

**WORK & PENSIONS SELECT COMMITTEE INQUIRY INTO PENSIONER POVERTY
RESPONSE FROM THE END FUEL POVERTY COALITION
2 January 2025**

Further to the oral evidence session on pensioner poverty which the Work & Pensions Select Committee held on [18 December 2024](#), the End Fuel Poverty Coalition wishes to provide clarification and additional information to aid the Committee in the development of its recommendations.

At the evidence session, in Q30, the Chair suggested "...energy providers are now providing support—a social tariff, if you want—to pensioners..."

While answers to a subsequent question (Q33) did explore this topic further, we wanted to make it clear that - in our view - the offers of additional support through energy firms' individual schemes do not constitute a social tariff.

For a start, the additional support from energy firms [announced](#) by the Government and industry represents a hotch-potch of support and creates a supplier lottery. Some suppliers' schemes are more generous than others and eligibility criteria can vary from company to company. There is also doubt among charities and advice providers that the funding announced by firms for winter 2024/25 is new or significantly above what energy firms are asked to offer through regulatory obligations.

A social tariff for energy is a coordinated approach to providing a discount on how much people pay for every kilowatt/hour that is used. This ensures that everyone can afford enough energy to keep them safe and well.

All eligible households should be automatically enrolled. This would include disabled people, those who rely on energy for medical needs and those who are on low incomes. To make sure that it covers everyone who needs it, different Government Departments will need to work together to pool existing data.

A social tariff should be funded progressively, preferably through general taxation. Other options would include the wider energy industry and suppliers contributing to a central fund. If funded through a levy on bills, it is crucial that costs are distributed fairly.

We are currently asking that the Government and MPs consider introducing the legislative framework for such a tariff as part of the Energy Independence Bill.

For the avoidance of doubt, neither do we consider Warm Homes Discounts to constitute a social tariff as was claimed by previous Government ministers. A social tariff should complement existing government support, such as the Warm Home Discount, Cold Weather Payments, Winter Fuel Payments and the Household Support Fund.

Each of these methods of support could also be reformed as outlined below to provide better support for those households most at risk from the complications arising from living in cold or damp homes.

In the long term, a comprehensive plan to upgrade insulation and ventilation in people's homes will help bring down bills and more renewables will improve energy security and reduce price volatility. This will hopefully mean that some of the energy bill support infrastructure could be reduced, but until this point it is vital that households get the support they need to keep themselves warm every winter - and cool in the summer months.

Warm Home Discounts

The Warm Home Discounts were reformed in winter 2022/23 to narrow the criteria for eligibility. This has had a negative effect on some vulnerable households - especially those in receipt of non means-tested benefits - such as the disabled.

The Discounts are paid for via a levy on customers' bills and are not paid for via general taxation or industry contributions. MPs and Ministers should be clear when talking about this support that it is paid for by bill payers and not by the Government.

We believe that the earlier reforms should be reversed to ensure that all households who received the Warm Homes Discount in winter 2021/22 can access a £150 rebate this winter, regardless of the new process introduced in winter 2022/23 which uses an algorithm to decide who benefits.

From 2025/26, MPs should support the widening eligibility for Warm Home Discounts and to support an upweight in the amount provided to eligible households to account for inflation.

Cold Weather Payments

Some of the UK's poorest households [use 21% less energy](#) during cold weather than other households, leaving them exposed to potentially dangerous cold damp homes, according to new research.

Research by a group of academics from the UCL Energy Institute, University of Oxford Environmental Change Institute and Cambridge Architectural Research also found that households on smart prepayment meters could not stay warm when it got really cold and became disconnected from their energy. Those most affected were households identified as vulnerable and listed on the Priority Services Register – the sick, disabled, elderly and young.

Academics found that the poorest households are those least able to respond to the coldest weather and examined the Cold Weather Payments as a response mechanism to this issue. This pays out £25 to eligible households after there has been a week of below freezing weather, but was found that it covered less than half the extra cost of keeping warm during a cold snap.

