Consultation Response

Autumn Budget 2025: Age UK Submission

October 2025

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1. About Age UK

Age UK believes every older person should be included and valued. We work locally, nationally and internationally to make that happen. Together with our network of partners (including Age International, Age Scotland, Age Cymru, Age NI and around 120 local Age UK organisations) we're changing the day-to-day experience of getting older through essential services and local support. We transform older people's wellbeing in the ways that matter most to them whether that's getting online or becoming more active.

Our work focuses on ensuring that older people have enough money; enjoy life and feel well; receive high-quality health and care; are comfortable, safe and secure at home; and feel valued and able to participate.

2. Introduction

Age UK recognises the serious constrained fiscal environment and the difficult choices facing the Treasury at this Budget. But the country faces the challenge of an ageing population, which brings its own financial implications if not addressed; implications that will only compound over time. The Government must find a way to fund long term reforms with this Budget, else decisions will be even harder in 5 or 10 years' time. While more people living longer is a wonderful thing, this demographic shift presents challenges that require coordinated, cross-departmental commitment and energy to address. Meeting the challenges of our ageing population and properly funding long term reforms should be central to the Government delivering its ambitions.

3. Key recommendations

- **An NHS funding settlement that will fully support the creation of integrated Neighbourhood Health Services in every local area**, with older people as a priority cohort.
- **The implementation of a fully funded Fair Pay Agreement for care professionals and funding set aside to lay the foundations of the Casey Commission** in preparation for accelerating publication of a final report in 2027.
- **Funding for the continuation of the Warm Home Discount scheme beyond April 2026** and the prioritisation of resources towards additional targeted energy support.
- **Steps taken to help older workers to remain in the workplace**, including by introducing paid Carer's Leave, more flexible working rights and investment in support to get unemployed older workers back into work.
- **The Government to build on the 'Digital Inclusion Action Plan: First Steps'** by setting out national standards for digitisation, assisted digital options and off-line alternatives for accessing public services, and to lead and co-ordinate a strategic approach to promoting digital inclusion.

4. Health and social care

The health and social care system in England is struggling and older people are bearing the brunt of its shortcomings. As the population ages rapidly, with over 22 million people now aged 50 and over, demand for care is rising. After years of healthy life expectancy increasing, it is now falling, and inequalities are deepening. There is growing reliance on unpaid carers and many older people lack the support they need to live well.

We continue to see escalating fiscal pressures across health, social care, and local government, with rising demand, workforce shortages, and growing inequalities already driving inefficiencies and avoidable expenditure.

The 10 Year Health Plan is exactly the sort of long term strategy that Age UK has been calling for. We stand ready to support the Government in the transition, with the necessary next step being the funding to make the Plan a reality.

4.1 Investing in community care and support

Achieving the shift from hospital to community-based care will mean proper investment in the Neighbourhood Health programme. Currently, services such as falls prevention, frailty care planning, rehabilitation, and community-based support remain underfunded and fragmented. These are all contributing to over 1.1 million emergency admissions of older people, an increase of 100,000 from the same data point in Lord Darzi's 2024 review of the NHS. These admissions are avoidable, not inevitable, but will maintain the norm until well-funded community care is able to provide earlier intervention.

What Age UK would like to see:

- The Government to commit increased funding for local government and Integrated Care Boards so as to realise the potential of the Neighbourhood Health Programme.
- The Government should also set clear expectations that pooled funding (Better Care Fund spend) should support effective and sustainable partnership working with VCSE and social care providers.

4.2 Ending corridor care

Corridor care (the practice of treating patients in hospital corridors and other unsuitable spaces) is a dangerous, undignified and increasingly normalised phenomenon, due to systemic failures in urgent and emergency care. It disproportionately affects older people, many of whom are seriously unwell, living with frailty, or nearing the end of life.

In total, 1.1 million A&E attendances by people over 60 resulted in a wait of 12 hours or more. These long waits in temporary care environments are leading to poorer health outcomes, higher mortality, and distress for patients and staff alike.

This is not only a moral and clinical failure but an economic one: corridor care drives inefficiency, increases demand for costly late-stage interventions, and contributes to staff burnout and attrition.

