credit, what is the financial impact of missing out on it?

**Richard Gass:** Work has been done—not by us; the national figures are mentioned in the Scottish Parliament information centre report—that has identified that a large percentage of pensioners are missing out on pension credit. Folk who are on the old state pension qualify for pension credit if that is all that they have—full stop. Folk who have an occupational pension or the new state pension do not necessarily qualify. However, if they qualify for carers allowance or a disability premium—that is for folk on a disability benefit such as the adult disability payment or the pension-age disability payment that is about to come in—such as the severe disability premium, they can still qualify for pension credit.

The problem with the system goes back to 1988, which is when supplementary benefit changed to income support. Back in the days of supplementary benefit, if somebody came to see a welfare rights worker, there would undoubtedly be something that they were entitled to that they were missing out on. The system changed in 1988 to become welfare rights-proof and, I would argue, in some respects, claimant-proof.



The entitlements became dependent on something else, such as whether you were receiving different benefits. It was not a case of saying, "Well, actually, you're on this benefit, so let's look at what your needs are." It was now a case of saying, "Well, you can get extra money if you're a carer, but you're only a carer if you've applied for carers allowance," or, "You're only disabled if you're getting invalidity benefit"—as it was known then—"or if you're getting attendance allowance or disability living allowance because you're severely disabled."

A lot of the decision making was parked in other places, and that has been the history since then, which has complicated matters. Today, in order for someone to get more pension credit, it is almost like one of those video games in which they have to know where to play, where to jump three times and so on. Folk who are in the know can do that, and folk who have access to welfare rights or another person who claims benefit can perhaps do it. However, it seems illogical to folk who have not engaged with the benefits system that, in order to get more money on a benefit they have been turned down for, they need to apply for a benefit to which they are not entitled. That does not make sense.

Sorry—I have not answered your question but have gone on a rant.

**Mark Griffin:** Thank you.

**Roz McCall (Mid Scotland and Fife) (Con):** I want to follow on from Bob Doris's earlier points.

There are some elderly people, including in my family, who struggle because of the way the world has moved on and things have moved to digital—for example, my mum is not a big fan of doing anything online and gets confused by jargon. Have we made the process of claiming benefits a little bit harder for elderly people?

Is there an argument that we need to look not only at the benefits that are in place and how they stack up but at how we are going about the process? Are we putting in enough support at the right stages to allow people to apply for what they should be applying for? Only 65 per cent of eligible households are receiving pension credit. To me, that is just wrong. Have we got the process right?

**Debbie Horne:** As you have said, only 65 per cent of eligible households receive pension credit, and we estimate that, as a result, 70,000 older households are missing out on a combined £140 million. That is a staggering number, and it is a similar picture with housing benefit. We estimate that uptake of such benefit is about 83 per cent, which means that about £100 million of housing benefit is going unclaimed by older people in Scotland. Therefore, we really need action on this.

As for the process itself, the process for claiming any form of social security is complex, unfortunately. Whether it be pension credit or the pension-age disability payment, the application processes are quite long and complex, and they require quite a lot of personal information, which can be a barrier, too. There is also the issue of digital exclusion, which is a key factor for older people. The process really needs to be reviewed to see how we can simplify and streamline things, and to see how the Government and local authorities can use the data that they already have—and, indeed, automate the social security system itself—to remove barriers and maximise uptake.

A bit of research that we did last year on pension-age disability payment with older disabled people found that 6 per cent of older people with a disability had not applied for what was then attendance allowance simply because they needed help with the form. In other words, more than one in 20 disabled older people are not applying for something they are entitled to because they do not have the support to complete the application. Therefore, we need to look at what the application process involves and what support is available and ensure that there is adequate funding for the independent advice agencies that do that vital work.

**Roz McCall:** That was very helpful, Debbie. Thank you.

**The Convener:** Adam Stachura wants to come in on this question, too.

**Adam Stachura:** It is a good question, and Debbie Horne has done a really good job of answering it. I just want to add a couple of points, if that is okay.

We are talking about pension credit, but I should point out that, right now, only between 12 and 14 per cent of pensioners are on that. The bar is quite low; indeed, it is seen as the line that indicates who the poorest are. However, a heck of a lot more pensioners are pretty poor. Half the pensioners in Scotland do not have incomes high enough to pay income tax—and the line is: if you do not pay income tax, you are poor. There is a big gap between pension credit level and income tax level, and hundreds of thousands are sitting there.

When it comes to the support that is available to people, there is a lot more that could be in place for folks. With regard to digital exclusion, for example, half a million over-50s in Scotland and a quarter of over-65s or those of pension age do not use the internet. Of those who are online, more than a third are not very comfortable with or confident about using it or cannot use it safely. Just being connected does not mean that you are

good at navigating the internet—sticking something online is pretty hard.

Age Scotland's helpline has been pretty effective in this respect. Last year, we provided people with a free call to our benefit advisers for a social security check and we realised more than £2 million extra for people, which was a 40 per cent increase on the year before. The average gain for people who call and go through the benefit check is more than £2,500—it is about £2,600.

Obviously, things will happen in the world that will cause spikes in claims. We saw that with the removal of the winter fuel payment, with the change in circumstances a few years ago around free TV licences for the over-75s and with the change in the mixed-age couples policy in respect of pension credit and universal credit. There will be such spikes, but there are ways in which organisations such as charities can really help, and local authorities can do a really good job, too.

However, a huge amount of stigma comes with applying for benefits. Indeed, I have just fallen into that trap myself by using the term—I apologised earlier for doing so. The fact is that these are not just benefits; they are entitlements to social security. We start to get into the language that is used here—that this is something that is taken instead of something that people are entitled to, have worked for and have contributed a heck of a lot of blood, sweat and tears for in order to realise a better quality of life. We know that a significant number of people will not apply even if they know that the money is there, because, as our research shows, they feel that it is better off going to children who need it. We can explain to them that it is not a case of robbing Peter to pay Paul—it is not the same money—but they will still be reluctant. They think that they have been muddling through and managing thus far, but you can see just by looking at them, speaking to them and being in their shoes that they are not by any measure coping or managing.