The scheme was condemned by a House of Commons Energy Committee [report](#) as “an outdated, old-fashioned scheme.”

In place of the current system, we believe that an Extreme Weather Payment system is set up that credits the energy account of all eligible households on every day that the Met Office declares the minimum temperature will be -4 degrees Celsius or lower on the following day.

The payment of £10 per day would be made in advance of the cold weather, on a daily basis. It should be available to all vulnerable households to offset the extra cold and existing fuel poverty.

Dr Tina Fawcett of the Environmental Change Institute, Oxford University, comments: “This simple change, which will not be expensive, will help households stay warm when it really matters. It will ensure the Government can deliver the right support at the right time.”

We recommend that MPs support the change from a Cold Weather Payment to an Extreme Weather Payment outlined above.

Winter Fuel Payments

Winter Fuel Payment is an annual tax-free payment for households that include someone born on or before 22 September 1958 (for 2024-25) and, from 2024 onwards, receive [Pension Credit](#), [Universal Credit](#), [Income Support](#), income-based [Jobseeker's Allowance](#) or income-related [Employment and Support Allowance](#), or an award of Child Tax Credit or Working Tax Credit of at least £26 for the tax year 2024-25. It's designed to help older people cover heating costs in winter, with households receiving up to £300.

Households that are eligible normally receive this payment automatically.

Following the Government's reforms to Winter Fuel Payments for 2024/25, around 1.2m pensioners in absolute poverty will no longer be supported by Winter Fuel Payments, according to [figures released](#) to the House of Commons. Data [published](#) by the Resolution Foundation found that most poorer pensioners will be stripped of the support the Winter Fuel Payment provides under the Chancellors new rules.

The Government's own figures also reveal that [1.6m disabled](#) older people could miss out on the Winter Fuel Payment.

Age UK has now estimated that [2.5m pensioners](#) will face poverty as a result of the removal of Winter Fuel Payments. And as the changes have been introduced at short notice, the End Fuel Poverty Coalition estimates that millions more will struggle financially as they have not had time to plan for the winter ahead.

Meanwhile the Trussell Trust has seen [rising numbers](#) of older people turn to food banks in recent years and the IFS [reports](#) relative pensioner poverty increasing as benefits other than pensions are being cut.

Until longer term reforms to bring down bills can be implemented, we are likely to see older people cut back on energy, unable to afford their bills, this increases the risk of living in cold, damp or even mouldy homes. This increases their risk of ill health or [even death](#).

We're disappointed that the Government won the vote in the House of Commons to continue these plans, but in future years we would urge Ministers to look again at how eligibility could be changed to ensure those on low incomes who just miss out on Pension Credit and those who have unavoidably high energy needs because of disability or illness can still access the Winter Fuel Payment.

Ministers must also do more to ensure the hundreds of thousands of people who don't receive Pension Credit even though they're eligible for it are provided with the support.

MPs must not be lulled into a false sense of security that the problems caused by the Winter Fuel Payment decisions will not reappear in future winters.

Household Support Fund

Pensions Secretary Liz Kendall told the Commons that the Household Support Fund (HSF) has been extended in response to help pensioners for winter 2023/24. This Fund is used by local authorities to provide emergency relief to struggling households.

The truth is that the HSF had already been slated to be extended. And Ministers' extension of the Fund for winter 2023/24 is at the same levels as in previous years. The £500m which the HSF has been given is also the same as when it was introduced in winter 2021/22, so if you take into account inflation, keeping this at £500m for this winter is a real terms cut (if it had risen in line with inflation it should be £600m this winter).

In reality the Secretary of State's comments mean that the Government is telling local authorities to take money from families that had been supported through the scheme in previous years and give it to those who they have taken Winter Fuel Payments away from.

In the autumn 2024 Budget, the Chancellor announced £1bn in funding for the HSF and Discretionary Housing Payments - this will further reduce the real terms allocation for the HSF.

Civil servants have confirmed to the Children's Society that the budget in England & Wales would stay the same for DHPs, meaning £100m is allocated for this and not available for HSF. This means that for 2025/26 there will be 10% less funding for HSF this time round.

