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Labour dares to take on Britain's boomers

New government pares back pensioner payments and vows to build more houses — but it's a big gamble.

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The Conservative Party has been especially wary of taking anything away from Britain's legions of older voters. | Matt Cardy/Getty Images

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BY ESTHER WEBBER

LONDON — Within weeks of taking office, Labour has signaled it's willing to rile up one of the country's most powerful interest groups: old people.

Chancellor Rachel Reeves made a surprise power move Monday as she announced the government would end universal winter fuel payments, axing a benefit to help with energy bills available to all pensioners regardless of income.

The chancellor said she had been forced into tough decisions because of the previous government's "deeply irresponsible" approach to spending — a claim angrily rejected by the Conservatives.

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But Labour isn't stopping there.

Deputy Prime Minister Angela Rayner outlined another of Labour's central pledges Tuesday, fleshing out a plan to build more houses by re-instituting top-down housing targets and freeing up "gray belt" land for construction. It's a move that could rankle well-off older voters who are already comfortably on the property ladder.

Both policies indicate a big shift in government thinking after previous administrations showed themselves reluctant to dismantle aspects of the status quo which predominantly benefit older people — whether it's the provision of non-means-tested benefits, or protecting existing homeowners from new housing development.

Scarlett Maguire from polling firm JL Partners spelled out why. "Politicians in recent history in this country have been living almost in fear of the gray vote," she said.

Generation game

The Conservative Party has been especially wary of taking anything away from Britain's legions of older voters, coming up with the promise of a "quadruple lock" to further protect state pensions during the election campaign and reacting with fury to the withdrawal of winter fuel payments.

Labour has not been immune from the same impulse, either. It set up the system of payments — aimed at alleviating pensioner poverty — in the first place under Tony Blair, and pledged to keep the triple lock on pensions in its most recent manifesto.

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“There's a very good reason for that,” says Maguire. “It's because they [older people] vote much more consistently in much greater numbers.”

Labour's apparent willingness to break free from that pressure was welcomed by campaigners such as Liz Emerson, director of the Intergenerational Foundation, who highlighted research by her organization which found three million over-65s are living in millionaire households, when housing and pension wealth are included.

She hailed Labour's announcement as helping to “rebalance the social contract between the generations.”



Chancellor Rachel Reeves made a surprise power move Monday as she announced the government would end universal winter fuel payments. | POOL photo by Jonathan Brady/AFP via Getty Images

The change has even won praise from some Tories who have long been calling for the party to broaden its appeal and offer more to working-age voters.

Liv Lever, director of Blue Beyond, a think tank focused on young Conservatives, said her cohort was “broadly supportive of moving away from policies that appease pensioners and create burdens on working people.”

She warned that her party needs to use the current leadership contest to “recalibrate their strategy” or risk limiting its appeal to only one generation.

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Gray clouds overhead

Taking on the pensioner class is not without its downsides, however.

Conservatives have already accused the government of acting callously, with former Pensions Minister Ros Altmann expressing “shock” that the chancellor had “chosen to take money away from some of the poorest people in this country.” Personal finance guru Martin Lewis, a household name in the U.K., has meanwhile warned that Labour's paring back of the benefit could be too stringent.

Labour has previously backed the principle of universal winter fuel payments — as in this recent letter by Chief Secretary to the Treasury Darren Jones — opening the party up to charges of hypocrisy by Tory opponents.

There is the potential for a backlash from the public too, since polling suggests voters in general — and particularly older voters — do not share the view that too much public money is directed at the over-65s.

With the country still facing a cost-of-living crisis, Maguire explains: “People of all age groups feel like they haven't got much money to spare, and so the sense that you are taking away anything from voters, even if they do have other streams of income, is a risky thing to do.”

Fresh from an election victory which handed them a stonking majority, however, Labour has clearly decided now is the right time to tough it out and take that risk.

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