



## Senedd Finance Committee:

### Call for information on the Welsh Government Draft Budget proposals for 2024-25

30 November 2023

#### Introduction

The Older People's Commissioner for Wales welcomes the opportunity to respond to the Senedd Finance Committee's call for information on the Welsh Government Draft Budget proposals for 2024-25.

The Commissioner would like to see the following areas prioritised when making decisions about the Welsh Government budget for 2024-25.

#### Cost of living crisis: Alleviating poverty among older people

As the cost of living crisis continues, a significant number of older people in Wales are living in relative income poverty (defined as living in a household where the total household income from all sources is less than 60 per cent of the average UK household income) and action is needed to address this. Nearly 1 in 5 older people in Wales live in relative income poverty. This equates to 155,960 people across Wales.

The rates of relative income poverty vary with age: affecting 19% of 65–69-year-olds, but 21% of 75–79-year-olds.<sup>1</sup> That means 33,744 people aged 65-69 and 27,315 people aged 75-79 are living in relative income poverty in Wales. The rate of relative income poverty is around 21% for people aged over 85.<sup>2</sup> In terms of gender, 29% of single older women live in relative income poverty.<sup>3</sup> These figures are not necessarily a reflection of the current situation as complete data covering autumn/winter 2022-23

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<sup>1</sup> Stats Wales. (2023) Pensioners in relative income poverty by age of the head of household. March 2023. Available at: <https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/pensionersinrelativeincomepoverty-by-ageoftheheadofhousehold>

<sup>2</sup> The limited number of respondents means that it has not been possible to update the figure for people aged over 85 since 2020. Ibid.

<sup>3</sup> See Stats Wales. (2023) Pensioners in relative income poverty by family type. March 2023. Available at <https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/pensioners/pensionersinrelativeincomepoverty-by-familytype>

is not yet available: the full impact of the cost-of-living crisis on older people is yet to be reflected in statistics.

It is vital that the Welsh Government budget for 2024-25 allocates resources to alleviate the poverty experienced by older people. One of the ways the Welsh Government can reduce the impact of poverty without spending a significant amount of its own resources is to increase the take up of financial entitlements from the UK Government that currently go unclaimed. This would be an invest to save approach where using a relatively small amount of money could leverage in significant financial resources from the UK Government to boost the incomes of some of the poorest older people in Wales.

In terms of Pension Credit alone, up to 80,000 people in Wales are eligible but do not receive their entitlement. This means that over £200M is lost to Wales that could increase the incomes of older people. Pension Credit also unlocks a range of associated support, including additional cost of living payments from the UK Government. Ensuring fewer people miss out on Pension Credit would also boost spending power in communities across Wales.<sup>4</sup> Research by Cardiff University suggests that increasing the basic rate of income tax in Wales by 1p in 2023-24 would have raised approximately £237M.<sup>5</sup> This is comparable to the amount of unclaimed Pension Credit in Wales each year.

The Welsh Government has already undertaken work to highlight Pension Credit through benefit take up campaigns such as 'Claim What's Yours'. However, more and different action is needed to reach older people who are still missing out. This should include allocating funds for work with local authorities to use existing data sets to target older people who are likely to be eligible for Pension Credit or trialling other approaches.

In addition, sufficient resources need to be allocated in the draft budget to support the third sector to work with older people who are currently missing out on Pension Credit and other entitlements, assisting with claims where necessary. Advice services are a key element of increasing uptake of Pension Credit. Such resource allocation would represent an investment in offsetting some of the harmful effects of poverty, including the negative impact on physical and mental health that would otherwise be dealt with through the Welsh Government's funding of NHS services.

As the Discretionary Assistance Fund (DAF) is now the Welsh Government's main scheme for providing emergency support during the cost of living crisis, sufficient funding needs to be allocated to DAF in the draft budget. Additional work is also needed on ensuring that DAF is reaching older people as current data shows applications are disproportionately low. Figures provided to the Commissioner by the Welsh Government show that only 8,132 out of a total of 589,421 applications were made for an Emergency Assistance Payment (EAP) by people aged 70+; this is

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<sup>4</sup> Independent Age. (2019) *Credit where it's due: Ending the £3.5 billion Pension Credit scandal*, p.13. Available from: [Credit where its due report 0.pdf \(independentage.org\)](#)

<sup>5</sup> Wales Fiscal Analysis. (2022) *Welsh Budget Outlook 2022*. Available at: [https://www.cardiff.ac.uk/data/assets/pdf\\_file/0007/2688199/wbo\\_2022\\_full\\_report\\_final.pdf](https://www.cardiff.ac.uk/data/assets/pdf_file/0007/2688199/wbo_2022_full_report_final.pdf), page 41.

less than 1.40%. The Welsh Government needs to ensure that DAF funds are actually reaching older people who could benefit. This means working with local authorities to ensure that DAF is actively promoted as a source of support to older people across Wales, including people who are not online.

