**[Scotland’s public finances in 2022-23 and the impact of Covid-19](https://www.parliament.scot/chamber-and-committees/committees/current-and-previous-committees/session-6-finance-and-public-administration-committee/business-items/scotlands-public-finances-in-2022-23-and-the-impact-of-covid)**

**Scottish Parliament: Finance and Public Administration Committee**

August 2021

The economic impact of the coronavirus pandemic has been profound and will be long-lasting. The Scottish Government’s Budget for 2022-23 must ensure all groups of society, including older people, are involved in the economic recovery from the pandemic. The Budget must also ensure Scotland is prepared to meet the future needs of our ageing population.

**How should the Scottish Government’s Budget for 2022-23 address the need for a fair and equal recovery from the Covid crisis?**

The Budget for 2022-23 must prioritise efforts to reduce and tackle pre-existing inequalities in Scottish society. Covid-19 has had an unequal impact on the population, with people living in the most deprived areas more likely to die from the virus than those in least deprived areas. With the gap between healthy life expectancy for men and women in the most and least deprived areas at 25.1 years and 21.5 years respectively, there must be long-term investment in preventing ill health and tackling poverty.[[1]](#footnote-2) This is particularly the case as these figures don't take into account the impact of the pandemic which will almost certainly exacerbate this issue in the next few years.

**Fuel Poverty**

With the pandemic entrenching existing inequalities, tackling pensioner poverty will need to be a priority. The Scottish Government’s Budget should include measures to assist the 150,000 Scottish pensioners who are living in relative poverty.[[2]](#footnote-3) Even before the pandemic, fuel poverty impacted around 1 in 3 older households, roughly 222,840 households.[[3]](#footnote-4) It is likely that the need to stay at home during lockdowns and shielding may have pushed more people into fuel poverty.

Age Scotland’s Big Survey, which 3,562 people over the age of 50 responded to, found that energy bills were by far the greatest financial cause for concern, mentioned by 82% of respondents. In addition, two thirds of respondents (67%) said that the requirement to stay at home over the last year had resulted in higher home energy bills than previous years, with 13% struggling to pay increased bills and 38% taking measures to use less energy. The Scottish Government should provide more funding to energy efficiency schemes to help support homeowners to drive down domestic energy costs and protect the environment. The organisations and schemes available to help should be widely publicised in an accessible long-term national campaign across different platforms as well in a variety of languages in order to be accessible as possible.

**Health and social care**

Health and social care services have faced immense pressures since the start of the pandemic. However, many people may have been reluctant to seek medical assistance due to public health restrictions. These restrictions, combined with the disruption of medical services as priorities shifted during the early stages of the pandemic, have led to later diagnosis and treatment in some cases and a backlog of health operations and appointments.

Age Scotland’s Big Survey found almost two thirds of respondents reported they had been less active since the start of the pandemic and around half were worried they’d lost strength and mobility due to spending more time at home. Deconditioning may result in loss of muscle strength, balance and overall mobility which could leave people more vulnerable to falls and more likely to require social care support.

Too often social care has been overshadowed by the NHS in terms of funding, but the two work together in tandem. The National Care Service will see social care treated as an investment in the nation. A National Care Service should also better support unpaid carers, who go above and beyond in their caring roles and are often relied on to keep the system afloat.

**Loneliness and social isolation**

Our research has also found that around 218,000 older people in Scotland feel lonely most or all of the time. Chronic loneliness can significantly raise an older person’s risk of heart disease, dementia, and depression. While Government commitments to tackle loneliness and social isolation, including the £10m Tackling Loneliness Fund, are welcome, efforts to reduce loneliness must be regarded as an investment in preventative measures.

With the number of over 65s in Scotland increasing by 256,000 in the last 20 years, the health, social care and housing needs of Scotland’s ageing population must be met in the Scottish Government’s Budget.[[4]](#footnote-5) Scotland’s ageing population will, on average, be spending a greater proportion of their life in poor health. Our health and social care services must adapt to enable more people to live independently and well for as long as possible as they grow older. Implementing measures to help older people stay well for longer will improve quality of life immeasurably and are a valuable investment rather than a cost.

**How should the Scottish Government's Budget address the different impacts of the pandemic across age, income and education groups and across places?**

Covid-19 has had a devastating impact on the health and wellbeing of older people in Scotland, demonstrated by the fact that almost 90% of deaths have been among those over the age of 65.[[5]](#footnote-6) The challenges older people have faced since March 2020 have been considerable and wide reaching, including the level of loneliness, particularly for those who shielded or live alone.

