



advice and support for older age

**Independent  
Age**

## **Independent Age's 2017 Budget Representation to HM Treasury**



## **About Independent Age**

Independent Age is a growing charity helping older people across the UK to live more independent, fulfilling lives.

Founded over 150 years ago, we are an established voice for older people and their families and carers, offering free advice and information and providing services, such as befriending, to promote wellbeing and reduce loneliness. In 2016, Independent Age responded to the needs of the older population with over 1 million people accessing support from us.<sup>1</sup>

In addition to this, we use the knowledge and understanding gained from our frontline services to campaign on issues that affect older people, like poverty, loneliness and carers' rights.

For more information, visit our website [www.independentage.org](http://www.independentage.org).

Speak to one of our advisers for free and confidential advice and information. Lines are open Monday to Friday between 8am to 8pm, Monday to Friday and 9am to 1pm Saturdays. Freephone 0800 319 6789 or email [advice@independentage.org](mailto:advice@independentage.org).

Independent Age is also a member of the Care and Support Alliance: a consortium of over 80 organisations that represent and support older and disabled people campaigning to keep adult care funding and reform on the political agenda.

For any questions about this submission or about Independent Age's policy and campaigning work, please contact Gabriel Gavin on 020 7605 4217 or at [gabriel.gavin@independentage.org](mailto:gabriel.gavin@independentage.org)

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<sup>1</sup> This figure represents the number of unique users of online and print materials together with our Helpline

## **Independent Age submission to the Treasury ahead of the Autumn Budget in November 2017.**

### **Focus of our submission**

This submission focuses on key challenges in health and social care that the 2017 Autumn Budget needs to address. We also address some of the big challenges that still exist in terms of pensioner poverty and the benefits system.

Looked at across the system as a whole, health and care are not meeting these challenges as well as they could.

In a recent report based on the concerns raised with us by older people and their families<sup>2</sup>, we highlighted the many avoidable obstacles that still exist in terms of unnecessarily long waiting times and qualifying criteria that can restrict access to health and care services.

**Independent Age cautiously welcomed the promise of an additional £2 billion towards adult social care** over the next three years, made at the Spring Budget. We also acknowledge the significant work taking place at a local level to help modernise and transform health services as part of the NHS 5 Year Forward View.

**Nevertheless, a number of serious problems affecting older people's experience of health and care services remain.**

With regards social care, we are clear that a one-off funding increase will not resolve the mounting pressures faced by local authorities.

**We eagerly await a timeline for the consultation on a more sustainable and lasting settlement on social care spending**, which was originally promised by the end of this year.

Social care remains chronically underfunded. The latest available figures on the reduction in the numbers of adults in receipt of local authority-funded social care revealed that 26 per cent fewer older people were receiving care and support in 2013/14 compared with the situation five years before<sup>3</sup>. The situation since then has grown ever more acute with the Care Quality Commission highlighting on multiple occasions now that the social care system in England is near reaching a "tipping point"<sup>4</sup>.

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<sup>2</sup> *The obstacle course: overcoming the barriers to a better later life*, Independent Age, July 2017.

<sup>3</sup> *Social care for older people: Home truths*, The King's Fund, 2016.

<sup>4</sup> *The state of adult social care services 2014-2017: Findings from CQC's initial programme of comprehensive inspections in adult social care*, Care Quality Commission, 2017.

In reality, the system requires ongoing and substantial spending to ensure it is able to cope with the combined pressures of population ageing, workforce shortages and demographic change.

**We call upon the Government to urgently announce a clear plan for the Green Paper on adult social care, and for a consultation that comprehensively addresses the shortfalls of the current system.** Instead of narrowly focusing on social care finance, it should be used as an opportunity to broadly examine the future sustainability of health and social care services overall, and how other key services such as housing and the benefits system can help people to lead a purposeful, connected later life.

**Failure to act now will have significant implications for the wellbeing of older people, both now and in the future.** We urge the Chancellor to use the 2017 Autumn Budget as an opportunity to put funding for England's care system, and health services too on a fairer, more sustainable footing.

### **Building a better country for older people**

**Our vision is for the UK to become the best country in the world to grow older in. We believe Ministers share that aspiration too.**

Older people should be able to lead the lives to which they aspire and live with dignity, choice and control. Unfortunately, we believe this vision will remain unfulfilled as long as health and social care services remain severely under-funded.

### **Growing pressures**

By 2030 there will be twice as many of us aged 85 and older compared to 2010.<sup>5</sup> Our health and social care system is poorly prepared for this demographic shift and is failing to meet current levels of demand.

The OECD average sees up to 11 per cent of GDP in other advanced economies spent on health and care, when in fact the Office for Budget Responsibility central forecasts for health and long-term care spending show that in 2016/17 their combined share accounted for just 8.3% of GDP<sup>6</sup>.

NHS England has shown how growth in real terms per patient funding is set to drop in 2018/19. This of course follows a period where spending

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<sup>5</sup>Ready for Ageing? Select Committee on Public Service and Demographic Change – First Report, 2013.

