

What older people are looking for from the Autumn Statement

Age UK Parliamentary Briefing

October 2022

Age UK's position

We are incredibly worried about the challenges facing older people this winter and beyond. With the cost of food and energy increasing and the Energy Price Guarantee set to end in April, pensioners on low and modest incomes are confronting the fact that basic needs and services are beyond their means. The Government must stand with older people during this difficult period.

The Government has committed to the triple lock, but older people are very anxious that having paused it once, this might happen again. Anything less than an increase in line with inflation will leave many older people, already struggling with rising costs, feeling desperate. The poorest pensioners rely on Pension Credit, and many older people receive other benefits due to be uprated in April. All benefits must be uprated in line with inflation, or the poorest will be facing huge hardship.

Many older people also depend on being able to access quality health and social care. With the quality and availability of these services already severely compromised by shortages in funding and staff, an urgent rescue package and support plan is needed to see our health and care system through the winter.

This briefing sets out 6 core aspects that need to be addressed to support older people:

- The triple lock
- Benefits
- The cost of living
- Social care
- The NHS
- State Pension age

The triple lock

The State Pension is the largest source of income for most older people, but on average, yearly payments are less than £9000. Last year the Government suspended the earnings element of the triple lock for one year, instead increasing it by 3.1% in line with September 2021's rise in the Consumer Prices Index (CPI).

Since then, inflation has risen steeply, and September's 3.1% increase has left pensioners struggling with rising prices alongside spiraling energy costs. With inflation this September at over 10%, it's essential that the Government reinstates the triple lock. Anything less equates to a real terms cut of the State Pension at a time when many pensioners already aren't able to pay their bills and cover the costs of everyday essentials. Uprating the state pension by earnings rather than inflation this year would leave pensioners £400 worse off each year (on average), more than undoing any benefit from the Pensioner Cost of Living payment.¹

Age UK asked our older supporters for their priorities from the Prime Minister in the summer and 57% said the triple lock is their number one priority. Older people will be anxiously looking to the Government to reinstate the triple lock.

¹ Age UK analysis of average weekly payment for people receiving a State Pension (DWP benefit statistics: August 2022) uprated by ONS earnings & inflation figures

What is needed?

- It is imperative that the Government keeps the 2019 Manifesto commitment to the triple lock and reinstates it from April, for at least the rest of this Parliament

Benefits

Many lower income and/or disabled older people are reliant on benefits such as Pension Credit and Attendance Allowance. Furthermore, not all elements of the State Pension are uprated by the triple lock. We urge the Chancellor to use the fiscal statement to confirm that all parts of the State Pension and all social security benefits will increase in line with September's Consumer Prices Index (CPI) of 10.1%.

We are not only concerned with a fair uprating for people who are over State Pension age – Age UK also hears from people in their 50s and early 60s who are not able to work up until State Pension age due to ill health or unpaid caring responsibilities and are struggling to manage on benefits such as Employment and Support Allowance, Universal Credit and Carer's Allowance.

What is needed?

- All elements of the State Pension and all social security benefits need to be increased in line with inflation next April, to help people meet their essential ongoing costs. Anything less is a real terms cut on the poorest.
- Further and tailored support is needed for older jobseekers as well, as better workplace support and flexibility would help older people stay in work for longer.

Cost of Living

Even with the Energy Price Guarantee (EPG), the typical annual energy bill has still doubled compared with last year. 29% (2.8m) of older households in England will be in fuel poverty this autumn and winter, compared to just 10% only a year ago. That is an additional 1.8 million older households spending a tenth or more of their post-tax income on energy².

With the existing cost of living support set to expire in March and the announcement that the EPG will now end in April, the Chancellor must make good on his promise to deliver for vulnerable households come spring – ensuring that all pensioners experiencing financial difficulty receive the support they need.

The charity sector is also under enormous pressure as demand continues to increase, particularly for those supporting people and communities in some of the most deprived parts of the country. Frontline services across the sector are struggling to cover their costs and keep the lights on, making it increasingly difficult to deliver lifesaving services to the people who need them most.

What is needed?

- Ensure equal access to the EPG and Energy Bills Support Scheme is provided for all residential households regardless of living circumstances and how they pay for their energy. This must include off grid households relying on oil, coal and bottled gas.
- Radically increase household insulation grants for those on the lowest incomes, including plugging the £1.4 billion gap in Home Upgrade Grant funding.
- Protect frontline charity services by delivering ongoing focused support to the sector after the Energy Bill Relief Scheme expires in March by providing grant schemes.