What Age UK would like to see:

- A fully funded operational plan to end corridor care and long A&E waits, with deadlines and milestones.
- An NHS funding settlement that will fully support the creation of integrated Neighbourhood Health Services in every local area, with older people as a priority cohort.
- Commitment to sustained funding to scale up preventative services, including intermediate care, reablement, and voluntary sector-led support, as part of a joined-up strategy to keep older people well, independent, and out of hospital.

4.3 Local authority funding

Councils continue to face very significant challenges in meeting their statutory responsibilities, and older people and family carers are very often greatly impacted. Local government funding is inadequate to meet the needs of our ageing population and is diminishing any realistic hope of delivering public health and preventative activities.

Local charities providing vital services are extremely stretched and face a raft of challenges, including increases in both costs and need, while seeing below inflation increases in contract funding, making it very difficult for them to keep going.

The reduction and closure of voluntary sector services, which unfortunately has been widespread over the past year, has begun to have a serious impact on statutory services, the NHS and ultimately the groups that these charities exist to support.

We are calling for more financial help to be made available to local charities so they can continue to provide vital support to older people and their families and unpaid carers. It is also imperative that contracts with local charities reflect the increased cost of delivery so that these essential health and care services continue to be available to older people.

What Age UK would like to see:

- A consistent and substantial multiyear financial settlement for local authorities to support the restoration of depleted community assets that many older individuals depend on to maintain their wellbeing and activity. This funding should also enable investment in voluntary sector support, services addressing low to moderate needs, early intervention initiatives, and strategies to reduce unmet social care needs.

4.4 Social Care

Demand for care rises each year, and yet social care is now having to be prioritised for people with the most complex needs and the least assets. Meanwhile, demands placed on mid and later-life carers increase, perpetuating economic inactivity in a growing group that simply are not able to participate fully in the workforce.[i] Real attention and reform are needed in social care to reverse these trends.

The recently announced £500 million package to support the introduction of a Fair Pay Agreement (FPA) is a welcome step, but we believe efforts to implement it should be accelerated, with rapid interim steps to mitigate changes to immigration rules.

Staff vacancies in social care peaked in 2021/22 and were only partially rescued by large numbers of overseas workers. To effectively address the workforce crisis, a more substantial revision of pay structures—aligned with the NHS Agenda for Change pay scales—and recognition of the increasingly complex nature of care work are needed. Establishing mechanisms to professionalise the sector are also essential to achieving lasting improvement.

The Independent Commission on social care, led by Baroness Casey, presents an opportunity to radically change how our social care system works so that it better serves older people and family carers. The transformational change that is needed will not come for free, however, and it will need a final funding settlement that fully establishes a future for an effective care system.

We are recommending that Baroness Casey's final report be brought forward to 2027 and for there to be an immediate injection of funding to lay the foundations in the forthcoming year. The net gain for the economy will be more economically active people, more efficient use of NHS funding, and reduced future need.

What Age UK would like to see:

- The implementation of a fully funded Fair Pay Agreement for care professionals, prior to the introduction of restrictions on overseas recruitment for social care roles, to prevent a prospective workforce crisis.
- Funding set aside to lay the foundations of the Casey Commission in preparation for accelerating publication of a final report in 2027.

5. Energy

The cost of affording essentials remains a big issue for many older people. In July 2025, Age UK asked its supporters which household cost the Government should prioritise when it comes to tackling the cost-of-living crisis. More than 2 in 3 (68%) of the 22,343 respondents pointed to energy bills in their response.

The cost of living, and particularly the cost of heating their home, has worsened in the past year. In March 2025, polling from Age UK revealed that among people aged 66+ in the UK:

- One in 3 (34%) said they felt less financially secure heading into 2025 compared to when 2024 began – equivalent to 4.1 million people. This includes nearly four in 10 (38%) carers.
- Four in 10 (41%) said they have cut back on heating or powering their home – equivalent to 5 million people. This includes nearly half (48%) of older people with a disability.
- Nearly one in four (23%) said their home is colder than they would like it to be 'all the time' or 'most of the time' – equivalent to 2.8 million people.

In considering how to address the cost-of-living, Age UK believes that the Government should prioritise targeted support over universal measures such as removing VAT (5%) from domestic energy bills.

Age UK welcomes the expansion of the Warm Home Discount (WHD) scheme, which means that 3 million additional households will receive a rebate this winter. The proposals to continue the WHD scheme beyond its current expiry date of 2026 also propose to keep eligibility at an expanded level.

