Parliamentary Briefing

Autumn Statement 2023 – Age UK response

Age UK's View:

"We're pleased and relieved the Government kept its promise to older people to honour the Triple Lock. For the 4.2 million older people who recently cut back on food and groceries to make ends meet, having a State Pension that delivers the basics in life is the absolute minimum that should be expected. Today's decision also crucially makes is more likely that older people will keep their homes adequately warm this winter, with less fear of facing an energy bill they simply cannot afford to pay come the spring.

"Even with the Triple Lock being honoured in full next year, some older people on low fixed incomes will still find life extremely tough, especially those whose incomes take them just above the line for extra financial help. We had called for more support for this hard-done-by group, who will receive their Triple Lock increase but no more. Longer term, governments need to think creatively and do more to help them."

"It is very disappointing that the Autumn Statement failed to address the crisis in social care. The sector is facing severe challenges, including significant cost pressures driven by high inflation; on-going difficulties in recruiting and retaining suitable staff; and both greater need and greater complexity of need. Even though the rise in Minimum Wage is thoroughly welcome and deserved, without additional funding the cost of providing, or buying social care, will be going up.

Nearly half a million older and disabled people in England are waiting for care, a direct payment or for their care needs to be assessed, and with care services so shaky the pressure is constantly increasing on unpaid carers to fill the gap. With nothing for care in the Statement all these figures will now get worse, and behind every one of them there are individual stories of older people struggling and often failing to live a good and decent life, since without the care they need they are unable to do the basics like prepare meals and take their medication or enjoy the company of friends.

The Statement was also a missed opportunity to support health and social care in the round. Integrated Care Systems also now face a series of difficult decisions as they seek to retrench their budgets to account for the cost of industrial action."

Key policy announcements:

State Pension and benefits and the cost of living

Age UK welcomes the Chancellor's announcement that the Government will honour its commitment to maintain the Triple Lock so that next April, the new State Pension, basic State Pension and Pension Credit standard guarantee will rise by 8.5% in line with the rise in average earnings. We are also pleased that the Government will follow the normal practice of using September's CPI to uprate working age and disability benefits, along with other elements of the State Pension. These announcements will be a big relief to many older people and those reliant on benefits who have found the ongoing speculation about upratings very unsettling.

Older people will be reassured to hear about the rises in State Pensions and benefits next April, however, many still face a difficult winter ahead. Although inflation is falling, prices remain high, and we continue to hear from older people with low incomes who are struggling to make ends meet, sometimes cutting back on essentials such as food and heating. Now an increase in the energy price cap has been announced we know more about how difficult the winter will be for older people. So, it is disappointing the Government did not do more to help older people on low fixed incomes, especially those whose incomes take them just above the Pension Credit threshold and who miss out on the additional support linked to entitlement to some means-tested benefits like the Cost of Living Payments.

Age UK has argued that this autumn's £300 Cost of Living payment and the £299 coming this spring should be extended to lower income people receiving the Housing Benefit or Council Tax Reduction but who do not qualify for Pension Credit. Age UK's estimates that there are between 400,000 and 500,000 pensioner families in this position.

It is also positive that the Local Housing Allowance (LHA) will be increased to the 30th percentile level in 2024-25. This will benefit older lower income private tenants who can find it very difficult to find suitable affordable accommodation. However, the OBR report notes that the LHA will be frozen from 2025-26 onwards reducing its generosity over time as rental prices rise.

Health and Social Care

It is very disappointing that the Autumn Statement failed to address the crisis in social care. The sector is facing severe challenges, including significant cost pressures driven by high inflation; on-going difficulties in recruiting and retaining suitable staff; and both greater need and greater complexity of need. There are nearly half a million older and disabled adults waiting in the community for an assessment, reassessment or for care services to commence, many of whom have been waiting for more than six months.

As the Care Quality Commission made clear in their most recent report into the state of care, a lack of investment in social care also has a knock-on effect on NHS productivity with far too many hospitals 'gridlocked' as they struggle to discharge patients to continue their recovery at home.

While hugely welcome, an increase in the Minimum Wage may only serve to exacerbate these challenges unless it is accompanied by an increase in funding to cover those costs. As providers of contracted services in their local health and care systems, many charities including local Age UKs will struggle to absorb the extra wage costs unless local authorities are able to uprate contract values accordingly.

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Much needed investment in new and better service models, new technology to enhance productivity, measures to address existing waiting lists as well as preventative measures to reduce long term demand for both NHS and social care services are all under threat.

These cuts also call into question the Government's ambition to support more people to return to work, many of whom will be older workers in their 50s and 60s. Without sufficient and timely access to NHS and care services, a return to employment will remain beyond the reach of many individuals. Equally there are many millions more carers supporting people of all ages whose ability to work is directly impacted by their ability to access and sustain suitable care arrangements.

Employment support

Age UK welcomes the new investment into employment support, as well as the increased focus on linking support for work and health. With 50+ jobseekers often facing particularly problematic and distinctive barriers to work, for example experiencing ageism or suffering from one or more chronic health conditions, it is crucial that support is delivered in a way that meets this group's needs. The Restart and Universal Support schemes need to ensure that their 50+ clients are receiving meaningful help with improving work skills and the practical barriers of finding a new job, in a way that is fully accessible. Most people in this age group want to work, and it is a real shame that so many are prevented from doing so through no fault of their own. We believe that getting the support system right could deliver significant benefits to all those over 50s who want to work.

However, with significant numbers of over 50s being economically inactive, currently 3.5 million, and the Government's clear intention to encourage people back to work, it is very important that the overall messaging does not put people off engaging with available support. Some of the rhetoric could dissuade people from seeking help unless they are obliged to take part, many will simply not want to do so and remain inactive.

Private pensions

Although in theory the proposal to allow people to take their pension pot with them when they move jobs may be sensible, in practice it is likely to be difficult to implement, perhaps even unworkable. With a typical saver's engagement with their pension being very low, it is unfeasible that many people will be able to take advantage of such a policy. Instead, we are concerned that only those with a financial adviser or who are highly engaged will move their funds elsewhere, leaving other less profitable consumers in their employer's default scheme. This is likely to lead to higher charges and worse outcomes for the majority of savers, potentially undermining auto enrolment. Such a system might be feasible in the long term, but requires years of building engagement and understanding of pensions first, while also improving consumer protections to ensure that savers are getting a good deal that delivers them a good outcome in retirement.

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.