We are focusing on pension credit in this conversation, but there is a lot more to pensioner poverty, particularly with regard to what Scotland can do about it. This will be my last point, if you will bear with me. We talk a lot about the line for pension credit support being draconian and low—it amounts to £11,300 a year, and everything is tagged to it—and it feels as though it is the only mechanism that Governments have to define whether somebody is worthy, but we have control over income tax brackets and lots of other things.

In the past, benefit—not benefits, but benefit—and financial support have sometimes been tied to council tax bands, but those are also wholly draconian lines. At the start of the Covid pandemic, people could get cost of living payments only if they were in a council tax band

from A to D, but quite a lot of people in council tax bands E, F and G are on pension credit, so they miss out on things. We need better understanding. What more can we do to have a better measure for determining whether someone is in need of financial support and to not create a huge number of barriers to their getting what they are entitled to?

10:00

**The Convener:** Quite a lot of folk want to come in. I am conscious of the time and that we will need to move on to our next theme, but I will bring in Heidi Karjalainen and Richard Gass.

**Heidi Karjalainen:** I will keep my answer brief. It is worth keeping in mind that lack of information is a big barrier to people applying for pension credit. In a way, the removal of the winter fuel payment—or making the payment contingent on the person receiving pension credit—almost acted as an information campaign, and it has probably been the most successful one that there has been, because there was a 145 per cent increase in the number of pension credit applications. However, statistics from the Department for Work and Pensions show that pretty much all those applications were made digitally, so it is probably not older pensioners with lower incomes who are now, all of a sudden, applying for the benefit. Nevertheless, at least getting the information out through the media has led to more pensioners, especially younger pensioners, applying for the benefit.

There is also the process issue that, at the moment, pension credit is separate from housing benefit and council tax support, so people have to apply for many different things together. The Government is working on bringing together pension credit and housing benefit, but also bringing together council tax support and all those kinds of things could really help people to get all the entitlements to which they are entitled.

**Richard Gass:** The question was about the barriers that prevent folk from taking up their entitlements. One barrier is daytime television, because there are programmes that try to equate claiming benefits with being a scrounger, with folk claiming things to which they are not entitled. There is episode after episode of that. If someone changes the channel, they then discover that the online world is not safe and is full of scammers trying to take their money.

Those two things are coupled with the fact that there are those in the older population who do not want to claim benefits because they want to make do with what they have. They are scared because of scammers and worried that there is a culture of scroungers. The Government then says that it

cannot afford the winter fuel payment because there is not enough money, which just reinforces folk thinking, “Why would I dip into a pot when I might be depriving somebody else of something?”

**The Convener:** Those are good points.

**Marie McNair:** It is about breaking the stigma, as has been said, and Richard Gass mentioned the barriers. People could not even buy bread and milk for £3.15. Should we just change the income thresholds and let people claim?

**Richard Gass:** Yes.

**Paul O’Kane (West Scotland) (Lab):** I have a question about automaticity—I can never quite say that word correctly, so I apologise if I get it wrong. Debbie Horne mentioned the issue, and the committee talks about it a lot in the context of UK and Scottish social security. Has work been done on how that might happen? I understand that it is a complex process. Are there international examples of where it works seamlessly? We always hear about Estonia’s digital Government systems, which allow the free flow of information, but can you point us to any other examples?

**Debbie Horne:** On automation, I am not aware of any research that has been done in Scotland specifically on older people, but we are keen for the Scottish Government to take that work forward. More and more social security powers, including those for pension-age disability payment, have been devolved to the Scottish Government. How can it use data sharing while speaking to the UK Government to progress that? Removing the application barrier for as many elements of social security as possible would make a real difference, so we are keen for the Scottish Government to explore and take forward that work.

**Jeremy Balfour (Lothian) (Con):** I am a bit like Roz McCall’s mum in that I am information technology shy. I also think that most people out there are trying to scam me. I have heard lots of analysis of such problems, but I am still not sure how we can solve them. We all recognise that older people can find using IT or the telephone difficult. Age Scotland’s helpline will help with that. However, I am still struggling a wee bit with what local government and the third sector could do to engage with a group of people who do not like IT. There will not be a magic wand, but what steps could we take to make that easier?

**Adam Stachura:** That is a great question. There is a horses-for-courses element to the issue, too. The digital space offers many places for people to find out more. For those who are online, simple information is available to guide them to the next steps. Phone lines are helpful and important, too. We are developing a service called by your side, which will help people to fill in forms and talk them through that process. Since

the pandemic, we have lost many services that used to offer that. Even the ability to go and knock on the doors of local authorities or local offices and get support—about any issue, not just social security—has largely gone, too, although pockets of it might remain. It is getting harder and harder for public services to engage with people face to face and to go to where they are.

One part of the solution is regularly talking about social security issues in language that is not stigmatising but is about helping people to get what they are entitled to and to have confidence in doing so. We need more services to support people at their side, though. To go back to the pension credit example, we need to remember the profile of the people who are most likely to claim a given benefit and must consider whether there might be more of them.

Just two days ago, a case with exactly that profile came through our helpline. It concerned a woman living on her own who was over the age of 75. She had been bringing up kids for a large part of her life, and she did not have enough national insurance contributions. Her husband had had quite a low private pension contribution, and their savings had run dry. There are many more people in that position. There are also many older people from ethnic minority backgrounds for whom just sticking something online or having material available only in English will not be enough. Therefore we need to think about how to engage properly in our communities, including by considering language barriers and people’s literacy levels. There will be pockets of good work around on those aspects.

My final point is on data sharing. Why are we not smarter about how we share data and automate things? If Social Security Scotland obtains data from everyone who is entitled to the winter heating payment—the cold weather payment that is available under the devolved system—who are already on low-income benefits, are they being asked whether they are claiming other entitlements? That could be done either through local authorities or, to return to Bob Doris’s point, through carers. We have a lot of opportunity to do that, but we are still thinking in quite an old-fashioned way.

