



Campaign to defend the Winter Fuel Payment &  
Council model motion

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Cllr Briefing

October 2024

# Winter Fuel Payment Explainer

## Background

- The Chancellor Rachel Reeves has announced that around **10 million pensioners** in England and Wales 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 in England and Wales 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.

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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/>

## 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 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.

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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.

## Council Model Motion

**Please find below a model motion which we would urge you to submit:**

Council notes the announcement on the scrapping of winter fuel payment will be the first-time pensioners in England and Wales will not be eligible for the payment since its introduction by the Labour government in 1997.

Council acknowledges 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.

Council recognises 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. It notes that 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 and fears this will get worse this coming winter.

Council further notes that 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) who are already missing out on Pension Credit despite being eligible, according to Age UK estimates - who will now lose the Winter Fuel Payment too.

Council believes that means testing this essential payment will leave many pensioners in dire straits and considers the universality of this policy as imperative as it is the only way in which the government can guarantee that no pensioners are stricken by fuel poverty. Council further notes that this will only be made worse by announced and future energy price cap rises.

### **Council resolves to:**

- Instruct the Chief Executive to write to the Chancellor of the Exchequer calling for the policy to be immediately reversed and halt her plans to means test the winter fuel payment.
- Council further requests the Chief Executive write to all MPs covering COUNCIL AREA NAME asking them to give their formal support to reversing and halting the changes to the Winter Fuel Payment eligibility.
- Request all group leaders within COUNCIL NAME sign a joint letter to the Chancellor of the Exchequer calling for the new Winter Fuel Payment policy to be reversed.