

Parliamentary Briefing

Spring Budget Response 2023

Introduction

This past winter has been difficult for older people dealing with the rising cost of living and an increasingly stretched NHS and care service. The cost of living pressures and soaring energy bills have stretched household finances, with older people on low and modest incomes forced to make decisions that could jeopardise their physical health and well-being. While we are pleased to see the extension of the Energy Price Guarantee, the Spring Budget was a missed opportunity by the Chancellor to fund social care.

In response to the Spring Statement, Caroline Abrahams, Charity Director at Age UK said:

“The standout measure for older people in the Budget was the thoroughly welcome decision to extend energy bill support to June, which Age UK and many others have been campaigning for. This allays older people’s fears about their fuel costs going even higher, but of course it does not bring them down from their current unprecedented high, leaving many on low incomes in an extremely difficult position. When the triple lock kicks in this April it will be of enormous help, but we remain deeply concerned about how some older people will manage financially as they simply can’t tighten their belts any further. They will need further support.

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Energy/charity sector support:

Age UK welcomes the decision to extend the Energy Price Guarantee (EPG) at its current level until the end of June, keeping typical bills at around £2,500. While this is positive, real relief will only come when costs begin to fall. The reality is that fuel poverty rates will still get worse over the spring as prices are double what they were two years ago and the additional £400 the Government delivered this winter comes to an end. Ongoing support will be required to avert an even more difficult winter ahead. The Government must introduce a long-term solution to the energy crisis for the poorest households and implement an energy social tariff to provide protection for those that need it most.

Prepayment meter (PPM) users pay a premium to access their supply when compared with Direct Debit customers. The Chancellor committed to ending this practice during the Budget. While we strongly support this decision, we are concerned that the measure is only temporary – lasting until

the EPG ends. It will then be left to Ofgem to recommend how best to address it in the longer-term. This transfer of responsibility to the regulator risks leaving PPM customers paying the premium for years to come. Age UK wants to see a permanent end to the PPM premium and an amnesty to allow customers paying in this way to move away from PPMs. We'd also like to see a continued ban on forced installations.

Finally, the Chancellor's £100 million backing for frontline charity services is very welcome and will help protect charities providing frontline support from spiralling costs. Charities have been faced with growing demands on their services from people seeking advice and support to manage the cost of living crisis whilst at the same time having to cope with rapidly rising running costs. Ensuring this money is delivered effectively to sector colleagues is crucial to safeguarding local services and we look forward to working with the Government to ensure this is achieved.

Age UK would like to see:

- Ongoing energy bill support, which will be required to avert an even more difficult winter this year.
- The Government must introduce and directly fund an energy social tariff, providing a 50% discount on energy bills for those most in need, which automatically enrolls eligible households, is mandatory for all suppliers, and sits alongside - rather than replacing - existing support
- Permanently end the PPM premium and provide an amnesty allowing customers to move away from paying in this way, as well as a full ban on forced PPM installations.

Mid-Life MOTs and employment:

We are pleased that the Government is committed to rolling out Mid-Life MOTs nationally, and increasing the number of people for whom they are available. Mid-Life MOTs are a useful intervention as people approach the later years of their working life, and can assist with training, career progression and health and financial well-being. To be useful they also need to link people to other Government services, for example, Pension Wise or re-training opportunities, and to be accepted and encouraged by employers.

Age UK would like to see:

- The Government should invest in improving back-to-work support for the over 50s, create more opportunities for flexible working, and offer more support to enable carers to remain in the workplace.

Health:

We welcome the Government's ambition to support people with musculoskeletal (MSK) conditions to remain in or return to work. 50% of people aged 50-69 years, and 62% of those aged 70+, are living with an MSK condition, compared to 26% of people aged 25-49 years.¹

Given the concentration of musculoskeletal conditions in the 50+ population, the success of these ambitions must be measured in large part against outcomes for this group of workers. As such,

¹ Global Burden of Diseases <https://ghdx.healthdata.org/gbd-results-tool>

activity on MSK conditions should be integrated with the commitments made in the Budget to older workers.

MSK conditions are not the only reason people 50 and above leave the workforce, but they play a significant part and, in some cases may be the catalyst for things like deteriorating mental health. Failing to make adjustments or offering alternatives to physical work can all play into this, so there should be a coordinated response across these proposed programmes. For example, WorkWell must seek to address multiple barriers to work, including specific support to address ageism and other age-related barriers, as well as links to good quality, age-appropriate training opportunities.

This all equally applies to the mental health components of these ambitions. We are just as likely to experience common mental health problems in later life and those seeking to remain in or return to work regardless of their age should be able to access this support. There are some concentrations of severe mental health problems in people over 50, with the highest rates of suicide since 2010 being men aged 45-64². Overall, the highest rates are for people aged 45-54³. These are individuals that require specialist support but help to demonstrate the mental health burden in older age groups.

We understand the benefits that could accrue from the availability of free, digital resources to support people's mental health. However, there must be an alternative for those that do not have access to these resources. It is also important that assuming older people cannot access digital resources does not act as its own barrier, therefore there's an important balance to strike.

Age UK would like to see:

- The right to flexible working from day one of employment
- Reasonable adjustments for people with health conditions
- Support and alternatives for older people who are digitally excluded (i.e. apps and other digital resources cannot be the only way for people to access the support that they need); this extends across MSK conditions support and mental health with particular attention paid to rates of access to NHS Talking Therapies.

The Health and Disability White Paper:

This White Paper sets out major future changes to the benefits system. Among those affected will be ill or disabled people in their 50s and early 60s who can face difficulties working until their State Pension age of 66 or older. It is right to improve support to help people stay in, or return to work, but it must be recognised that work is not appropriate for everyone. We have concerns that the changes will result in lower benefit rates for some people who are unable to work but who do not qualify for Personal Independence Payment.

Age UK would like to see:

² ONS (2022), Suicides in England and Wales: 2021 registrations
<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/suicidesint heunitedkingdom/2021registrations>

³ *Ibid.*

- Adequate financial support for those who are unable to work due to ill health or disability.

Get in touch

If you have any questions or would like to meet to discuss anything mentioned in our briefing, please contact, Roshni Mistry, Senior Public Affairs Officer, at roshni.mistry@ageuk.org.uk.