



Campaign to defend the Winter Fuel Payment &  
CLP model motion

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Unite Briefing

August 2024

# Winter Fuel Payment Explainer

## Background

- The Chancellor, Rachel Reeves, has announced that around **10 million pensioners** will lose their winter fuel payments. The number of pensioners eligible will drop from **11.4 million to 1.5 million**.
- The Winter Fuel Payment is a tax-free allowance paid by the government to help people of pension age pay for their fuel and heating bills during winter.
- Winter Fuel Payments are worth between £100 and £300, although in recent years this had been boosted to between **£250 and £600 due to the cost of living crisis**.
- Under the new plans, **only pensioners on means-tested benefits or Pension Credits will be eligible for the Winter Fuel Payment**. Previously, everyone above State Pension Age is eligible.
- Notwithstanding the recent fuel price cap rise announced on 23<sup>rd</sup> August, this will be made worse when the next expected increase is to come on 25<sup>th</sup> November.

## Who is affected?

- 10 million or more pensioners who are not eligible for means-tested benefits or Pension Credit will lose out. **Across all local authorities the average fall in eligibility is 88%.**
- Age UK **estimate two million pensioners who badly need the money to stay warm this winter** will not receive it and will be in trouble as a result:<sup>1</sup>
  - **800,000 older people living on very low incomes** (under £218.25 a week/£11,349 per annum for single pensioners and under £332.95/£17,313 per annum for couples) are missing out on Pension Credit despite being eligible, according to Age UK estimates - **they will now lose the Winter Fuel Payment too.**
  - An additional **1 million pensioners whose weekly incomes are less than £50** above the poverty line will also be hit hard, according to Age UK estimates.
  - Many older people who live in energy inefficient homes or who are seriously unwell and need to keep their home warm to protect their health will also suffer.

## Fiscal considerations

- Cutting the winter fuel allowance is going to do absolutely nothing to secure the public finances. The money involved is relatively small beer, but the story that decision tells is

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<sup>1</sup> <https://www.ageuk.org.uk/latest-press/articles/2024/age-uk-responds-to-the-chancellors-announcement-to-means-test-the-winter-fuel-payment/>

worrying - **the exchequer through this will only save £1.4 billion, a relatively small figure in terms of government spend, this financial year.**

- It will mean that less retired people will get what they are due. **This is at a time when energy prices have sky rocketed thanks in no small part to Big Energy profiteering.** So, while vast dividends are paid out to the shareholders of the energy giants, more elderly people will now go cold this winter.
- The politics of change cannot become about picking winners. **Pitting young versus old or vice versa.** It's time to change course.

## What is the impact of cold homes?

- End Fuel Poverty Coalition **has estimated that 4,950 excess winter deaths in the UK were caused by living in cold homes during winter 2022/23.**<sup>2</sup>

## What about Scotland and Northern Ireland?

- The Scottish government have followed suit and confirmed it will follow the UK government in no longer providing winter fuel payments to all pensioners. The UK benefit is due to be replaced by the *pension age winter heating payment* - but ministers have confirmed it will be means tested, while the roll out has been delayed.
- In Northern Ireland, ministers will decide whether to follow the UK government's decision to restrict winter fuel payments.

## When will the change kick in?

- The Winter Fuel Payment is usually paid between November and January.

## CLP Model Motion

**Please find below a model motion which we would urge you to submit to your CLP.**

**This CLP notes that:**

- The recent announcement on the scrapping of winter fuel payment will be the first time pensioners will not be eligible for the payment since its introduction by the Labour government in 1997.
- The number of pensioners eligible will drop from 11.4 million to 1.5 million which will mean around 10 million will be losing out on this critical payment. This works out at an average fall in eligibility of 88% across all local authorities.
- There are pensioners, on low and precarious incomes and just in receipt of their state pension, who under this means testing will now be ineligible for the winter fuel payment.

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<sup>2</sup> <https://www.endfuelpoverty.org.uk/4950-excess-winter-deaths-caused-by-cold-homes-last-winter/#:~:text=The%20Government%20continues%20to%20rely,limited%20in%20eligibility%20and%20impac> t.

- The End Fuel Poverty Coalition's figures from the *Warm This Winter* campaign show that 8.3m adults are living in cold damp homes this winter and, as temperatures drop, these conditions go from being uncomfortable to downright dangerous. They estimated that 4,950 excess winter deaths in the UK were caused by living in cold homes during winter 2022/23.

**This CLP believes that:**

- Winter Fuel Payments are a lifeline for so many pensioners with payments typically worth between £100 and £300, although in recent years this had been boosted to between £250 and £600 due to the cost of living crisis.
- Many older people who live in energy inefficient homes or who are seriously unwell and need to keep their home warm to protect their health will also suffer. This will be made worse when the next winter fuel price cap rises are expected to be announced on 27 August and 25 November.
- There are 800,000 older people living on very low incomes (under £218.25 a week/£11,349 per annum for single pensioners and under £332.95/£17,313 per annum for couples) are already missing out on Pension Credit despite being eligible, according to Age UK estimates. They will now lose the Winter Fuel Payment too.
- Means testing this essential payment will leave many pensioners in dire straits. The universality of this policy is imperative as it is the only way in which the government can guarantee that no pensioners are stricken by fuel poverty.
- Extensive polling conducted after the announcement of the scrapping of the winter fuel payment has exposed widespread concern and opposition from voters across all of the political spectrum.
- The scrapping of the winter fuel payment may result in voters switching support for Labour in future local, assembly, mayoral, devolved nations and General Elections making it more difficult for Labour across our regions and nations.

**This CLP resolves that:**

- We must condemn the plan to remove the winter fuel payment from around 10 million pensioners in a cost of living crisis which acts as a lifeline for so many.
- The Chancellor should halt her plans to means test, and ultimately reverse her decision to remove the winter fuel payment from those who are currently eligible for the payment and who would no longer be under these changes.

## How do I propose a motion to my local Party?

**Proposing a motion is simple, the basic process will be:**

- send the motion to the CLP Secretary and ask for it to be tabled at the next meeting – there will probably be a cut-off date for sending in motions (usually about a week before the meeting), and if you miss this it will have to wait until the following meeting;
- attend the meeting, speak in favour of the motion (you could ask the Secretary to let you know how long you will be able to speak for);
- other people may also speak on the motion, in favour of it or against it;
- a vote will be held, and the result announced.