<sup>6</sup> See for example Institute for Fiscal Studies Green Budget, Chapter 5, February 2017 and Fiscal Sustainability Report – January 2017, Office for Budget Responsibility <http://budgetresponsibility.org.uk/fsr/fiscal-sustainability-report-january-2017/>.

increases averaged 1.1% growth in the NHS in the period between 2009-10 and 2014-15: a historic low.

Furthermore, a recent study by the National Centre for Social Research and Ipsos MORI - which Independent Age supported - shows that on two major measures of care need (drawing on the Health Survey for England or the English Longitudinal Study on Ageing), half of older people with care needs are not getting all these needs met. This cuts across all socioeconomic groups<sup>7</sup>.

At present there are around 1.2 million older people in England living with an unmet care need<sup>8</sup>.

Turning to another key area of policy, 1.9 million pensioners across the UK are living in relative poverty, which represents 1 in 6 of the older population.<sup>9</sup> More recent figures from the Department for Work and Pensions (September 2017) reveal that 1.4 million pensioners - over 1 in 3 who are eligible - do not currently receive Pension Credit, a vital source of weekly income. This translates into £2,000 which these pensioner households should be receiving, per annum, but which remains unpaid.

**At the 2017 General Election the government highlighted how the government can and should be a “force for good” and that “positive, active government” would be needed to deal with increase demand for social care. We now call on government to use its Budget to set out the steps it will take to, in its words, “give security to people in old age”.**

### **Health and Social Care – more detail**

NHS provider warnings suggest that this winter will be as challenging, if not worse, than last year’s winter period.<sup>10</sup> As the largest group of NHS service-users, older people are especially vulnerable to heightened safety risks during winter, meaning provision of care is an urgent government priority this coming Budget.<sup>11</sup>

The 2017 Spring Budget allocated an additional £2 billion of funds towards social care spending. Although a welcome investment, this contribution takes place in the context of rising costs and ongoing demand.

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<sup>7</sup> Unmet Need for Care, Ipsos MORI, July 2017

<sup>8</sup> [1.2m older people don’t get the social care they need](#), Age UK, November 2016.

<sup>9</sup> Households Below Average Income: 1994/95-2015/16, Department for Work and Pensions, March 2017.

<sup>10</sup> <https://nhsproviders.org/media/3382/winter-warning-update-briefing.pdf>

<sup>11</sup> Nuffield Trust data that two-fifths of the NHS budget is spend on over-65s, February 2016.

The Care Act (2014) gave councils a greater responsibility in the provision of care. These changes were put in place in order that more people would receive the support they needed.

Yet, because of sustained underfunding of adult social care, councils are struggling to meet their statutory duties under the Care Act. Research by the Association of Directors of Adult Social Services (ADASS) shows that while Councils are promising to prioritise spending on adult social care, they are still having to make cuts of around 8% in overall budgets for a second year in succession.<sup>12</sup>

Council savings of around £824m this year will directly impact on those who depend on the local provision of care services. Reductions at this scale mean for far too many older people, their experience of the health and care system is one of accessing it at a time of crisis. This is far more costly in the long-term than government measures focusing on prevention and early intervention.

With the recent emphasis on integration of the health and social care system, the Government has announced a welcome ambition to tackle record levels of delayed transfers of care (DTOCs). With close to 68,000 'delayed days' attributable to social care services in the last year alone, a rise of 20%, it is clear that some of the pressures on the NHS can be relieved by improving care services.<sup>13</sup> However, responsibility and accountability for tackling DTOCs does not rest with local authorities alone.

For the older people unnecessarily delayed from being discharged in hospital, ensuring care packages and care home places can be secured in a timely way improves outcomes and frees up beds for other patients.

The Government should also put greater emphasis on consistent quality of care and removing unwarranted regional disparities in terms of access, outcomes and social care performance. Research from the recent Care Quality Commission's report indicates that nearly a fifth of care services overall are considered in need of improvement. In fact, this percentage grows to nearly 1 in 3 nursing homes.<sup>14</sup> But there are some regions in England, such as some local authority areas in the North West and Yorkshire and Humber, where there are particularly serious shortages in terms of quality and diverse care home and nursing home providers.

The crisis in health and social care is well understood, not only by users of the system, but also within Parliament. Independent Age research

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<sup>12</sup> <https://www.adass.org.uk/adass-budget-survey-2017-difficult-decisions-and-more-cuts-need-to-be-made>

<sup>13</sup> <https://www.england.nhs.uk/statistics/statistical-work-areas/delayed-transfers-of-care/delayed-transfers-of-care-data-2017-18/>

<sup>14</sup> <http://www.cqc.org.uk/publications/major-report/state-adult-social-care-services-2014-2017>

conducted by ComRes during the summer found that confidence in the current social care system has shrunk amongst MPs. Nine in 10 MPs in England believe that our social care system is not fit for purpose and is unable to deal with the UK's ageing population<sup>15</sup>. 86% of MPs believe cross-party consensus is now required to achieve the necessary breakthroughs and a lasting settlement on health and care reform.

The Government needs to use this Budget to clarify how it intends to ease some of these pressures, particularly ahead of a winter where NHS and local government leaders are warning that without additional investment, there could be serious new impacts on patients and the most vulnerable.

