Parliamentary Briefing

Autumn Statement 2022 – Age UK response

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

“The restoration of the triple lock next year, uprating of Pension Credit in line with inflation, and cost of living payments are all extremely important for older people, particularly for the many with no other income to fall back on, including hundreds of thousands of older women, and we welcome them wholeheartedly. We thank all the older people and their friends and allies who campaigned so hard for these things in recent months, and we thank the Government for listening.

“These are really difficult times for millions of older people who are living on a low income, waiting endlessly for social care so they can get home from hospital, or in a long queue for a minor operation, or some diagnostic tests, and living with discomfort and pain in the meantime. Today’s Autumn Statement gave the Government an opportunity to help older people like these and, to our profound relief at Age UK, to a considerable extent it was taken. However, unfortunately the cost of living crisis, social care shortfalls and NHS pressures are all so acute that realistically, life will continue to be extremely tough for many older people, and for the local charities that support them, especially this winter. This means that as a country and as individuals we need to do everything we can to support our older population over the next few months, and as a charity Age UK is determined to take a lead in that.”

Please see here for the full statement

Key policy announcements:

Triple lock and benefits uprating

The Chancellor announced that the State Pension will increase next April by 10.1% in line with inflation (as measured by September’s CPI) keeping to the Government’s manifesto commitment to the triple lock. He also announced that benefits, including Pension Credit, will also rise by 10.1%.

Many older people with low and modest incomes still face a difficult winter.However, it will be a huge relief that the State Pension and any benefits they rely on will rise by 10.1% next April. In April 2021 State Pensions and benefits increased by just 3.1% and since then inflation has soared and is currently running at 11.1% driven in large part by rises in basic essential items such as energy and food which make up a large part of costs for those on lower incomes.

Age UK would like to see:

- The Government make a commitment to maintaining the triple lock going forward to ensure that each year the State Pension maintains and, in some years, improves its value to support current and future pensioners.
- In addition, the Government should ensure that Pension Credit at least maintains its value in real terms, amending the legislation if necessary.

Cost of Living and Wider charity support

Age UK welcomes the extension of the Energy Price Guarantee and additional cost of living payments for those on means tested benefits, pensioners and disabled people. Older people often incur higher heating costs due to a medical need or caring responsibilities, as they must maintain a higher temperature in their home, and these additional payments will help meet some of the ongoing costs of high energy prices.

However, although the payment for people living off the gas grid has been increased from £100 to £200, it will not go far enough. Older people with oil, wood, LPG, or other heating systems, have seen significant increases in the prices they pay, and many people will remain concerned about whether they can afford to heat their homes. The announced Energy Efficiency Taskforce is welcome recognition of the importance of energy efficiency, although the additional money promised won't come until the next Parliament.

We also note the review of the Energy Bill Relief Scheme, which has supported non-domestic customers with their high energy costs. Many charities, including local Age UKs, are struggling with a growing demand for support and withhigh energy bills. In order to continue to provide vital support, they urgently need more help with rising costs. Similarly, it is vitally important that care homes continue to receive support with their bills. Failure to do so risks pushing costs for residents and local authorities up to an unaffordable level.

Age UK would like to see:

- A commitment from the Government to maintain the Energy Bill Relief Scheme beyond next April for older people who receive their energy through non-domestic sources, local charities and vulnerable industries, like the care sector.
- Continued funding for energy efficiency improvements to housing stock, in particular targeted towards lower income households.
- Northern Ireland schemes delivered urgently, and a timeline set out so that older people know what to expect.
- Increased support for alternative fuels, and the Alternative Fuel Payment delivered urgently to households who are still missing out.

NHS

An additional £3.3bn in funding for the NHS will go some way towards filling the black hole in budgets, but we are clear there will still be significant challenges ahead. The NHS will still need to work towards big efficiency gains in order to safeguard frontline care.At the same time demand for services has reached unprecedented levels which, as our recent research shows, will not abate any time soon.

The commitment to an independent workforce review is also to be warmly welcomed. We need the right workforce, with the right skills, working in the right places to deliver efficient and effective services. The workforce plan must explicitly include staff working across social care as well as the NHS, and this plan must also look at how best we can support growing numbers of older people living with complex health and care needs.

The proposed review of Integrated Care Systems (ICSs) presents an important opportunity to look at how we develop the right conditions for better and more integrated working across health and social care to meet the very particular needs of older people - who often have very different requirements to younger disabled adults and children.

Social care

The additional investment in social care is also much needed, and we are pleased that the Government has recognised this.

The commitment to an additional £1bn in 2023/24 and £1.7bn in 2024/25 in grant funding will be welcome, as will the additional funding allocated through the better care fund, although these figures combined still fall some way short of what will be required.

There is still much to be done to fix the crisis in social care, and it is not yet clear how much practical difference these funding uplifts will make to local authority and system budgets (and therefore those who draw on care services) once the impact of increases in the national living wage and other rising costs are considered.

Plans to allow local authorities to raise revenue for social care through council tax is the wrong mechanism for generating funds for social care. Many local authorities will be neither willing nor able to increase council tax in the context of the wider cost of living crisis, and any increases will generate less for councils with higher levels of deprivation, or councils that will also have less ability to raise revenue through business rates. Ultimately, the social care crisis is a national one demanding national solutions.

The Government's decision to delay the implementation of the care cap is going to disappoint many older people. While the Chancellor claimed today to have protected pensioners' savings, older people who will now not have the security of a cap to protect them against catastrophic care costs might disagree. The cap legislated for was considerably less generous than we wanted, but it was a step in the right direction, and it is disappointing to see implementation delayed.

Age UK would like to see:

- The inclusion of social care staff in the workforce plan.
- Consideration through the ICS review process about how best to commission, resource and deliver truly integrated social care services for older adults.

Employment

Since the pandemic, many older workers have dropped out of the labour market, becoming economically inactive, often due to people taking early retirement. This has caused a serious economic problem amidst difficulties for employers, who are currently struggling to recruit sufficiently skilled staff. We look forward to feeding into the review announced in today's Statement, which we hope will afford an opportunity to analyse in detail why so many older workers are not currently engaged in the labour market.

Age UK would like to see:

- Improved support for older jobseekers to get back into the workforce.
- Legislation to improve access to flexible working
- Better support for carers, including the introduction of five days unpaid carers' leave.

It was helpful to receive confirmation of the Government's plans to publish a review of the State Pension age in early 2023. 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.

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.