# Liz Kendall signals possible u-turn on Winter Fuel Payment cuts amid Labour unrest



Liz Kendall, the Secretary of State for Work and Pensions, has found herself at the centre of ongoing debate and speculation regarding the controversial cuts to the Winter Fuel Payment for pensioners. These cuts, introduced by Chancellor Rachel Reeves in July 2024 as part of measures to address a substantial £22 billion budget shortfall, have been met with criticism from various quarters, particularly given their potential to push up to 100,000 additional pensioners into poverty each year.

In a recent interview with The Observer, Kendall did not dismiss the possibility of a u-turn regarding the cuts, reiterating the original principle that wealthy pensioners should not receive this benefit. She stated, “The principle that millionaire pensioners shouldn't get the winter fuel allowance is the right one.” Despite her support for this stance, discussions within the Labour Party about revising the thresholds for eligibility—the income cut-off of £11,500—remain ongoing. These talks come in the wake of significant political pressure following Labour’s disappointing performance in the recent local elections, seen by many as a direct consequence of the policy.

Critics have labelled the cuts a “poll tax" for retirees and have highlighted their implications for Labour's traditional voter base, particularly among older demographics. Some party insiders have expressed concern that the cuts are damaging the party’s relationship with its historically loyal supporters, as they disproportionately affect those just above the income threshold while leaving wealthier pensioners unaffected. The immediate fallout from the elections saw calls for reforms to minimise the impact on vulnerable pensioners, and the need for a strategy that ensures support reaches those who need it has never been more pressing.

Despite the government's insistence that these cuts are vital for fiscal stability, recent economic data presents a mixed picture. While growth figures show a slight recovery at 0.7 per cent and interest rates have been reduced, the ramifications of welfare cuts are stark. The Office for Budget Responsibility, which provides economic forecasts, has indicated that the government's approach may exacerbate poverty by risking the well-being of hundreds of thousands, including children, and widening the gap between rich and poor.

Additionally, the Labour Party has faced internal dissent from trade unions and party members, who have rallied against the cuts. At Labour’s annual conference, a non-binding vote reflecting this dissatisfaction demonstrated widespread opposition. Trade union leaders branded the cuts as a politically motivated error that neglects the most vulnerable while protecting the affluent.

Amidst this backdrop, various proposals have emerged within the party to revise the payment structure. Some suggest that a regional system of support that scales according to income could better serve all pensioners, ensuring that those in need are not left behind. Such solutions could help mitigate the damage caused by the current policy and restore some confidence among older voters who feel alienated by recent decisions.

As discussions continue, Kendall's position will be closely scrutinised, particularly as Labour seeks to navigate the complex landscape of public welfare amid economic pressures. The government's approach must therefore harmonise fiscal responsibility with the social commitments that underpin its mandate, or risk further alienating a vital segment of the electorate.

The coming months will be crucial as the government prepares for the autumn Budget, a moment that could either entrench the current cuts or pave the way for a reconsideration of the support offered to pensioners across the UK.