The digital element is really helpful for administration. For instance, I still do not understand why on earth we are not knocking on the doors of people who are in receipt of the winter heating payment, which is now worth £58-odd each winter, to find out whether they are entitled to help with energy efficiency measures. That could be seen as low-hanging fruit. Those people are more likely to be in fuel poverty, too. We could ask, “Do you have double glazing?” or “What heating do you have?” The idea of starting off with

people who are on pension credit in the coldest parts of the country is all there, but the data is absolutely not joined up. Having face-to-face or proactive effort is really important. It might be labour intensive and expensive, but it is absolutely necessary.

**The Convener:** Thank you very much, Adam. I understand that Claire Cairns wants to come in. I am conscious, too, that we need to move on. Adam has already touched on our next theme, which is energy and food costs. I will bring in Claire Cairns and then Mark McLeod, after which we will move on to explore our next theme on those subjects.

**Claire Cairns:** I just wanted to add to Adam Stachura's point about supporting people with income maximisation measures. Traditionally, the third sector has played a big role in that. The committee has done some great work on third sector funding, so you will understand that the sector is under a lot of pressure at the moment. We recently did some scoping work with carers centres, which are having to pull back on a lot of their face-to-face work and move to more work online and by telephone, although face-to-face maximisation advice is exactly the sort of thing that is really helpful to older people. There is a real connection there. We need more investment in the third sector to ensure that people are aware of their eligibility for benefits.

**Mark McLeod (Energy Saving Trust):** I want to pick up on the challenge of engaging people in the community. In delivering Home Energy Scotland, we have put a lot of effort into outreach activity to reach harder-to-reach people who will not respond to traditional marketing approaches or access services digitally. That is quite labour intensive—you need to put a lot of resource into it, and it takes time. We have built up networks across Scotland through locally delivered engagement with a wide variety of third sector and community organisations, so that our advisers are on the ground to meet people and tell them about our service.

For many of the people we support through that route, it is the only route that they would use to access that support. It is done through a trusted intermediary—another organisation that has already engaged with the person and with us. However, it is a long-term process to achieve that.

**The Convener:** We will move on to the next theme, which is the cost of living and energy and food costs, although we have skirted round that a wee bit. As we know, everybody has been affected by increases in the cost of living, which are due to two key factors: the hike in energy prices and the huge inflationary increase in food costs. We want to explore the experiences that you have had of the impact that older people are facing as a result

of the means testing of the winter fuel payment, although I remind everybody that active legal proceedings are under way on that—please be aware of that.

What has been the impact of that change and of the hike in energy prices? Are there solutions that we, as politicians, could explore further? There is also the impact of house conditions and home energy efficiency, which we have touched on. How can we do better on those issues?

I open that up to anybody who would like to come in.

**Debbie Horne:** Fuel poverty is a huge problem among older people in Scotland. As you will know, 37 per cent of older households are in fuel poverty. If we look at the numbers for those in extreme fuel poverty, we find a very worrying picture. That figure has risen dramatically since around 2018 and is almost double what it was back then, with around a quarter of older households now in extreme fuel poverty. That pattern is repeated when we look at absolute and extreme poverty, which are growing at a faster rate than the overall relative poverty measure in Scotland.

We would like a few different measures to be taken for older people who are fuel poor. One of those is a social tariff. We welcome the work that the Scottish Government has been doing with energy providers to discuss a social tariff, but we know that the regulatory framework requires the United Kingdom Government to act to make that a statutory duty. We are keen for the UK Government to do that, as well as for the Scottish Government to continue to progress its work on social tariffs.

On energy efficiency, as Adam Stachura said, we know who the lowest-income older households are through the data that the Scottish Government and local authorities have, so we should be able to identify the areas where houses are likely to be the least energy efficient. That was done in the area-based schemes, which are still going. We can then act in those areas through outreach. However, there needs to be adequate funding and resources for that.

On social security support, we know that, for those on the lowest incomes, even though energy bills have come down slightly from the peak a couple of years ago, they are still 50 per cent higher than they were in 2021. We need to make sure that there is adequate social security support for older people on low incomes. We need a multipronged approach that tackles the price of energy, makes homes cheaper to heat and makes sure that older people have adequate income to pay their bill.

10:15

It is worth mentioning that, for a two-bedroom house with an energy performance certificate in band D, the estimated energy cost is between £1,000 and £1,350 a year, while the cost for a two-bedroom house with an EPC in band B is between £530 and £700. Increasing the energy efficiency of the property almost halves the energy bill.

We really need that multipronged approach. That is one of the reasons why we are keen for the Scottish Government to implement a pensioner poverty strategy to co-ordinate action across all those areas—energy efficiency, social security support and work on social tariffs—and to bring them together in a co-ordinated and strategic plan with measurable outcomes.

**Claire Cairns:** It is not overegging it to say that many carers are in a dire situation at the moment through a combination of having lower incomes—often over many years, because of their caring responsibilities—and additional costs.

I will work through some of the factors, starting with fuel poverty. Overall, 20 per cent of older carers are in poverty, which is a higher proportion than in the general population. They often have higher fuel costs because the person that they care for is in the house with them or in the same household, so the heating is on more. There is the cost of running medical equipment. Very often, too, carers in rural areas have additional costs for fuel. In rural areas, people are 50 per cent more likely to be in fuel poverty.

There are also food costs. Research by the Carers Trust found that 37 per cent of carers had cut down on fuel use, 16 per cent had had to use a food bank and 19 per cent had skipped meals to save money. There are a lot more costs for unpaid carers, which have impacted them a lot.

