



CONSULTATION RESPONSE

Submitted: February 2025 | Contact: shannon.montgomery@nea.org.uk

Department for Communities: Consultation on policy changes to the Social Fund Winter Fuel Payment Scheme

About National Energy Action (NEA)

NEA is the national fuel poverty charity, working across England, Wales, and Northern Ireland to ensure that everyone can afford to live in a warm, safe, and healthy home.

NEA NI works to overcome the causes and effects of fuel poverty in four main ways. We provide **advice and support** to people struggling to heat their homes affordably; we **campaign and advocate** for policy and regulation to protect the most vulnerable and end fuel poverty; we carry out **research** to raise awareness and find solutions; and we provide **accredited training and qualifications** to improve standards in energy advice.

NEA NI's Consultation Response

General Comments

NEA NI remains deeply concerned about the recent policy changes to the Social Fund Winter Fuel Payment Scheme (WFP), as the revised eligibility criteria is too restrictive. Our concern is not the principle of targeting support but the failure to target it effectively. The changes mean many



low-income, vulnerable pensioners – particularly those just above the threshold – will be left without assistance, increasing their risk of living in cold, damp homes.

This Equality Impact Assessment (EQIA) outlines that around 14,000 single pensioners will miss out on Pension Credit by £50 or less per week, and 31,000 by £100 or less. These pensioners are now excluded from the WFP despite being marginally above the threshold, which risks exacerbating the fuel poverty crisis. Recent [polling](#) by NEA NI suggests as many as 40% of households in NI are already in fuel poverty, with 49% of those aged 65 and over affected.¹

We are especially critical of how the WFP policy changes were implemented:

Timing

The Chancellor's announcement on 29 July 2024 came just months before winter, during a cost-of-living crisis marked by persistently high energy costs. This abrupt timing, coupled with the removal of up to £300 in additional winter fuel cost-of-living payments provided in previous years, left many pensioners facing unexpected reductions in financial support for their energy needs.

Adding to the uncertainty, the NI Executive did not confirm its decision to maintain parity with England, Scotland and Wales until 30 August 2024, further delaying much-needed clarity for pensioners ahead of winter.

Insufficient Transition Period

The rapid implementation left pensioners who no longer qualify for the WFP with little time to prepare their finances or determine their eligibility for Pension Credit before facing a bitterly cold winter.

Lack of Consultation

The NI Executive's decision to maintain parity was made without the legally required EQIA and failed to consider the perspectives of those directly affected. This is particularly concerning given that the EQIA

¹ NEA NI, (2024). '[NEA and LucidTalk Poll 2024](#)'.



document itself acknowledges “adverse impacts on those pensioners who will no longer receive the Winter Fuel Payment” (pg. 22).

Cliff-Edge in Support

The policy change creates a sharp divide, excluding pensioners just above the threshold from support and failing to address the challenges faced by those with high energy needs.

1: Are there any data, needs or issues in relation to any of the Section 75 equality categories that have not been identified in Section 3 of the EQIA consultation document? If so, what are they, please provide details?

Yes.

A proper evaluation of the policy change’s impact is hindered by the absence of up-to-date official fuel poverty statistics. The data in Section 3 of the EQIA relies on the latest available NI House Condition Survey (HCS), conducted in 2016 and published in 2018, while the 2023 HCS remains unpublished. These delays reduce the survey’s effectiveness in informing policy. Given the sharp rise in energy prices in recent years², fuel poverty is likely far worse than official figures based on 2016 data suggest.

The 2016 HCS reported that 22% of NI households were in fuel poverty, with even higher rates among retired individuals (31%) and households headed by someone aged 75 and over (38%). However, annual polling for NEA NI, conducted by LucidTalk in 2022, 2023, and 2024, consistently indicates even higher rates of fuel poverty.

In September 2024, NEA NI's polling found that 40% of NI households spent at least 10% of their total household expenditure on energy - meeting the Department’s definition of fuel poverty. The highest rates were among those aged 65 and over, with 49% affected³. Older people often face additional energy expenses due to disability or care needs, and

² Consumer Council for Northern Ireland, (2025). [Home Energy Index: Gas, electricity, and home heating oil \(HHO\) indices for Northern Ireland.](#)

³ NEA NI, (2024). [‘NEA and LucidTalk Poll 2024’.](#)



they are more likely to have larger heating bills due to living in poorly insulated homes with inefficient heating systems.

Although less comprehensive than the HCS, our more recent polling highlights that NI's fuel poverty crisis is worse than official statistics indicate. As a result, the impact of the recent WFP policy changes will likely be even more severe, particularly for low-income and vulnerable pensioners.

2: Are there any adverse impacts in relation to any of the Section 75 equality groups that have not been identified in Section 4 of the EQIA Consultation document? If so, what are they?

