



A statement on the winter fuel vote | Bayo Alaba MP | 10.9.24

Today I voted with the government, on their changes to the Winter Fuel Allowance policy. This change involves making the allowance more targeted, so it only goes to those in receipt of pension credits.

This was not a decision I took lightly and I know not everyone is happy with it. I want to explain my thinking.

Support for pensioners

There were two key questions which I have particularly reflected upon prior to this vote:

1. **Will this policy change harm the poorest?** My belief is that the pension credit is a fair threshold to stop this happening. But the key thing is that everyone eligible is receiving it. There are reportedly **880,000 people** entitled but not claiming – which not only means they will not get the Winter Fuel Allowance, but that they will not get the pension credit itself or get other things, like discounts on council tax. The government is also extending the **Household Support Fund** for the next 6 months because it is a lifeline for people who are struggling with the cost of living. MPs like myself have a role to play in raising awareness of these things. You can write to my office if you are in need of help checking eligibility with either: bayo.alaba.mp@parliament.uk
2. **Will this policy change target pensioners unfairly or more than other groups?** On this question I look to some of the other things going on at the level of national government. The energy price cap will be **£117 lower** at the end of this year than in 2023. The state pension went up **£900 in April** (much faster than working-age benefits). The **triple-lock** is in place and Labour are 100% committed to it. So I am satisfied that the Winter Fuel Allowance changes, difficult as they are, are offset by significant other forms of pensioner support.

Hard choices

Clearly in an ideal world a Labour government would not be making this change. We introduced the Winter Fuel Allowance in the first place, in 1997.

However, the legacy we were left by the last government means hard choices are needed. The money needed to fill the £22bn black hole which Chancellor Rachel Reeves has identified will need to come from somewhere.

The alternative, if we bury our heads in the sand, is that we potentially see a collapse of confidence in the UK economy, across markets. The deficit could grow dramatically. Growth could slow further and public services become even more stretched.

I do not see this as viable.

The question then becomes not 'if' we fill the black hole, but 'how'. Being in government is, in the end, about being the one who makes this choice. And already some of the easier options – from taxing energy giants to removing non-dom status – have been deployed.



Regardless of the rationale, I can understand that any change to the Winter Fuel Allowance will feel worrying, given that it is for pensioners. Anyone who has an older relative can identify with this – particularly with the nights drawing in.

So I think we need to be really clear that this policy is about targeting the allowance based on need – not abolishing it. It removes the ‘universal’ element, which currently means the allowance is paid regardless of how much money and assets pensioners have.

This is still not ideal, at a time when everyone is feeling the pinch. But I believe it is justifiable, with public finances and services as stretched as they are.

Thinking long term

Keir Starmer said recently that things may get worse before they get better. This is obviously not the news we wanted to hear. But it indicates both an honesty and a focus on the long-term which I believe is refreshing in politics, given what we have witnessed these past few years.

I therefore see the Winter Fuel Allowance changes, whilst not something anyone wanted to have to do, as a decision for the long term. This is about taking immediate action to steady the economy and turn around the tanker. It is not a decision taken in isolation. Is a prerequisite to the steps which are clearly needed for the future of country – to rebuild public services and get our economy growing.

This is how I viewed the decisions the government took, and this is why I voted the way I did.