To tackle that, we recommend, first, considering additional winter funding. There used to be a fund for local carer centres. Back in 2022, they received £3 million from the Scottish Government, which allowed them to support carers whenever they were in crisis. For example, during that period, many carers received support with fuel bills or when their washing machine broke down. We think that that should be looked at again. We should also look at financial support for running medical equipment and older carers payments through the carer support payment, as I mentioned before.

Secondly, we were pleased to hear that the winter fuel payment will be extended to older people in the next financial year, but we think that it should be extended to all unpaid carers and that, rather than receiving the £100 universal payment, carers should receive the higher amount of £200. That would really help their situation.

**Adam Stachura:** We are now well versed in a lot of the figures on fuel poverty. However, when they came out last week, they were buried away in the Scottish house condition survey. I heard barely any comment about those figures until folks dug away to try to find them, but they are going up. Older households are the most likely to be in fuel poverty. They are the biggest group in Scotland in fuel poverty and extreme fuel poverty. That is incredible, but we do not hear a lot about it at a national level, or about action plans to fix it.

There are short, medium and long-term actions that we can take to fix that. As Debbie Horne outlined, the short-term actions include putting more money into people's pockets to help them to manage the cost of energy bills. The medium and long-term actions involve schemes to help people to reduce how much money they are paying in the first place. In Scotland, 40 per cent of pensioners live in homes at EPC level D or lower—that is, the least energy efficient homes. We can see from data on population and demographic changes that they are more likely to live in more rural and remote parts of the country, which are also the coldest parts of the country and have the poorest house conditions.

We also know that, at the beginning of 2024, 76 per cent of older people felt financially squeezed and that energy bills were the biggest challenge for 97 per cent of those people, followed by food bills and council tax. Those are three things that people cannot not pay.

On the winter fuel payment cut, which I genuinely think is one of the worst public policy decisions that has been made, we have to consider what will happen in Scotland in the future. I question whether £100 for the pension age winter heating payment is enough. A lot of people who really need it have gone from getting £200 or £300 to getting zero, and they will get £100 in a year's time. There should be real consideration of uprating that payment, perhaps not universally, for everyone, but we need to consider that half a million pensioners are not paying income tax and only 130,000 will get the pension credit-linked payment.

We might get to my final point later, but it would be remiss of me not to make it now. The Scottish Government now has far more responsibility to look at pension credit-linked items, because there are social security elements that are wholly linked to that, such as the winter heating payment, the pension-age winter heating payment and other things. To avoid responsibility for trying to increase the uptake of those payments is a dereliction of duty, given that they are within the Scottish Government's control.

**Mark McLeod:** I reiterate the point about the importance of making homes more energy efficient

to save people money. That is particularly important when we consider people who are on fixed incomes. Even if we get the benefits system right and get the right benefits into everybody's pockets, people will still be on fixed incomes, but we can make savings for them by making their homes more energy efficient.

The main programme that Home Energy Scotland is able to refer people to is the Scottish Government's warmer homes Scotland programme. That saves people, on average, between £300 and £400 on their energy bills per year. Under the current price cap, the average dual-fuel cost for a gas and electric heated home is about £1,738 a year. You can see straight away that £300 to £400 is a significant proportion of that.

I also want to sing the praises of giving people good-quality advice on how they use energy in the home. Although that is not as exciting to talk about as people getting a new heat pump or getting insulation put into their properties, that can still lead to people making significant savings. They can save between £100 and £150 a year by changing how they use energy. Going back to the point about fixed incomes and the high costs of energy, that is one of the few ways in which people can make substantial savings, and they add up over time.

**Gordon MacDonald:** Adam Stachura mentioned that 40 per cent of pensioners live in a home with a low EPC rating. I am trying to understand whether that refers to home owners or people in social housing. We had the quality homes standard brought in in 2015 to try to tackle that. In Wester Hailes in my constituency, 180 blocks of flats have just had external cladding put on, which has led to fantastic reductions in people's energy bills. Are the 40 per cent of pensioners that were mentioned in social housing or private housing? If it is private housing, how do we deal with a situation in which people are asset rich but cash poor?

**Adam Stachura:** The majority of pensioners will be in private homes. About 60 per cent of pension-age people own their home, about 30 per cent are in the social rented sector and the other 10 per cent or so are privately renting. Those are the proportions. Forgive me for not having the exact figures, but it is worth having another look through the Scottish house condition survey for some of the answers.

This is about older homes. People might have been living in them for many years, and they do not sell them because they do not need to or want to and they have nowhere else to go. The point is that they need access to the support schemes that provide help, because we cannot just rely on people being able to fund the work themselves. We know from our research that it is difficult for

people to access financing. They are unsure about it and they do not want to get into debt that they are unsure about. They are also worried about scams and about companies coming to them promising the earth but delivering absolutely nothing, so there are challenges there.

You are right that there will be people who are asset rich but cash poor. There is no easy answer to that. One answer might be for the person to sell their home to realise the cash, but they will have to go and live somewhere else, which will absorb the cash. There are lots of cases where people have tried to downsize but, after having no mortgage for a few years, they have had to take on a small mortgage because the new, smaller but more energy-efficient home that they buy is more expensive than the home that they have sold, because of its EPC rating or condition.

There are big challenges. The income that someone has to be on to get pension credit or to access support is so low that it is important to look at who sits just above that level. Those people are just coping but they will not have access to any support. There are services such as Home Energy Scotland, but there are not enough avenues for financial support even for someone to insulate their home well or to change the heating system. It is a big challenge for people to have the confidence to get that done and to know how to afford it.

That was a little bit scatty, but I hope you got my point.

**Bob Doris:** You are right, Mr Stachura. The Scottish Government should do more about pension credit-linked entitlements, and I note that the Government has indicated that it is keen to do so. I asked the cabinet secretary whether Social Security Scotland could look at taking a more proactive role, although it is not a statutory duty, and I think that there was some positive news on that.

There is some delayed positive news, too. I also sit on the Net Zero, Energy and Transport Committee and I note that every house will have to be energy efficient and to have appropriate heating and everything else put into it. That will take a while, but sectoral investment plans will come out. We keep talking about a just transition to net zero, and area-based schemes will clearly be the way to go, along with leveraging in private investment.