The cost of expanding the WHD scheme to an additional 3 million households is being met by an increase in the energy price cap. For the average household, this will mean a £15 increase in their annual energy bills. With the value of the rebate remaining at £150, the level of support for existing recipients of the WHD – including older people on Pension Credit – is effectively decreasing, even though energy prices are higher than they were last winter.

For as long as energy bills remain unaffordable, there is a need for government intervention to ensure that older people, as well as other groups including those living with a disability or long term health condition, can keep warm through the winter. Age UK recommends that any interventions aiming to address the high cost of energy prioritise supporting consumers on the lowest incomes. Money spent ensuring older people can stay warm, well and independent in their homes would pay off by reducing the burden on the NHS and social care.

Age UK also welcomes the release of the Warm Homes Plan, aiming to upgrade 5 million homes by the end of this parliament, as well as the updated Fuel Poverty Strategy for England. The £13.2bn of funding behind the plan will be instrumental in addressing the affordability pressures faced by older households, and in meeting the statutory fuel poverty target. For government targets to be achieved, it is vital that plans for improving retrofitting schemes such as the Energy Company Obligation (ECO) are expedited to ensure that there is no slowdown in the number of homes being lifted out of fuel poverty.

What Age UK would like to see:

- The continuation of the Warm Home Discount scheme beyond April 2026.
- Government to prioritise any available funding for additional targeted energy support rather than the introduction of universal bill-cutting measures.
- A new iteration of the ECO scheme, or successor scheme, to avoid a slowdown in efforts to upgrade cold, damp and unsafe homes.

6. State pension and benefits

Age UK welcomes the Government's commitment to uprating the State Pension via the triple lock for the duration this Parliament.

There is great variation in the State Pension incomes people receive, with many receiving less than the full value of the new State Pension. Indeed, 64% of State Pension recipients receive the pre-2016 State Pension. More importantly, many are struggling financially with the persistently high cost of living and need a decent State Pension income. This is especially true of the 1 in 8 people fully reliant on the State Pension and any other state benefits, and those with low value (basic) State Pensions. Older people are increasingly seeing their State Pension subject to income tax because of the frozen income tax personal allowance. For 2024/25 we estimate that 1.2m recipients of the basic State Pension are in this situation. For someone just receiving the full new State Pension and nothing else, this will become taxable by 2027-28.

There continues to be a persistent and significant problem with take-up of Pension Credit. Through Age UK's work supporting people with benefit claims we know that receiving Pension Credit is life-changing for people struggling to meet their basic needs. Since the initial Winter Fuel Payment (WFP) policy reform announced in July 2024 there has been an increase in Pension Credit awards. Comparing the period between the means-testing announcement and May 2025 with the comparable period the previous year, there was a 57% increase, or 58,800 extra awards. This is very welcome but there are limits and it would be a mistake to think the issue has been solved. The wider context is that 700,000 households are eligible but continue to miss out on Pension Credit (as of 2022/23, the most recent estimate), so the overall impact is limited. And this was a one-off spike in applications because of the WFP decision – it won't be repeated or stay elevated.

The DWP is working on some promising initiatives, including targeting Housing Benefit recipients with Pension Credit information, and merging Pension Credit and Housing Benefit applications. These are very welcome but have limitations to their impact, in that they target renters when many people missing out are not renters.

What Age UK would like to see:

- The triple lock to continue to be protected for the duration of this parliament.
- The Pensions Commission to develop long-term and sustainable ways to ensure that everyone – including those reliant on the State Pension – has a decent income that provides security, independence and wellbeing in later life. It should factor in the fact that State Pension income is increasingly subject to income tax.
- Resources put behind a sustained and strategic approach to tackle the persistently low take-up of Pension Credit and other pensioner benefits. There is a need to go beyond public campaigns and to look at increased data sharing and targeting; integration of benefit claim lines; an impactful merger between Pension Credit and Housing Benefit; and sustainable support for benefit advice services, all underpinned by a strategy and action plan.

7. Private pensions

Age UK warmly welcomes the creation of the Pensions Commission and look forward to engaging with it. In the meantime, as HM Treasury considers whether to make reforms to any aspects of tax or pension contributions, we urge them to be mindful of their impact on pension saving, in particular for people on low and modest incomes. Private saving is a crucial top-up for many lower earners and changing this in the wrong way could lead to poorer outcomes in retirement, and even a greater reliance on State benefits for some.