We consider the pandemic to have intensified ageism across our society. Ageist attitudes towards older people have been prevalent through the past year, whether that be through comments about their “expendability” or concerns about access to medical treatment. It is worth noting that ageism affects people of all ages, and there has been similar castigating of young people as Covid-19 “super-spreaders”. The Scottish Government should be mindful about the negative impact of narratives focused on intergenerational conflict and strive to avoid these. The Budget should not disadvantage any one group or encourage feelings of hostility towards them.

**Housing**

Central to addressing the impacts of Covid-19 within the next Scottish Budget, is improving the access for older people to live within their homes, with the associated support to ensure they are warm, affordable and safe to live in independently for as long as possible. Fundamentally one of the core issues that must be addressed here, is appropriately resourcing funding to local authority services to facilitate this, whether through Care and Repair Services, energy support schemes or local authority led housing provision within the community.

Looking forward, funding to local authorities will remain as equally important, specifically for planning and building departments, to ensure they can appropriately plan and develop new places and enhance existing community structures to ensure core placemaking principles, such as 'twenty minute neighbourhoods' and the 'Place Principle' are adopted. Placemaking initiatives such as these will help ensure communities are well connected, as well as providing local services which will ultimately help older people to live longer independently.

**Older Workers**

In common with younger people, older workers have been impacted by the pandemic. Research by the Institute of Fiscal Studies and the Centre for Ageing Better has found that workers over 65 were 40% more likely to be furloughed in late April 2021 than those in their 40s.[[6]](#footnote-7) As the furlough scheme comes to an end, there could be a sharp rise in the number of older jobseekers, while others are forced to retire earlier than planned with insufficient pension savings.

A third of the Scottish workforce are now over 50 and there are twice as many over 65s in employment in Scotland today compared to 10 years ago. This number is set to rise as changes to state pension age make working beyond 65 more common. However, older workers who lose their jobs often find it difficult to secure a new job, or a role at a similar level.[[7]](#footnote-8) This puts them in a vulnerable position as they approach retirement and could mean they end up living for longer with a lower income, contributing to levels of pensioner poverty. The budget should seek to ensure that support for older workers are similarly considered as we recover from the impact of Covid-19.

**Digital Exclusion**

Although the pandemic has led many of us to connect in different ways with family and friends using platforms such as Zoom, not everyone is online. For the half million over 60s without the internet the Scottish Government should be mindful about creating inequality stemming from the reliance on digital means of providing services in the upcoming Budget.[[8]](#footnote-9) This is also a particular issue for rural communities where connectivity is poorer.

**Want to find out more?**

As Scotland’s national charity supporting people over the age of 50, Age Scotland works to improve older people’s lives and promote their rights and interests. We aim to help people love later life, whatever their circumstances. We want Scotland to be the best place in the world to grow older.

Our Policy, Communications and Campaigns team research, analyse and comment on a wide range of public policy issues affecting older people in Scotland.

Our work is guided by the views and needs of older people themselves.

**Further information**

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1. <https://www.nrscotland.gov.uk/news/2021/healthy-life-expectancy-decreases> [↑](#footnote-ref-2)
2. <https://www.gov.scot/news/poverty-and-income-inequality-increasing/> [↑](#footnote-ref-3)
3. Age Scotland, <https://www.ageuk.org.uk/scotland/our-impact/policy-and-research/political-briefings/national-housing-survey/> p39 [↑](#footnote-ref-4)
4. <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates/mid-2020> [↑](#footnote-ref-5)
5. <https://www.nrscotland.gov.uk/covid19stats> calculated using data as of week 28 of 2021 [↑](#footnote-ref-6)
6. <https://www.ageing-better.org.uk/news/end-furlough-likely-be-particularly-tough-older-workers> [↑](#footnote-ref-7)
7. <https://www.gov.scot/binaries/content/documents/govscot/publications/factsheet/2017/06/partnership-action-for-continuing-employment-clients-over-50/documents/pace-services-experiences-clients-aged-50-pdf/pace-services-experiences-clients-aged-50-pdf/govscot%3Adocument/PACE%2BServices%2B-%2Bexperiences%2Bof%2Bclients%2Baged%2B50%252B.pdf> [↑](#footnote-ref-8)
8. <https://www.gov.scot/publications/scottish-household-survey-2019-key-findings/pages/9/> [↑](#footnote-ref-9)