Are you aware of any discussions with the Scottish Government about how we can achieve that just transition in relation to fuel poverty and energy efficiency, not just for pensioners but more generally in society, including in low-income areas where fuel poverty is more prevalent? Do you

have any comments on how we can be more proactive on that?

**Adam Stachura:** That is a really good question and a challenge for me. I am not absolutely clear about the discussions and actions that might join those things together. Things are disjointed at national level and we do not have strategies or delivery plans to tackle those things properly. The last time we had a benefit uptake strategy in Scotland was in 2021 and a lot has changed since then. I might be slightly wrong about that date, but I looked at it before I went to the Work and Pensions Committee before Christmas, and it seems that that was the last time we had such a strategy in Scotland.

There are lots of bits where we are trying to do a good job, but they are not connected. We must also remember that a lot of the hugely important area-based schemes are underspent every year. One reason for that is the difficulty in getting money out to those schemes quickly enough for them to have time to go and spend it. Some of the schemes do not get money until September and therefore cannot spend it in time. There is a desire to do the right things, but there is also disjointedness. You are right that everyone has to get to that level, but it will be really challenging to get everyone there.

**Bob Doris:** Convener, I do not want to put words into Mr Stachura's mouth, but I was hoping that he might say that he was keen to seize the opportunity that our net zero ambitions could present for tackling pensioner fuel poverty, so that we can make representations to Government along those lines. The opportunity is there.

**Debbie Horne:** We need a step change in the level of support that is available to older people in order to meet both the net zero goals and the fuel poverty targets. There is a target to have just 5 per cent of older people in fuel poverty by 2040, with 15 per cent by 2030, which is five years away. We will have to more than halve the percentage of older people who are in fuel poverty if we are to meet that target, which is in legislation that was passed by the Scottish Parliament, so we really need a step change in the level of support that is available.

As Mark McLeod said, the warmer homes Scotland scheme does great work, but eligibility for that scheme is linked to people receiving pension credit, being over 75 and not having a heating system, or being terminally ill. Those who are not on pension credit and do not meet those other criteria would go through the grants and loans scheme, but that can be much more complicated. People have to communicate directly with suppliers and arrange for the work to be done, which takes us back to the issue of worries about scams.

The warmer homes Scotland scheme provides much more wraparound support because it will organise the contractor and come out to check the property afterwards to ensure that the work has been completed to a high standard. We need to look at the support schemes and we need a step change as we go forward to tackle fuel poverty and meet the net zero goals.

10:30

**The Convener:** Before we move on to the next theme, I am keen to hear more about food inflation. In our constituency work, we hear of folk having to go to food banks and get in touch with community larders. Those things are becoming more common. Does anyone want to comment on the impact of food inflation—in particular, for staple items such as bread, milk, butter, and non-alcoholic drinks?

**Adam Stachura:** Our 2023 big survey of more than 4,000 over-50-year-olds identified food as the second-biggest financial challenge, which was a brand new entry in the charts—if I can describe it that way. In our 2021 big survey of a similar number of people, food was not a factor. A huge number of people are finding that the cost of food is challenging.

On our helpline, we hear of people who are not eating properly because they cannot afford to buy the food that they used to buy and are not having enough warm meals. People are really cutting back, particularly in low-occupancy or single-occupancy older households.

There is also a link to loneliness and isolation, because people do not have the money that they had previously that allowed them to go out and socialise.

The cost pressures on food are quite remarkable. People are choosing between paying the bills that are absolutely essential and those that they have some discretion on—although it is not real discretion—including how much food they buy in the supermarket.

There are also some challenges with the cost of food in rural areas and whether there is enough competition. Some parts of the country do not have big supermarkets, which have more competitive prices, and there are not necessarily home delivery services, so people are forced to pay what they pay—they cannot get the best prices. Being able to shop for the best price also relies on people being digitally included, which we have discussed.

There are big challenges, which we hear about every day on the Age Scotland helpline. It is incredibly worrying.

**The Convener:** There are so many other areas in that theme that I would like to explore, but I am conscious of time. I will move to the next theme, which is pensioner poverty among different groups.

**Bob Doris:** I will give a brief introduction, to tee up the discussion. There is a more general debate around targeting and universalism to tackle pensioner poverty. I am keen to hear whether you think that there are specific groups that are at greater risk of pensioner poverty. We have heard about carers, and I note that most non-white UK citizens, with the exceptions of Indians and Bangladeshis, are less likely than the rest of the population to take up universal credit. Which groups are more likely to be at risk of pensioner poverty, and what would a meaningful strategy to address that look like?

Finally, are some groups more likely to be just above the pension credit threshold? Someone who is disabled, a carer, or in a black or minority ethnic group would be more likely to be in the squeezed group who are just above the threshold, and would be disproportionately impacted by where the line is drawn. Are there inbuilt structural inequalities in pensioner poverty?

I will not come back in, but will let the discussion take its course.

**Debbie Horne:** There are definitely some groups in Scotland who have a far higher risk of poverty in later life. For example, the poverty rate for single older women is around 22.5 per cent, compared to 15 per cent across the population. That is mainly down to structural inequalities throughout working life—women being more likely to take time off with caring responsibilities, for example.

Also, the systems that were in place a while ago regarding options to pay marriage contributions have affected the amount that many older women now receive. In the 80 to 84 age group, one woman in three does not have a private pension, compared with one man in six, so there is a big gender gap there.

Another group who we are particularly worried about is renters. For social and private renters, the poverty rate is astronomically high: around a third of older renters in Scotland are in poverty. Part of the driving force for that is housing costs. When you look at the figures, you clearly see the poverty rate before housing costs and the spike after housing costs. There is a bit of real work to do. Part of that would be to address housing benefit uptake, but there is also the overall affordability question, especially for those in the private rented sector.