Many people have saved over their lifetime, expecting to claim 25% of their defined contribution pot as a tax free lump sum. Altering this will be fraught with difficulty and is likely to leave many people approaching retirement disappointed, while some will be put in a difficult financial position.

8. Employment

The well-documented issues affecting older workers in recent years, notably the increase in economic inactivity among people in their 50s and the fact that the State Pension age (SPa) will rise (again) to 67 over the next couple of years, have made investing in support for older workers an economic imperative.

In terms of flexible working, recent measures, including the legislative changes to the Right to Request flexible working process and the introduction of unpaid Carer’s Leave, are welcome steps in the right direction. Older workers who might be looking to come back into the labour market consistently report flexible working as being the main factor they look for ahead of any potential return. We believe this can be strengthened further to make work viable for a greater number of people and so welcome the Government’s commitment to improving the Right to Request through the Employment Rights Bill. We believe that flexible working should be available by default, which would open up flexibility to many people who currently find it difficult to access, including unpaid carers and people with other needs.

This would require greater HR support for small businesses, in particular identifying and implementing different flexible working options. This could be achieved by the Department for Business and Trade (DBT) building on the work of its Flexible Working Taskforce, of which Age UK is a member, and helping employers to embed good practice. HMT should ensure that DBT has the funding necessary to deliver these priorities and should set up a small fund designated for this.

With the SPa rising to 67 from 2026, providing adequate support for people to stay in work, as well as to get back in, is crucial. The previous SPa rise from 65 to 66 led to an increase in poverty among people aged 65, and it is crucial that the Government extends support to help people manage the transition to retirement. [ii] We look forward to the recommendations of the Mayfield Review into economic inactivity linked to ill health and disability.

Unemployed over 50s are more likely than younger age groups to be long-term unemployed (more than 12 months). Of those unemployed, 30% of people aged 50-64% were long-term unemployed in 2024, compared to 25% of people aged 35-49. This is the result of the additional barriers this age group face; for example, ageism and chronic health conditions. The Government must ensure that there are sufficient resources to improve people's workforce skills and help them to overcome these challenges, and that employment support providers are sufficiently skilled at helping unemployed over 50s back to work, especially when they have been out of work for some time.

We also believe that the Government should ensure that those who realistically are not going to move back into work (people who have been ill, disabled, providing unpaid care or out of work for longer periods) become eligible for additional financial support through the benefits system to prevent them living in poverty. This could be paid within the savings generated by raising the SPa.

What Age UK would like to see:

- Improvements to the flexible working regime so that older workers can access a way of working that meets their needs, ultimately moving to a system of 'flexible by default'.
- The introduction of stronger employment rights for unpaid carers, including paid Carer's Leave and increased flexible working rights.
- DBT to spread flexible working good practice among employers, and a small fund set up to disseminate good practice.
- Greater investment in employment support, including the adoption of effective models, for unemployed older workers, especially those who have been out of work for 12 months or more.
- Additional financial support through the benefits system for people just below the State Pension age who cannot move into work.

9. Housing

Households headed by someone over the age of 65 are forecast to account for 84% of household growth between 2018 and 2043.[iii] We cannot afford to ignore the impact of this demographic change. Older people's housing is a key lever within the wider housing market and must play a central role in the Government's upcoming housing strategy.

Too many older people are living in homes that are not suitable for ageing. This is bad for them and those who care for them. It places unnecessary pressure on social care, the NHS, Disabled Facilities Grant (DFG) funding, the cost of housing benefit, and local authority and government finances. One aspect of cost saving that isn't often discussed is the extent to which good housing sustains unpaid care. It is much easier to help a family member or friend with the odd task once a day, than go morning and evening to help someone get in and out of a bath, climb stairs and cook meals. The value of unpaid care is estimated at £162bn per year.[iv]

In a survey of Information and Advice managers working in local Age UKs across the country, 92% said they came across older people living in unsuitable housing 'often' or 'very often'. 95% said it was difficult' or 'very difficult' for older people to find suitable housing which they could afford.

Discussion about older people's housing policy is often focused on specialist housing and encouraging more people to downsize. Both have a part to play but over 90% of older people live – and want to live – in general mainstream housing, and downsizing is much more complicated than sometimes assumed.