² <https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/estimating-the-impact-of-the-energy-price-guarantee-epg-on-older-households-in-england-september-2022.pdf>

Social care

Difficulties sourcing appropriate care at home, residential care near friends and family, funding challenges and long delays in receiving assessments and reviews are now common, if not universal, experiences of older people. Difficulty finding appropriate care is leaving many older people languishing in hospital for weeks or even months after they are fit to leave, often resulting in irreversible deconditioning.

Unpaid carers have come under extreme and unsustainable pressure trying to fill the gap at huge cost for their own health and long-term financial security.

Urgent action is needed from the Government to shore up social care services as rising costs pile further pressure on a sector already grappling with a major workforce crisis. In the midst of a cost-of-living crisis it is also imperative that rising costs are not pushed on to self-funding service users or through local authority service charges – otherwise we fear older and disabled people will have no choice but to go without essential care and support.

Media reporting has suggested the Government may postpone the implementation of the cap on care costs for a year. Although the cap only tries to address one aspect, the problem of unlimited care bills, it is a start and something to build on for the future. Failure to implement even such a modest change will alarm many older people and their families who have seen plans and promises to fix social care kicked into the long grass time and again. Many will be fearful that yet another delay signals that social care is being deprioritised once more.

What is needed?

- A significant rescue package and support plan to see social care through the winter. Local authorities urgently need additional funding to address the growing backlog of assessments and stabilise the social care sector. Any package must also be significant enough to address chronic shortages of social care staff through improving pay and conditions, and help with other cost pressures such as food, energy and medical supplies. New funding is also urgently needed to support unpaid carers to ensure they can carry on.
- A commitment to implement comprehensive plans to put social care on a sustainable path for the future, ensuring all older people can access high quality care when they need it and alleviating pressures on the NHS.

Unprecedented pressures on the NHS

The NHS is facing unprecedented challenges this winter. There are now millions of older people waiting for treatment, struggling to see their GPs, access community or mental health services or fearing they can no longer rely on a timely response in an emergency. At the same time, cost pressures associated with Covid and the impact of inflation means the NHS is facing real world reduction in budgets. On current forecasts the NHS budget is set to be 2.2% lower in real terms in 2024-25 than it was in 2021-22 – the first multi-year funding squeeze the service has seen since the 1950s – and could have to find savings of as much as £20bn over a three-year period at a time when demand is continuing to rise.

There is a real danger that older people will be left to cope with deteriorating health just as we head into the most difficult time of year. We know frailer older people and those living with multiple health conditions are at particular risk of preventable hospital admissions – the Government must act now to help older people stay safe and well this winter, avoiding unnecessary admissions wherever possible.

What is needed?

- Targeted extra support for the NHS to enable it to sustain essential services throughout winter. This must include a major ramping up of services that support vulnerable older people and other high intensity service users to stay safe and well at home, and urgently releasing details of how the £500 million discharge fund will be allocated, to allow systems to implement their plans now and improve flow through hospitals.
- A commitment to ensure the NHS receives the funding it needs to maintain existing services underpinned by a fully funded long term workforce plan and the capital investment required to ensure those services can be delivered.

State Pension Age

Recent speculation surrounding the bringing forward of increases to the State Pension age is a cause for concern at Age UK. We see no justification for further rises at present given that improvements in life expectancies have stalled, and inequalities seem to be widening.

The Government is currently reviewing the State Pension Age and an announcement is expected before May next year. In coming to its decision, the Government must consider those who are having difficulty working up until their late 60s or beyond. To enable people to stay in work longer, the Government needs to amend the existing legislation to improve access to flexible working, and to implement the promised system of Carer's Leave as soon as possible. For those who are unemployed, the Government needs to deliver more targeted support for older jobseekers.

Many workers in their 60s experience ill health or caring responsibilities, which can make working in the run up to State Pension age impossible. When people are not realistically able to return to the workplace, we believe they should be able to access their State Pension three years early to ease the transition – without this financial support, many will be unnecessarily and unfairly consigned to several years living in poverty.

What is needed?

- Any increases in State Pension age must give people sufficient notice to prepare – we believe this should be a minimum of 10 years. An increase should only be brought in with mitigating measures for those who will be disproportionately affected – those unable to work due to ill health or caring roles.

Get in touch with us

If you have any questions or would like to meet to discuss how you can help older people in your constituency, please contact Roshni Mistry, Senior Public Affairs Officer, at roshni.mistry@ageuk.org.uk.