As you mentioned, people from ethnically minoritised communities are also at a far higher

risk of pensioner poverty. There are specific groups who are at risk. A lot of that is to do with structural inequalities throughout life, but it would be worth looking at targeted solutions and at what extra support is available. I am sure that Claire Cairns will mention older carers as one of those groups.

**Bob Doris:** Convener, you are best placed to decide, but perhaps Marie McNair might want to add something before other witnesses come in.

**Marie McNair:** I understand that mixed-age couples that include someone who is of pension age and someone who is under it are being directed to universal credit as opposed to pension credit. Do the witnesses have any views on that, in respect of entitlements?

**Adam Stachura:** I was at the then Social Security Committee when mixed-age couples' entitlement changed—I remember speaking to Mr Balfour in a room that was very similar to this. To be frank, I thought that it was ridiculous that, because of the nature of their relationship, so many state pension recipients who were in poverty were not able to claim what they were entitled to and would not be able to claim it for X years. The decision about the age gap in a relationship was very arbitrary.

That was part of the policy of the UK Government at the time and it has had a knock-on impact. It means that a number of people will spend more of their lives with far less than they were entitled to. That has not only a financial impact but an impact on their health and on their housing situation. It has an impact on lots of things, so their quality of life is unnecessarily much poorer because of the mixed-age couple rule. It was not a good thing. People have lost perhaps £7,500 of support a year as a result of it.

**Heidi Karjalainen:** If you look at the basic out-of-work benefits for a single person under the state pension age and for those who are above the state pension age, you will see that the value of pension credit is two and a half times what is available for working-age people. The mixed-age couple rule is becoming more important because that gap between the pensioner support and working-age support is increasing. You would think that there would be some sort of solution that would allow mixed-age couples to get a level of support somewhere between what is available in the working-age system and what is available in the pension system. I hope that the Government could do something like that.

One group who we have not mentioned is those who live with disabilities. For that group, it is important to focus on the definition of poverty, because under our standard income poverty measure pensioners who receive disability



benefits appear to do better than other pensioners because they get those disability benefits. However, they also face a higher cost of living because of the disabilities that they live with. If we use a measure of material deprivation instead of an income poverty measure, we see that rates of material deprivation are higher among disabled groups. That is something to consider.

**Claire Cairns:** We have already talked about older carers and the fact that they are more likely to be in poverty, but I think that it might be useful to look at the trends. The Scottish census of 2022 showed that there is an upward trend in the number of older people with caring responsibilities. It has been quite a significant increase, and there are about a third more carers within the 65 to 74 age category. We are likely to see that trend continuing.

There are probably a couple of reasons for that. First, there are demographic changes happening: there are, of course, more older people. Very often, in such situations, it is a husband looking after a wife, and they are both older. We also need to bring up the lack of social care, which means that older people are often in caring situations in part because they cannot receive support that would provide them with replacement care, which would mean that they would not need to take on a caring role themselves.

I will also briefly bring up intersectionality in relation to different caring groups. We have talked a bit about rural poverty and the increase in the cost of fuel, travel and transport, which hits carers particularly hard. Some of them have to travel for their caring role, and some have to make extra journeys for healthcare and hospital appointments. We hear from carer centres that often when a person who lives in an island community has to go into hospital, there are costs involved in those hospital stays. Carer centres often have to provide emergency support in those situations, because the carer wants to be with the person or relative whom they look after, but cannot afford the costs of staying over.

We can also consider black and minority ethnic communities. We have a group for south Asian carers, who are less likely to access formal services, which means that, over the lifetime of their care, they are less likely to be in the workplace. By the time they become older, they are more likely to be in poverty.

It has already been mentioned that this is also a gendered issue. It is interesting that, in older age groups, there is actually an increasing number of male carers, which balances it out a bit. However, there are more female carers of working age, which means that they are less likely to be in employment. By the time they get to older age, they are more likely to be in poverty.

**Richard Gass:** On the issue of mixed-age pensioners, if the younger member of the couple is of working age, it is not pension credit that they receive but universal credit. There is no real recognition that that person might be unfit for work and might never be able to work, but there is a different benefit system applied because of their age.

There is also a reverse scenario. A mixed-age pensioner couple might live on less income, but because the benefit systems are different, they cannot claim pension credit. Instead, it will be universal credit that they claim, which will allow their housing costs to be taken into consideration. You could have a situation where there is a mixed-age couple and a proper pensioner couple, if I can use that term, who have identical money. The pensioner couple might get housing benefit, but that housing benefit does not really help them in relation to winter fuel payments. The mixed-age couple, with the same amount of money, will get their housing costs paid as universal credit. Bing! That opens up the winter fuel payment.

We have a scheme in which we rely on broken systems elsewhere. The Scottish Government has one means-tested benefit of its own—council tax reduction, which is a more generous benefit than others, as there is no two-child-cap policy involved in that. I suggest that better use be made of the means-tested benefit that is within the Parliament's control.

**The Convener:** That is interesting. Thanks.

**Adam Stachura:** I will come in quickly on people who are disabled. I am thinking about some of the social security systems that we have—we will see full devolution of the pension age disability payment from the late spring. Debbie Horne and I talked about that in the committee back in April or May.

There is a situation in which older people who are disabled and who receive attendance allowance now, and who will, in the future, receive PADP, do not receive a mobility component, whereas they would have had that with the personal independence payment: they would have kept it if they had been disabled or had a claim for a disability benefit before the state pension age. There is an ageist element to that. There is still more that Scotland can consider with regard to development of a mobility component for PADP.

We are not suggesting that it would be exactly the same, but it could help disabled people who are older and perhaps on lower incomes to access schemes such as Motability. There is a lot more that Scotland can do to explore that, instead of just saying, "It'll cost too much—we can't possibly do it." For disabled people who are older—say, of pension age—and who are in or are on the cusp of

poverty, such a move could help them not only by giving them something, but by opening up their independence.

