

'BALANCING BOOKS ON FRAILEST SHOULDERS'

Picture: JORDAN PETTITT/PA

COMMENT

SIR STEVE
WEBBFormer Pensions
Minister

IT is shocking that in Britain today nearly two million pensioners are living below the poverty line – having incomes that are under 60% of the national average.

More startling still is our analysis – based on figures that the Department for Work and Pensions itself produces – which finds that five people in every six of this group are now set to lose their winter fuel payment.

Some of these will be people who could actually qualify for pension credit and don't make a claim.

Others are people renting in retirement from a private landlord who find that housing benefit doesn't cover their full rent, leaving a shortfall every month to be met from their other income.

For many of the pensioners living below the breadline, losing this payment is the equivalent of losing more than a week's pension.

While senior citizens who are comfortably off may be able to take this in their stride, there's not much slack in the budgets of those

'There are other options open to the Chancellor'

at the other end of the income scale.

They are likely to respond by cutting back, perhaps heating fewer rooms in the house, going out less or scaling back on presents for the grandchildren.

If the Chancellor needs to make savings on universal payments such as the winter fuel payment, then there are other options open to her. In particular, the suggestion by MoneySavingExpert's Martin Lewis that payments be retained for anyone in a property in council tax bands A-D.

This would protect all but 300,000 of the poorest pensioners.

But, not surprisingly, it would raise a lot less money for the Government.

Raising substantial sums at the same time as protecting the most vulnerable is likely to be well nigh impossible.

If ministers do not find a way to soften the blow of this change then they need to recognise that the millions of losers created will include some people who have very little to spare in the first place.

● Sir Steve Webb is partner at pension consultants LCP



Reeves ignores desperate pleas to row back on cuts to pensioners' winter fuel cash

By **Sam Lister**
Political Editor

CHANCELLOR Rachel Reeves has ignored pleas to reverse her cuts to winter fuel payments amid warnings that five in six pensioners living in poverty will lose out.

She claimed older people were £900 "better off" than a year ago as she tried to defend plans to strip them of up to £300 this winter.

During a Commons mauling, she was told she had made a "chilling political choice to balance the books of this country on the very frailest shoulders".

Meanwhile analysis by a former pensions minister showed 1.6 million older people who are below the poverty line will not qualify for fuel payments this winter.

Targeted

Sir Steve Webb, a partner at pension consultants LCP, said: "There is a range of ways in which the Government could target spending on winter fuel payments but our analysis shows that limiting payments only to those on pension credit will leave the vast majority of pensioners below the poverty line losing out.

"As an alternative, winter fuel payments could be targeted on those in lower value properties, which would protect most poorer pensioners but would dramatically reduce the saving to the Chancellor. It is ultimately a matter for politicians to decide on the balance between raising revenue and protecting the vulnerable."

Ms Reeves is axing the universal allowance – £200 for pensioners under 80 and £300 for those over, – to save £1.5 billion.

Only those claiming pension credit and some other benefits will now be eligible. It means the 11.4



million people currently in receipt of the fuel payment will plummet to 1.5 million.

LCP analysed Department for Work and Pensions statistics on low-income pensioner households and found 1.9 million people who are over pension age and below the poverty line across the UK. Only around 300,000 are receiving pension credit. About 800,000 are eligible but do not claim it.

The research looked at other options, including paying the allowance only to households in council tax bands A-D. It found this would protect the majority of low-income pensioners but substantially reduce the amount the Government saved.

Paying only to older pensioners would still leave more than a million poorer pensioners aged under 80 still losing out.

Bringing payments into the tax net would raise just £300 million



Critic...Labour's Rachael Maskell

and involve complex admin, suggests the research.

Yesterday Ms Reeves faced pressure from her own backbenchers as well as the opposition as she faced MPs for the first time since announcing the cuts.

Labour's Rachael Maskell warned the average rent rise in York of 11.9% exceeded the state pension rise by £380 this year.

She said: "With the loss of the cost-of-living payments and winter fuel payments, an increase in the

energy price cap and cost of living, pensioners are frightened about how they're going to keep warm this winter."

Conservative former minister Dame Harriett Baldwin said Ms Reeves was "balancing the country's books on the very frailest shoulders". Tory MP Sarah Bool MP said: "This policy will not provide the savings suggested and will only lead to increased strain on the NHS and social services.

"I urge Labour to think again." Liberal Democrat MP Steve Darling said: "Pensioners have had no time to save for this, and therefore it's a complete shock to them."

And Conservative Alison Griffiths said: "I urge the Government to reverse this political decision to punish pensioners whilst awarding inflation-busting pay rises to the trade unionists who fund Labour."

The Daily Express is crusading to restore the winter fuel allowance and supporting the Silver Voices petition urging the Government to do a U-turn.

You can back the campaign at: www.change.org/p/save-the-winter-fuel-payment

LABOUR FOUGHT TO SAVE HEATING HELP FROM TORY AXE

ANGELA Rayner goaded the Tories for plotting to cut winter fuel payments for pensioners in an unearthen tweet.

She asked then-prime minister Theresa May about the plans in the Tory manifesto, which were later dropped, in a 2017 tweet.

Ms Rayner, right, said: "Will May confirm that 10 million pensioners will lose their winter fuel payments if the Tories are re-elected?"

Sir Keir Starmer also

By **Katie Harris** Political Reporter

urged Rishi Sunak not to axe the allowance so that national insurance could be abolished at Prime Minister's Questions in May.

And Chief Secretary to the Treasury Darren Jones wrote to then-Chancellor Jeremy Hunt in November, demanding the payments were protected: "Pensioners mustn't be forced to bear the brunt of Tory economic failure."

