

Written Ministerial Statement

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Department for Communities

PROPOSED POLICY CHANGES TO THE WINTER FUEL PAYMENT SCHEME IN NORTHERN IRELAND

Published on Friday 30 August 2024.

Mr Lyons (The Minister for Communities): I wish to inform members of proposed changes to the Winter Fuel Payment scheme in Northern Ireland from winter 2024/25 following the outcome of a decision of the Northern Ireland Executive.

On 29 July 2024 the Chancellor of the Exchequer announced that entitlement to Winter Fuel Payments in England and Wales would be restricted to those people receiving Pension Credit or other means-tested benefits only. I strongly disagree with this decision.

Currently, the Winter Fuel Payment is non-means tested, and is an annual payment ranging from £100 to £300. It is paid to everyone who, by the time of the qualifying week (the week beginning on and including the third Monday in September each year), has attained the qualifying age for State Pension, which is currently 66, due to rise to 67 in 2026.

Under the proposed revised scheme by the new Labour Government, entitlement to a Winter Fuel Payment will normally be restricted to those people who are of pension age and receiving one of the following benefits:

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- State Pension Credit
- Universal Credit

As members will be aware, the operation of the principle of parity, as reflected in Section 87 of the Northern Ireland Act 1998, generally means that social security benefits are paid at the same rates and with the same conditions of entitlement across the UK. Where parity is maintained then expenditure on pensions and social security benefits in Northern Ireland is funded, in full, by the UK Government. Any deviation from this principle of parity, that results in additional expenditure in Northern Ireland, must normally be paid from the Block Grant.

The estimated additional cost to the Block Grant of maintaining universal entitlement to a Winter Fuel Payment in Northern Ireland for Winter 2024/25 is £44.3 million and this does not include any additional delivery or staffing costs. Based on recent estimates regarding an IT system for proposed new Welfare Supplementary Payments, which are specific to Northern Ireland, it is estimated that an appropriate IT system could cost between £5 million to £8 million for development and a further 20% of the development spend per annum for support and maintenance.

I have made clear to the Secretary of State for Work and Pensions my total opposition to this decision and outlined the detrimental impact it will have on many people in Northern Ireland. I have also engaged with Ministerial colleagues to determine the way forward as this was a decision for the NI Executive collectively.

After careful consideration by the Executive Committee, the First Minister and Deputy First Minister have today used the Urgent Procedure process to take the decision to maintain parity with the rest of the UK. A letter signed by all Northern Ireland Ministers has been sent to the Prime Minister voicing deep concerns and urging him to reconsider.

Regrettably there is no additional resource available in the budget to allow us to diverge from the UK Government decision without significantly cutting other public services. The lack of consultation by the UK Government with us has been extremely disappointing.

It is important that people ensure that they are receiving all of the benefits they are entitled to. My Department would therefore encourage everyone to check their entitlement to Pension Credit at their earliest opportunity. This can be done by telephoning the Northern Ireland Pension Centre's Pension

Credit Application Line on 0808 100 6165 (open Monday to Friday 9am to 4pm), or by applying online at <https://www.nidirect.gov.uk/services/apply-pension-credit-online>