10:45

**The Convener:** I am conscious of time, so I will move on to theme 4, which is demographic change, and questions from Jeremy Balfour.

**Jeremy Balfour:** Some of this has been covered already, so I would be interested in hearing any new remarks that people might have.

As Adam Stachura and Debbie Horne have pointed out, a substantial number of older people rent—they do not own their accommodation. That comes with its challenges. You have touched on this already, but is there more that we could be doing about that? How do we target help particularly at those who are in rented accommodation?

**Adam Stachura:** Perhaps Debbie can start with that.

**Debbie Horne:** We have seen a change in tenure types with regard to older people. There has definitely been a growth in the private rented sector, as the last few census results from Scotland show. There has also been a small fall in the social rented sector, which is interesting.

We are concerned about the issue. Given that the 60 to 64 age group has the highest poverty of any working-age group, the problem is only likely to grow. Moreover, we have an ageing population, and the proportion of the population who are over state pension age in Scotland is forecast to rise from 19 per cent to 23 per cent by 2040. If the pensioner poverty rate stays at 15 per cent—I should say that it been going up slightly over the past few years—that will mean that 190,000 older people will be in poverty by 2040, which is an additional 40,000 over what we have at the minute.

When it comes to people in rented accommodation, there are a few things to consider. First, we must ensure that everybody who is entitled to housing benefit receives it. There is a role for discretionary housing payments too, because they can be a vital lifeline if there is a shortfall between the amount that you get in housing benefit and local housing allowance and the rent for your private rented accommodation. With regard to older people on low incomes, we did some polling and found that around a third of older private renters had less than £200 a month left to live on after they had paid their rent. Therefore, discretionary housing payments can play a key role.

Unfortunately, there is no requirement on local authorities to report on age data in respect of

people applying for discretionary housing payments, so we have been investigating that issue with local authorities through freedom of information requests. Collecting that data and examining that landscape would be a great start, then we could have proactive outreach to ensure that older people on low incomes who have rent shortfalls get discretionary housing payments. That would make a real difference to people in the rented sector.

I will quickly mention the Housing (Scotland) Bill, which is going through Parliament and which contains some really positive measures that we welcome. We are watching what is happening with the rent controls element, because our polling of older private renters has found overwhelming support for limits on how much landlords can charge for rent. That is something that we would welcome being introduced.

**The Convener:** That was great. Thanks, Debbie. Richard, do you want to come in?

**Richard Gass:** If you are in the rented sector, you will be claiming housing and council tax benefits. However, that means that 85 per cent from your private pension will be your contribution to your rent and council tax, whereas, if you are an owner-occupier whose mortgage is paid off, the figure will be only 15 per cent.

What we have is a mechanism that will keep bringing folk down—that is, unless you have a good pension, in which case you will not be in pensioner poverty, but will be one of the wealthy. For folk in the rented sector who are in pensioner poverty, though, there is a taper that is, in effect, an 85 per cent tax.

What is the solution to that? Well, if you work, you have earnings disregards. If you have worked and contributed to a pension, should there be a pension disregard when it comes to housing benefit?

**Jeremy Balfour:** I am conscious that we have only around 10 minutes left. Looking ahead, as we just heard from Debbie Horne, we are going to have a growing number of people of pension age, including some of us around the table, in the next five to 10 years. I am looking for one sentence on this. What—he asked, selfishly—is the one thing that we should be doing now to start safeguarding the system for 10 years' time? Genuinely, if we are looking ahead to a growing number of older people, what should we do now to protect those people in five to 10 years?

**Richard Gass:** If you claim a means-tested benefit, you should be claiming all means-tested benefits. It would then not be a case of having to ask, "Can I have some of the help to which I'm entitled?" but instead of asking, "Can I have all the

help to which I'm entitled?" That would involve better working across benefits and Governments.

**Debbie Horne:** I agree with Richard Gass that income maximisation is important. Our research shows that a 100 per cent pension credit uptake could reduce pensioner poverty by around a third, and that is just people getting what they are already entitled to. This might be a bit of an easy answer, but I suggest a pensioner poverty strategy, because all Government action should take place within a strategic framework. There should be a broader strategy—then, action on many of the topics that we have discussed today could take place under that one framework.

**Claire Cairns:** My suggestion is quite specific to carers. Around a third of carers give up work to care, so we should enable working-age carers to combine their caring responsibilities with employment. A lot of that comes down to social care not being more available. Many carers give up work because there is no replacement care to enable them to go to work, or they take part-time hours or lower-paid employment. Supporting them at that stage would prevent many of them from getting into poverty, both in working age and when they are older.

**Adam Stachura:** I was going to say something about the long term, but smart things have already been said, which is the beauty of going last. Heidi might have smart things to say on the issue, based on the papers. Helping people to save much more for retirement at a much earlier age will be important, because it is a long-term issue. We do not want to have as many people with less. The lack of defined benefit pensions is going to screw people over. There is a group of future pensioners who are in their late 40s to early 60s who have not been in their workplace pension for enough time and have lost the ability to be in the defined benefit pension scheme.

The change and shift means that in 15 years more people will have financial hardship in later life than we have had before, and we will have to catch up and make sure that younger people have the opportunity to save enough for retirement. The working-age thing, which is a bit of a weird phrase, is a big issue, but it is about supporting people in the long term.

**Heidi Karjalainen:** I absolutely agree with that. In addition to many working-age people not saving enough, we also have groups of people who are not saving into a private pension at all—in particular, self-employed people. Only around one in five self-employed workers is saving for retirement at the moment, so they will really be at risk of pensioner poverty later on.

Also, more than half of people on low incomes, especially those in the lowest-income quarter of

people, are not saving into a private pension, either because they are opting out of an automatic enrolment pension or they do not fall under automatic enrolment rules. Sorting out the issues around private pension saving is key, and would probably help people beyond that 10-year timeframe.