The draft EQIA identifies adverse impacts on pensioners who will no longer receive the WFP, particularly:

- Greater financial impact for households with a pensioner aged 80 or over (pg. 22).
- Risk of worsening health conditions for disabled pensioners (pg. 23).

Additional adverse impacts

The well-documented links between cold homes, poor health, and health inequalities are a major concern. Cold, damp homes can cause and worsen cardiovascular diseases, respiratory conditions, poor mental health, dementia, and hypothermia, while also exacerbating existing health conditions.⁴

Speaking on the WFP changes on 16 September 2024, the Minister for Communities warned that *"we will see an increased number of people having to visit their GP, or perhaps, even being hospitalised"* (pg. 25). NEA NI September 2024 polling supports this concern – when asked, *"Has your health and wellbeing, or any member of your household's, been impacted by the rising energy prices and the cost of living?"* nearly 1 in 5 pensioners (18%) aged 65+ said yes.

⁴ Alice Lee, Ian Sinha, Tammy Boyce, Jessica Allen, Peter Goldblatt (2022). [*'Fuel poverty, cold homes and health inequalities'*](#). London: Institute of Health Equity.



With over 80% of pensioners in NI no longer eligible for the WFP, many will struggle to afford heating. Among pensioners, 36,000 (12%) live in relative poverty, and 22,000 (7%) in absolute poverty⁵. Many pensioners already '*make do*' without heating, posing serious health risks. These policy changes risk deepening financial hardship and worsening health outcomes for older people.

3: For those pensioners who will no longer receive the Winter Fuel Payment, what are your views on the mitigations as outlined in this EQIA consultation document?

Our comments on each of the mitigations are below:

Emergency Winter Fuel Payment Scheme

Following the policy changes to the Social Fund WFP Scheme, NEA NI advocated for additional NI Block funding - provided through the extension of the GB Household Support Fund - to be ringfenced for DfC to support fuel-poor households. Therefore, we sincerely welcomed DfC's decision to use the additional £17 million funding to provide a one-off £100 payment to affected pensioner households, offering some relief to those struggling with energy costs. However, we also continue to stress the need for long-term solutions to fuel poverty.

While the scheme is a positive step, many pensioner households have yet to receive this much-needed payment – despite it being designated as *emergency* support. The delay in delivery highlights persisting issues with data identification, data matching, and system operations in NI. These inefficiencies must be addressed to ensure future emergency support can be targeted and distributed more effectively.

Promoting Pension Credit

We welcome DfC's active promotion of Pension Credit and its efforts to increase uptake. It is vital that people check their benefit entitlements, and we have been supporting this message through our social media channels.

⁵ Northern Ireland Statistics and Research Agency, (2024). '[Northern Ireland Poverty And Income Inequality Report, 2022/23](#)'.



However, accessibility remains a major concern. The application process is overly complex, with a 24-page form containing more than 240 questions. Simplifying the process is essential to ensure those who are eligible can successfully claim the support they need.

Make the Call – Promoting other benefits or support

Make the Call is a valuable service that should continue providing information on Pension Credit and other schemes, benefits, and services, including the Affordable Warmth Scheme and Discretionary Support. It is crucial that *Make the Call* also works in partnership with other organisations to improve access to trusted energy efficiency advice and support. While Pension Credit is the passport benefit for Winter Fuel Payment other benefits such as Attendance Allowance need to be promoted to improve older people's lives and lead to pension credit entitlement.

Discretionary Support (DS)

The DS scheme is a reasonable approach to providing emergency financial support until better data is acquired to enable large-scale, targeted payments. DS provides support based on need, which is a more efficient use of finite resources.

However, some vulnerable individuals who do not claim benefits are equally in need of support. As highlighted in the draft Fuel Poverty Strategy, optimising referral pathways is needed to support those who face barriers to applying. Furthermore, we know from our experience providing advice and practical support to vulnerable individuals, that a *person-centred* approach is essential, and DS must be delivered on this basis.

Additionally, the scheme must be adequately funded and resourced to process claims effectively during periods of crisis. To support long-term planning, the next Executive budget must be a multi-year budget.

Affordable Warmth Scheme

There are significant issues with the current Affordable Warmth Scheme, particularly its severe underfunding. For 2024/25, the scheme's budget



was just £2.0m – representing a £6.8m reduction from 2023/24. The NI Housing Executive reported that this cut will result in 53% fewer households being able to use the scheme⁶.

Housing quality, particularly energy efficiency, is directly linked to fuel poverty levels in NI. Improving domestic energy efficiency is a proven, cost-effective way to lower household energy demand, lower household carbon emissions, and support a Just Transition to net zero.

To tackle fuel poverty effectively, investment in energy efficiency must increase significantly. We urge the Executive to follow through on the draft Fuel Poverty Strategy's commitment to introduce a more ambitious energy efficiency scheme. NEA NI looks forward to engaging in the planned Spring 2025 consultation on the new *Warm, Healthy Homes* scheme.