**Reference Map**- Paragraph 1: [[1]](https://www.birminghammail.co.uk/news/cost-of-living/dwp-boss-liz-kendall-breaks-31668981),
[[2]](https://www.ft.com/content/6f7a7808-a264-48cc-9042-3c74dbe26ad4)- Paragraph 2: [[1]](https://www.birminghammail.co.uk/news/cost-of-living/dwp-boss-liz-kendall-breaks-31668981), [[2]](https://www.ft.com/content/6f7a7808-a264-48cc-9042-3c74dbe26ad4),
[[3]](https://www.ft.com/content/dd421e3d-e439-4162-b6a0-5d0771f1cb17)- Paragraph 3: [[2]](https://www.ft.com/content/6f7a7808-a264-48cc-9042-3c74dbe26ad4),
[[3]](https://www.ft.com/content/dd421e3d-e439-4162-b6a0-5d0771f1cb17)- Paragraph 4: [[3]](https://www.ft.com/content/dd421e3d-e439-4162-b6a0-5d0771f1cb17),
[[4]](https://www.ft.com/content/017af330-78e2-4928-bff2-1d37dac27fa5)- Paragraph 5:
[[5]](https://apnews.com/article/067a6c18d7783a5ef1b2e256928841f8)- Paragraph 6:
[[5]](https://apnews.com/article/067a6c18d7783a5ef1b2e256928841f8)- Paragraph 7: [[6]](https://www.globalplayer.com/videos/2JsSbpENsam/),
[[7]](https://www.reuters.com/en/uk-wont-reverse-winter-fuel-payment-cuts-after-poor-election-results-pms-2025-05-06/)- Paragraph 8: [[1]](https://www.birminghammail.co.uk/news/cost-of-living/dwp-boss-liz-kendall-breaks-31668981), [[7]](https://www.reuters.com/en/uk-wont-reverse-winter-fuel-payment-cuts-after-poor-election-results-pms-2025-05-06/)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.birminghammail.co.uk/news/cost-of-living/dwp-boss-liz-kendall-breaks-31668981> - Please view link - unable to able to access data
2. <https://www.ft.com/content/6f7a7808-a264-48cc-9042-3c74dbe26ad4> - UK Prime Minister Keir Starmer and his government are considering a partial reversal of the controversial winter fuel payment cuts, which have significantly impacted up to 10 million pensioners by removing up to £300 in payments. Announced in July 2024 by Chancellor Rachel Reeves to address a £22bn budget shortfall, the policy limited eligibility to pensioners receiving income-related benefits. The cuts have been widely criticized, with some calling it 'Labour's poll tax,' and are believed to have contributed to Labour's substantial losses in the May 2025 local elections, including a key by-election defeat in Runcorn & Helsby to Reform UK. Some party insiders, including Welsh leaders, noted the policy’s negative effects on voter support, particularly among traditional Labour supporters. While official statements assert the policy remains in place, internal government discussions hint at potential changes, such as raising the income threshold, possibly in the autumn Budget. Starmer defended the cuts as necessary for economic stability, citing recent interest rate reductions and growth data. However, the issue remains politically sensitive, especially amid broader welfare reforms also facing internal opposition within Labour ranks.
3. <https://www.ft.com/content/dd421e3d-e439-4162-b6a0-5d0771f1cb17> - The UK government's decision to cut winter fuel payments is projected to push up to 100,000 additional pensioners into poverty each year, according to a Whitehall impact assessment. Liz Kendall, Secretary of State for Work and Pensions, revealed that the policy change could lead to significant increases in relative poverty among pensioners. Shadow Work and Pensions Secretary Helen Whately criticized the move, labeling it a political choice that would harm many older individuals in need. Anas Sarwar, leader of the Scottish Labour Party, proposed a regional system to ensure all pensioners receive some support, even if scaled according to income. This decision presents a political challenge for Prime Minister Sir Keir Starmer, who faces pressure from various organizations and members within his party to reverse the policy.
4. <https://www.ft.com/content/017af330-78e2-4928-bff2-1d37dac27fa5> - In the latest episode of the Political Fix podcast, Lucy Fisher and her colleagues discuss UK Chancellor Rachel Reeves' Spring Statement, which included significant spending cuts. While the government aims to manage the welfare budget, it risks plunging 250,000 people, including children, into poverty, and further cuts are anticipated in the autumn amidst worsening economic forecasts. The Office for Budget Responsibility (OBR) has presented more conservative estimates on savings from welfare changes, creating tension within the government. The podcast emphasizes the plight of welfare recipients and the political and social ramifications the cuts could bring for the Labour party. Economists predict that with limited fiscal headroom, further tax increases may be necessary. Additionally, the global uncertainty, driven by potential U.S. tariffs and economic turmoil, further complicates the UK’s economic outlook. Despite the challenges, the commentators highlighted the UK's potential for growth, with hopes pinned on technological advancements and the ability to implement necessary economic reforms.
5. <https://apnews.com/article/067a6c18d7783a5ef1b2e256928841f8> - Members of Britain's Labour Party have opposed Prime Minister Keir Starmer's decision to cut winter heating cost payments for retirees, marking a setback for his efforts to unify the party. The non-binding vote took place during Labour's annual conference in Liverpool and was led by trade unions. The unions criticized the cut, arguing it hurts pensioners while leaving the wealthy unaffected. Despite the government's promise to offset the cuts with other measures to aid the poor, the resistance signals internal challenges for Starmer, who has committed to making tough economic decisions to restore public finances.
6. <https://www.globalplayer.com/videos/2JsSbpENsam/> - In this video, Lewis Goodall challenges Work and Pensions Secretary Liz Kendall on an impact assessment from her department, which indicates that thousands more pensioners will be in poverty as a result of cuts to winter fuel payments. The discussion highlights the potential consequences of the policy change and the concerns raised by experts and the public regarding its impact on vulnerable pensioners.
7. <https://www.reuters.com/en/uk-wont-reverse-winter-fuel-payment-cuts-after-poor-election-results-pms-2025-05-06/> - The UK government, under Prime Minister Keir Starmer, has confirmed it will not reverse recent cuts to winter fuel and welfare payments, despite suffering losses in local elections. Labour Party members attributed the disappointing election results to public dissatisfaction over reductions in support for pensioners and the disabled. The cuts, implemented shortly after Labour came to power in July, eliminated universal winter fuel payments of up to £300 for many pensioners, unless they qualified for government benefits. Finance Minister Rachel Reeves defended the decision, citing the challenging financial situation inherited from the previous Conservative administration. Although The Guardian suggested the government might reconsider the policy, Starmer's spokesperson asserted there would be no changes. The government intends to announce further key policies in coming weeks, focusing on areas such as defense, housing, and immigration.