Furthermore, it needs to show the necessary leadership to start creating the conditions for really far-reaching and fundamental changes to how as a country we fund health and care services.

### **Pensioner Poverty**

Pensioner poverty remains a significant problem, with 1.9 million – 1 in 6 of the pensioner population – living in relative poverty, on an After Housing Costs basis.

Many pensioners are unaware of the extra support on offer. Older people need to be better informed about what benefits are available, what they may be eligible for and how to apply.

### **Pension Credit**

Pension Credit has the potential to provide vital financial help to older people who need it most. Nonetheless, 1.4 million pensioners are missing out on what equates to an average of £2,000 per year for each household entitled to the benefit.<sup>16</sup> Over the past four years, the amount of Pension Credit claimed by people above the age of 75 has dropped.<sup>17</sup> The government has a responsibility to significantly increase the take-up of this benefit among those who need it most. Independent Age urge the Government to sponsor an awareness campaign around Pension Credit to ensure that those who are eligible to claim it do so.

### **Triple Lock**

While the Conservative and DUP policy agreement appears to have ruled out significant changes to the State Pension for the duration of this Parliament, we would like to use this opportunity to stress that it would

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<sup>15</sup> <https://www.independentage.org/news-media/press-releases/only-1-10-mps-england-believe-social-care-system-fit-for-purpose-for-uks>

<sup>16</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/644062/income-related-benefits-estimates-of-take-up-2015-16.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/644062/income-related-benefits-estimates-of-take-up-2015-16.pdf)

<sup>17</sup> Ibid.

be premature to remove the Triple Lock before uptake of Pension Credit has significantly increased among those pensioners who are eligible and who are most dependent on the State Pension to maintain a decent standard of living.

### Disability Living Allowance (DLA) and Personal Independent Payments (PIP)

Any changes in benefits should be communicated well in advance to ensure that disabled claimants' wellbeing can be safeguarded. In particular, the transition from Disability Living Allowance (DLA) to Personal Independence Payment (PIP) needs to be well communicated and fair, so that existing recipients of DLA, who are now over the age of 65, are not disadvantaged by the phasing out of one benefit and the introduction of another. PIP and DLA have very different qualifying criteria meaning someone who qualifies for DLA may not get the equivalent amount of disability benefits on PIP. Older people are not aware that even if they are over the age of 65 already and in receipt of DLA, they will have to make a claim for PIP if they were younger than 65 on 8 April 2013.

The move from Disability Living Allowance (DLA) to Personal Independence Payment (PIP) also risks leaving those in need without the mobility support they require. People who are reassessed from DLA to PIP may lose their Mobility vehicle if they fail to qualify for the enhanced rate PIP mobility component.<sup>18</sup> The government has said that it is too early to say how many DLA claimants will fail to qualify, yet caseload estimates suggest that 428,000 fewer people would be eligible under PIP compared to the DLA for the enhanced rate mobility component.<sup>19</sup> The move from DLA to PIP needs to be properly communicated, particularly in these vital next few months phasing out DLA, and the transition should not disadvantage those in need.

### **Conclusion**

It is clear that we are still not responding effectively to the challenges of an ageing population. Despite some progress in recent years, major reforms are still needed across health, social care and the benefits systems.

Although previous funding allocations have delivered short-term relief for social care, they have failed to secure any lasting stability or dramatically improved quality within the sector. In this new parliament, the Government has a responsibility to confront and respond to the realities

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<sup>18</sup> . <https://www.mssociety.org.uk/ms-support/disability-benefits/PIP>

<sup>19</sup> Welfare reform and disabled people briefing paper, House of Commons Library, April 2016.



of demographic change to ensure that older people and their needs are at the forefront of policy development.

Cross-party co-operation is key to this reform process. The magnitude of the task at hand requires collaboration across the political spectrum. In addition substantial, immediate, and sustained funding increases are necessary to protect the local authority-funded segment of the care homes and domiciliary care market.

The Government must ensure that Local Authorities can fully meet their care obligations to local residents, as set out in the Care Act 2014. Too often, the care system is characterised by complex rules, preventing individuals with serious needs from receiving the support they need.

With growing numbers of pensioners struggling on low income, the public require better information about the benefits and care rights available to older people.

Although we as a charity recognise that this Budget will require tough choices to be made, it is imperative to invest in both short and long-term solutions to bring about the necessary improvements across health and care.

Failure to act now will have serious implications on the welfare of older individuals who are most in need, but to be frank, on the long term public finances too.

**In summary Independent Age is calling for:**

- A clear timetable from the Government to ensure the social care Green Paper promised for this year is brought forward.
- Local Authorities to be given the immediate support and funding that they need to fully carry out their duties as set out under the Care Act.
- More fundamental action taken to ensure health and care services can be placed on a firmer and more sustainable financial footing for the long-term.
- A Government sponsored awareness campaign on eligibility for Pension Credit, a vital source of income.
- Assurances that the transition from DLA to PIP is properly communicated and will not disadvantage those pensioners still to be re-assessed for PIP and who are in need.