Fuel Poverty

NEA NI sincerely welcomes the draft Fuel Poverty Strategy's key objectives, proposed outcomes, and actions. However, we are disappointed by the lack of specific, measurable targets – particularly a clear target for reducing fuel poverty. For the strategy to be effective, it must be backed by comprehensive funding and a detailed action plan.

The draft strategy proposes further research by DfC to assess the impact of the WFP changes. While further research is important, it does not address the *immediate* challenges pensioners will face next winter. Urgent action is needed now to plan and deliver support for affected pensioners now and in the years ahead.

Anti-Poverty Strategy

It is wholly unacceptable that NI still lacks an Anti-Poverty Strategy. Recent figures show that approximately 349,000 people – almost *one in five* - are living in poverty here⁷. DfC, with support from the wider Executive, must publish an Anti-Poverty Strategy as a matter of urgency.

Furthermore, cross-departmental and inter-departmental collaboration is essential for the effective implementation of an Anti-Poverty Strategy. It

⁶ BBC News, (2024). [‘Service cuts within months, warns Housing Executive’](#).

⁷ Department for Communities, (2024). [‘Northern Ireland Poverty and Income Inequality Report 2022-2023’](#).



must align with related strategies, including the new Fuel Poverty Strategy, the Energy Strategy and the Housing Supply Strategy, to deliver meaningful and lasting change.

4: Are there any other mitigations you would like to see implemented?

Yes. We recommend the following:

1) Expanding Eligibility for the Winter Fuel Payment (WFP)

Current eligibility criteria is restricted to households receiving one of five means-tested benefits (Pension Credit, Universal Credit, Income-related Employment and Support Allowance, Income-based Jobseeker's Allowance, or Income Support). To better target those most at risk of fuel poverty, eligibility should be extended beyond this, including:

- **Disabled individuals or those with medical conditions**, such as recipients of Attendance Allowance, Disability Living Allowance, or Personal Independence Payments.
- **Low-income households not receiving benefits**, for example, by introducing an income-based cut-off - though this would require data matching with HMRC, which is currently unavailable.
- **Carers**, including those receiving Carer's Allowance.
- **Pensioners just above the Pension Credit threshold**, by exploring a "near Pension Credit" eligibility category. This would help mitigate the impact of removing universality and provide targeted support to lower-income pensioners.

2) Improving Pension Credit Access

- **Automatic Pension Credit Enrolment** for the 26,000 pensioners who are eligible but have not yet claimed.
- **Simplifying the Pensioner Credit application process**, which currently consists of a 24-page form with over 240 questions. Reducing complexity is crucial to increasing uptake among those who need support.



3) Expand Energy Efficiency Support

- **Scaling up energy efficiency schemes** to improve domestic energy efficiency, reducing household energy bills through reduced energy demand.
- **Utilising Barnett consequentials** from the UK Government's *Warm Homes Plan* to fund domestic energy efficiency schemes and support with energy bill affordability.

4) Introducing an Energy Social Tariff

- Implementing a social tariff to support low-income and vulnerable households - including pensioners – who struggle with unaffordable energy bills.
- There are multiple ways to design a social tariff. Our preferred model is a unit rate discount, and a standing charge discount where applicable.⁸

5) Strengthening Supplier Support and Customer Care

- Greater promotion of **suppliers' customer care registers** and NIE Networks' **Medical Customer Care Register** to help identify and support at-risk pensioners.

6) Extending the Warm Homes Discount (WHD) to NI

- The WHD provides essential financial support for vulnerable households in Great Britain, offering a £150 discount on electricity bills between October and March.
- Despite its proven effectiveness in GB, **vulnerable households in NI do not receive this support.**
- The UK Government has extended the WHD scheme again, until March 2026, and is consulting on its expansion - potentially increasing the number of eligible households to 6.1 million next winter by adding 2.7 million more to the scheme⁹.
- Given the urgent need for energy affordability support, we strongly advocate for the WHD's introduction in NI to help protect families and pensioners from rising energy costs.

⁸ National Energy Action, (2022). [‘Solving the cost of living crisis: the case for a new social tariff in the energy market’](#).

⁹ GOV.UK, (2025). [‘Extra energy bill support for the country’](#).



5: Are there any other comments you would like to make regarding this document or the consultation process generally?

It is extremely concerning that this EQIA consultation is taking place *after* the policy changes have already been implemented, limiting the opportunity for meaningful scrutiny and mitigation.

The Department has itself acknowledged the need for a full EQIA (pg. 4), and this draft EQIA notes adverse impacts for pensioners outside of the revised eligibility criteria (pg., 22, 25).

While we acknowledge that DfC faced some external pressure from the UK Government to make its decision in time for regulations to be in place for 16 September 2024, to see that eligible customers still received the WFP this year (pg. 9), we are still deeply concerned by the overall failure to allow adequate time for proper scrutiny and mitigation. As a result, many vulnerable pensioners have been left without adequate support for their energy bills.