**Marie McNair:** We cannot have a round-table discussion on pensions without mentioning the women against state pension inequality. They have obviously been badly let down by the UK Government. Do you have any insight into how their situation might impact on pension poverty levels?

**Debbie Horne:** We know that previous increases to the state pension age have increased financial hardship, which is a real concern. We are also looking ahead at potential future increases to the state pension and there is a real need to look at the inequalities that exist in life expectancy and for people in poverty. I agree that that is an issue.

**Jeremy Balfour:** We cannot do this in five minutes, but it is interesting that, in the past hour and a half, every person has asked for more money for their particular area, and rightly so. The question that we have to grasp, as politicians, is how we pay for all that. At some point, it would be interesting to put the challenge back to those who are asking for the money. Where do we find it? Do we prioritise it over other areas? I appreciate that that topic is not for today, but it is worth noting that, quite rightly, everyone has asked for more money for their area. Where we politicians would find that money is a bigger debate that we need to have, although maybe we will get the answer from Richard Gass.

**Richard Gass:** We know that benefits are spent in local economies, so that could be seen as an inward investment in that it protects jobs in the local economy. There are also savings elsewhere that are maybe not immediately obvious: for example, if a pensioner cannot heat their house and cannot feed themselves properly, that has an impact on their health. What happens if that person falls? What is the cost to the national health service? What is the cost for local authority home support and day care? We need to look at the bigger picture. If we put money in one space, there will be savings somewhere else.

**The Convener:** That is a good point. Bob Doris, would you like to come in?

**Bob Doris:** I do not want to come in on that point. I did not bring my wallet, Mr Balfour.

I am sorry, but I am wee bit like a broken record. Earlier, I spoke about people who are in receipt of carers payment before retirement, then in retirement and in the transition. They have been flagged up as a group who have potentially to do

extra work around claiming pension credit. As flawed as pension credit is, I would prefer that people have it to their not having it.

It is self-evident that, if we are lucky enough and God spares us, we will all end up at pension age. There is—as we know—a massive number of people out there who are one, two or three years before retirement age, and the chances are that they will qualify for pension credit.

There is not a big-bang event that happens when people retire. Proactive work should be taking place, led by the UK Government, because that is its statutory responsibility, but it should be done in partnership with the Scottish Government, Social Security Scotland and local authorities, to track some of that stuff and to have a coherent strategy to make sure that individuals get what they are self-evidently entitled to.

Are there any comments on that, or is there good work out there in our communities that we could show the UK Government and ask it whether it could marshal some of it and do something proactive. It is the UK Government's statutory duty to make sure that those things happen and that people get what they are entitled to. That is not extra money—it is money that is lost to people who deserve it in the first place. Do you have any thoughts on good work, or what more we could do? I imagine that following this meeting we will want to make representations to the UK and Scottish Governments.

**Claire Cairns:** I will go back to Jeremy Balfour's question about where we might find the money. I want to balance that against the value of care. We now know that carers contribute about £15.9 billion a year in Scotland. Earlier, I made the point about the census showing that there are many more older people, so we need to protect and invest in the carer population, because if we do not, there is no way that the health and social care system can sustain replacing the care that they already provide. That is my first point.

On what can be done about uptake of pension credit and so on, the carer support payment now sits in Scotland, so I am sure that whenever people reach pension age they will get correspondence saying that they are no longer eligible because they have the pension, and therefore cannot, because of that income, claim the carer support payment. At that point, we could give them advice on applying for pension credit and further information on support. That might be one way to try to catch carers, so that they are aware that they might be eligible for pension credit and the carer supplement within that.

11:00

**Bob Doris:** Are there any other suggestions?

**Debbie Horne:** The transition point is a key stage. We have heard stories about people who, like me, had been unaware that they had to claim their state pension. They retired and had a gap of a few months and ended up with housing arrears because, for example, they had not had housing benefit in place, and then had to seek independent advice.

The transition is a really important stage, and work definitely needs to be done by the UK Government and Scottish Government to help people in the years before retirement, so that they know what they are entitled to, what they need to do and what the process looks like.

**Bob Doris:** Thank you. That is really helpful.

**Adam Stachura:** I have two very quick points. One is an extension of Debbie Horne's really smart point about when you have to apply for a pension. As part of the conversation that people have at the moment when they apply for it, the UK Government should talk to them about pension credit and other things.

I return to your earlier point, Mr Doris. The test is to have much more standardised conversations with people who are in their mid-50s about what retirement looks like, rather than doing so just a few years before the transition. If you have a big gap in your mid-50s, you have a bigger chance to fix it than you do if you are 64.

Aviva has piloted a mid-career MOT, which is really helpful, as it means that people can look at their retirement and consider well in advance what they need to change. Workplace employers, wherever they are, and the social security system have big roles to play in respect of having conversations with people, whatever environment they are in, before they reach the transition point.

**Mark McLeod:** I have a quick point. Joining things up must involve looking as widely as possible at other Scottish and UK Government-funded services, such as passports, that rely on people claiming things. If there is an opportunity to link people up to a part of what they are entitled to, we should link them to as much of what is available as possible, and that should be funded by the respective Governments.

**The Convener:** Thank you all for your contributions.

Overall, the key message that has come across is that pensioner poverty is definitely on the increase. There are factors behind that increase, particularly in the private rented sector, as well as rising energy and food costs. Asks of the Scottish Government and UK Government have been mentioned, and the committee will certainly take all those on board.

I am really keen on a mid-life MOT, Adam. I am actually due one right now.

**Adam Stachura:** You can come and speak to Age Scotland about that. Give me a call and we can sort that out for you. [*Laughter.*]

**The Convener:** Ideally, you want somebody to chap your door to get you to fill in all the forms a year before you are due to retire. That would be a very person-centred approach that says, "Here is everything you are entitled to and a timeline of how you can do it, and you do not have to go online, given some of the challenges that you have faced."

The session has been really interesting. We will decide how to take all of that forward.

11:05

*Meeting continued in private until 11:34.*



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