We urge MPs to back the restoration of the HSF to previous funding levels with an inflation based increase also factored in.

About the End Fuel Poverty Coalition

The End Fuel Poverty Coalition campaigns to influence government and other bodies to take action to end fuel poverty and thereby improve people's health and quality of life as well as seeking to reduce the cost of living, create jobs and negate carbon emissions in the process.

The End Fuel Poverty Coalition is a [broad coalition of more than 70 anti-poverty, health, housing and environmental campaigners, charities, local authorities, trade unions and consumer organisations](#). It is also supported by academics, social enterprises and those working on the front line of fighting fuel poverty.

Members of the Coalition include: [Action with Communities in Rural England](#), [ACE Research](#), [Advice for Renters](#), [AgeUK](#), [All Birmingham's Children](#), [Austerity Action Group](#), [Association of Green Councillors](#), [Association of Local Energy Officers](#), [Association for Decentralised Energy](#), [Asthma + Lung UK](#), [Basingstoke & Deane Borough Council](#), [Beat the Cold](#), [Brighton & Hove City Council](#), Bruton Town Council, [Camden Federation of Private](#)

[Tenants](#), [Carers Trust](#), [Child Poverty Action Group](#), Church Poverty Action, [Chartered Institute of Environmental Health](#), [Chartered Institute of Housing](#), [Community Action Northumberland](#), [Centre for Sustainable Energy](#), [Climate Action Network West Midlands](#), [Debt Justice](#), Disability Poverty Campaign Group, [Disability Rights UK](#), [E3G](#), EBICO, Energy Advice Line, [Energy Saving Trust](#), Energy Cities, [Exeter Community Energy](#), Fair Energy Campaign, [Epilepsy Action](#), [Fair By Design](#), [Foster Support](#), [Friends of the Earth](#), [Fuel Poverty Action](#), Fuel Poverty Research Network, [Generation Rent](#), [Good Law Project](#), Greenpeace, [Groundwork](#), Hackney Foodbank, [Heat Trust](#), Home Start Oxford, [Independent Age](#), [Independent Food Aid Network](#), [Inner City Life](#), [Joseph Rowntree Foundation](#), [Lambeth Pensioners Action Group](#), [London Borough of Camden](#), London Borough of Lewisham, Marie Curie, [Mencap](#), [Mayor of London](#), [MECC Trust](#), Moorland Climate Action, [National Pensioners Convention](#), National Union of Students / [Students Organising for Sustainability](#), NCB, [National Energy Action](#), [New Economics Foundation](#), National Federation of Women's Institutes, [Northern Health Services Alliance](#), [Oxford City Council](#), [Positive Money Tower Hamlets](#), [Plymouth Community Energy](#), Redcar & Cleveland Council, [Repowering London](#), Retrofit Bruton, Right To Energy Coalition, [Rossendale Valley Energy](#), [Ryecroft Community Hub](#), [Save the Children](#), [Sense](#), [Scope](#), [Shaping Our Lives](#), [Social Workers Union](#), [South Dartmoor Community Energy](#), [South East London Community Energy](#), [Southwark Group of Tenants Organisations](#), [South West London Law Centres](#), [Stonewater Housing Association](#), [Stop The Squeeze](#), [Tamar Energy Community](#), [Thinking Works](#), Uplift, [UNISON](#), Warm & Well North Yorkshire, [Warm & Well in Merton](#), [Winter Warmth Network](#), [Young Lives vs Cancer](#).

The Coalition is also part of the [Warm This Winter](#) campaign, the [End Child Poverty Coalition](#) and the [Renters Reform Coalition](#). In Scotland we work closely with [Energy Action Scotland](#). In Wales, we work with [Climate Cymru's Warm This Winter](#) activity and in Northern Ireland with the NEA-backed [Fuel Poverty NI coalition](#). The coordination for the [End Fuel Poverty Coalition](#) is provided by social enterprise [Campaign Collective](#).

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