

State Pensions Division

**Equality Impact Assessment
Changes to the amount of Winter Fuel
Payment for winter 2009/10**

Equality Impact Assessment for changes to the amount of Winter Fuel Payment for winter 2009/10

Introduction

1. The Winter Fuel Payment was introduced in winter 1997/98. It was introduced by the Government as one of its measures to alleviate fuel poverty amongst pensioners. The proposed change is to allow Winter Fuel Payment recipients to receive an additional amount with their Winter Fuel Payment for next winter (2009/10). The Chancellor in his Budget Statement 2009 announced this proposal on 22nd April 2009.

2. The Department has an obligation to carry out an equality impact assessment on all its policies. This document provides the findings of the equality impact assessment relating to proposed changes to the Winter Fuel Payment Scheme.

Proposals for Change

3. The changes proposed do not provide a new benefit or service but simply change the amount of Winter Fuel Payment to be paid for the winter of 2009/10.

4. Usually, people aged 60-79 receive £200 and people aged 80 or over receive £300, depending on household composition. Although the Winter Fuel Payment is based on an individual's entitlement, shared payment rates apply in some circumstances, reflecting that fuel bills are received on a household basis.

5. The proposal is to increase the Winter Fuel Payment (for one year only in winter 2009/10) by £50 or part thereof for people aged 60-79 and £100 or part thereof for people aged 80 or over depending on their household circumstances.

6. Winter Fuel Payments are paid to most people in the UK aged 60 or over regardless of race, gender or disability.

Purpose and aim(s) of the proposal or change:

7. The purpose of this one off change is to allow Winter Fuel Payment recipients to receive an additional amount with their Winter Fuel Payment for the winter period in 2009/2010.

8. Winter Fuel Payments were introduced as part of the Government's initiative to tackle fuel poverty amongst pensioners. Winter Fuel Payments give pensioners reassurance that they can afford to heat their homes in winter. It is paid in a lump sum each winter to ensure that money is available when fuel bills arrive. Older people are targeted because they are particularly vulnerable to the effects of cold weather during the winter months and older people are more likely to be on fixed incomes.

9. The Winter Fuel Payment Scheme is a universal benefit paid to most people aged 60 or over in Great Britain and Northern Ireland. People who have qualified for a payment in this country may continue to receive the payment in another European Economic Area (EEA) country or Switzerland.

10. The Winter Fuel Payment provides a significant contribution to pensioners' winter heating bills. This winter the Winter Fuel Payment helped over 12 million older people in Great Britain and Northern Ireland.

11. In his Budget Statement on 22nd April 2009, the Chancellor announced that the Government will for this year (2009/2010), increase the Winter Fuel Payment for people aged 60 and over from £200 to £250 and for people aged 80 or over from £300 to £400.

12. The Winter Fuel Payment is intended to provide a contribution towards winter heating bills which account for around 60 per cent of the total annual fuel bill. Winter Fuel Payments have increased from £20 in 1997/98 to the current value of £200 for households with someone aged 60 to 79 years, and £300 for households with someone aged 80 or over.

Who will benefit mainly from this proposal or change?

13. All existing recipients of Winter Fuel Payments and all those who become newly eligible for a Winter Fuel Payment in winter 2009/10. People aged 60-79 will receive an additional amount of up to £50 and people aged 80 or over will receive an additional amount of up to £100 with their Winter Fuel Payment.

14. People aged 80 or over get a higher rate of payment because they are more likely than younger pensioners to:

- live alone;
- live in older and less energy efficient homes;
- spend more time at home;
- have lower incomes than recently retired people;
- spend a greater proportion of their income on fuel; and
- be in fuel poverty.

What information and/or data (evidence) has been obtained to impact assess this proposal or change?

15. The proposal has drawn upon evidence from lobby groups such as Age Concern and Help the Aged who have urged the Government to increase the Winter Fuel Payment, especially in recent times when energy prices have increased.

16. The recently announced increase in the Winter Fuel Payment for 2009/10 represents an increase of 25% and 33% for the standard and 80+ payments respectively. This substantial increase will ensure that pensioners have extra resources available to meet their heating needs this coming winter.

Equality Impact of the Policy

17. Winter Fuel Payment is a universal benefit paid to all eligible people aged 60 or over regardless of race, gender or disability. The distribution of payments reflects the demographic of the UK's over 60 population, therefore we do not believe it is necessary to undertake a detailed analysis of the policy proposal by gender, ethnicity or disability.

18. Survey estimates show that just over half of those over 60 regard themselves as disabled and we estimate that, around two-fifths of people who receive Disability Living Allowance are aged 60 or over. These people and everyone who receives Attendance Allowance automatically receive a Winter Fuel Payment. Of the 12 million payments made, over 6.5 million went to women. There is no data on the number of people in Black and Minority Ethnic groups who receive a Winter Fuel Payment.

Payment and Publicity

19. The majority of Winter Fuel Payments (over 95%) are paid automatically without the need to claim, therefore customers will not have to apply for the extra payments and as such there will not be an impact on existing customers.

20. Customers will be informed about the additional amount for winter 2009/10 via our annual Winter Fuel Payment publicity campaign which includes activities such as press advertisements, information on websites and leaflets. The Winter Fuel Payment notification letters and letters which go out with claim forms will be amended to inform customers about the additional amount for the year 2009/10.

Conclusion

21. In view of the information available we do not consider that customers will be unduly or adversely affected by this change, or that the proposed change will discriminate unlawfully (either directly or indirectly) on the grounds of race, disability, gender, age, sexual orientation and/or religious belief.

22. Winter Fuel Payments are non-contributory, non taxable and do not affect any other benefits. The change brings benefits to all customers who receive Winter Fuel Payment and to those who will become eligible for the first time.

Name and contact details of the officer(s) responsible for the assessment:

Darren Fellows
State Pension Division
2S25, Quarry House
Leeds

darren.fellows@dwp.gsi.gov.uk