The Government's housing strategy must therefore assume that the vast majority of older people will age in general mainstream homes and many in homes they move to when younger. By focusing on ensuring that general mainstream housing is suitable for an ageing population by delivering high-quality, affordable and accessible homes, we will enable older people to live well at home for longer, postponing the need for formal social care and reducing pressure on the NHS.

Age UK would like to see:

- Housing initiatives to recognise the impact of an ageing population by providing:
  - General mainstream homes which are genuinely affordable, accessible and age friendly.
  - Specialist extra care housing for the "older old".
  - Funding to renovate existing sheltered housing, which are a good solution for the many people with modest care needs we see struggling to afford somewhere suitable to live in the private rented sector.
- Ringfenced funding to ensure quicker and more efficient administration of the Disabled Facilities Grant. Adaptations are more beneficial to the individual, free up more time for unpaid carers and save more money for formal care and health services if installed quickly.[v]
- Additional funding for local authority housing standard enforcement teams, to ensure that changes to the Decent Home Standard and other legislation have a real impact on standards.
- Expanded provision of Home Improvement Agencies, handyman services, innovative financing options to fund repairs and local information and advice so that the support we see in some areas is available across the country.

10. Digital

Digitalisation has huge potential to improve productivity and user experience across public services and the private sector. However, in an increasingly online world, many older people are already struggling to access the essential tools and services they need to live well. Those who don't or cannot use the internet are at an immediate disadvantage – missing out on vital information, struggling to book appointments or make applications – often with devastating consequences.

It is hugely inefficient for each institution, company and government department to try to solve the issue of digital exclusion since it is the same people who need help in every case. That's why Age UK believes the Government should take the strategic lead in overseeing the shift to an increasingly digital UK, ensuring nobody is left behind.

10.1 Digital Inclusion Action Plan

Age UK welcomes the Digital Inclusion Action Plan's 'first steps' as a promising initiative. It should now be developed into a full strategy with meaningful actions to protect offline access to services. To make this possible the Government must make sure local government receives enough funding to provide offline access to the important services it provides.

Many older people want to learn more digital skills. Funding for inclusion programmes associated with the Action Plan should support the needs of older people among others, e.g., by funding proven voluntary sector initiatives like Age UK's 'Digital Champions' scheme. Without sufficient budget allocation and leadership, the Government will miss the opportunity to make a step-change in this critical agenda.

What Age UK would like to see:

- The Government to set out national standards for digitisation, assisted digital options and off-line alternatives for accessing public services, building out from the Digital Inclusion Action Plan.
- The Government to lead and co-ordinate a strategic approach to promoting digital inclusion, working with business and the third sector.

10.2 Digital health and care

The potential of digital tools in the NHS is exciting. If implemented well, they could be transformative, with opportunities for greater efficiency and improved user experience. At the same time, we must ensure that the shift from 'analogue to digital' does not leave anyone behind, including the many millions of older people who are not online or proficient internet users and who often want, and need, to use more traditional means of communication such as telephone and face to face. Given that older people are the principal users of the NHS the success of further digitalisation hinges on their ability to use services and to do so with confidence.

Age UK hears regularly about older people struggling to access their GP and manage health appointments - often with devastating consequences. For example, they can have difficulty with just using the NHS app, which is positioned to be the main access point of primary care. Further technology could prove even more obstructive if not complemented with ease of access and support.

The Government's commitment to a digitally inclusive approach is also extremely important in building public trust - it is vital that as the NHS progresses in its transition from 'analogue to digital' its promise of being equally accessible to all groups continues to hold true.

Age UK would like to see:

- Coordination across the Department of Health and Social Care and DSIT on digital inclusion and sufficient investment in digital inclusion programmes to support digital skills and increased use of the NHS App.
- Investment in assisted digital approaches (e.g. supported zoom calls with GPs) to support those who will never be online to benefit from digitalisation across the NHS.
- Continued and, where necessary, targeted resourcing of offline routes to access NHS services (e.g. telephone and face-to-face).

[i] Future Social Care Coalition (2023), Carenomics
[ii] https://ifs.org.uk/sites/default/files/output_url_files/R211-How-did-increasing-the-state-pension-age-affect-household-incomes.pdf
[iii] Household projections for England - Office for National Statistics
[iv] Unpaid care in England and Wales valued at £445 million per day | Carers UK
[v] the-disabled-facilities-grant-a-step-change-improving-delivery-of-the-disabled-facilities-grant.pdf