The Welsh Government should ensure that communication budgets reflect the need for specific (rather than generic) messaging so that older people recognise that sources of support such as the DAF are intended for older people. Communications budgets and planning also need to fund offline activity and promotion to reach older people who are not online, bearing in mind that 31% of over 75s do not have access to the internet at home and 33% of over 75s do not use the internet (including Smart TV and handheld devices).<sup>6</sup>

### **Investment in healthy ageing**

The Welsh Government draft budget needs to focus on preventative action and ensuring that everyone can age well. Demand for some services can be reduced or postponed by enabling more people to age as healthily as possible. This requires action and investment to prevent additional expenditure dealing with problems that would otherwise occur.

For example, the severe pressures in social care must continue to be addressed including capacity in care homes, provision of domiciliary care and reablement services, and maintaining focus on the issue of delayed discharge from hospital. The Welsh Government's statement of intent "Building Capacity through Community Care – Further Faster" with its recognition that "there are missed opportunities for prevention and early intervention in the community, and people stranded in acute hospital and care home settings" is important.<sup>7</sup> It is essential that resources are allocated towards prevention and reducing need while addressing current pressures.

The Welsh Government's draft budget needs to enable social care services to provide the support and services required by older people, ensuring that this is done in a way that upholds and protects people's rights. The future budget needs to provide sufficient investment in health and social care, including funding for prevention and community-based support.

However, healthy ageing and ageing well are not confined to the areas of health and social care. The ability to age well consists of a number of interrelated spheres that can be summed up in the model of Age-Friendly Communities. This evidence-based World Health Organisation (WHO) approach identifies eight essential features of communities that, together, enable us to age well. These are: outdoor spaces and buildings; transport; housing; social participation; respect and social inclusion; civic participation and employment; communication and information; and community

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<sup>6</sup> Welsh Government. (2022) National Survey for Wales April-June 2021. Available at: <https://gov.wales/national-survey-wales-results-viewer>

<sup>7</sup> Welsh Government. (2023) Building Capacity through Community Care – Further Faster. Available at: [Building Capacity through Community Care \(gov.wales\)](https://gov.wales/building-capacity-through-community-care)

support and health services. All eight domains are important in terms of ensuring that everyone can age well across Wales.

The WHO Age Friendly Community approach was developed in 2007 and was built in consultation with older people on the evidence of what supports healthy and active ageing and supports older residents to shape the places where we live. This approach enables stakeholders, including older people, local authorities, businesses, local societies and the voluntary sector to co-operate to identify and make changes in both the physical and social environments.

The Commissioner is recognised as an Affiliate of the World Health Organisation's Global Network of Age-Friendly Cities and Communities and works to promote age-friendly progress at the local, regional and national levels. The Commissioner's Office also works as a catalyst at the national and regional level by promoting the age-friendly approach as well as providing guidance and support to local authority-led partnerships who wish to become members of the Global Network.

There are many examples of the health benefits of age-friendly action. For example, in Swansea, a weekly age-friendly walk around Swansea Marina, followed by a coffee and chat has become very popular, with close to 100 people taking part. The walk encourages socialising and reduces loneliness for older people in the city and wider area, bringing together diverse groups of people to form friendships. This is just one of the activities provided by Swansea's Age Friendly partnership.<sup>8</sup>

The Welsh Government has been supportive of the development of Age Friendly Communities as evidenced in 'Age friendly Wales: our strategy for an ageing society'.<sup>9</sup> To date, £1.1 million has been provided to local authorities to have a dedicated officer in place and to support them to work towards joining the WHO Global Network of Age Friendly Communities and Cities. Progress continues to be made with an increasing number of local authorities joining the network over the past 12 months while good practice is being shared and scaled up by partners.

The continuation of Welsh Government funding is essential to ensuring that this progress and good practice is embedded across Wales. While the Welsh Government is committed to reducing the administrative burden on local authorities, it is important that funding to local authorities to support the development of Age Friendly Communities is not reduced or subsumed into wider financial settlements to local authorities and subsequently lost or repurposed.

## **Public transport and community transport**

The cuts to public transport seen in the current financial year are a serious concern, impacting the health, wellbeing and everyday activities of older people. The Welsh Government budget for 2024-25 needs to ensure that public transport, and bus

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<sup>8</sup> Swansea Council. (2023) Press release. Available at: [Walkers say weekly stroll is changing lives for the better - Swansea](#)

<sup>9</sup> Welsh Government. (2021) Age Friendly Wales: our strategy for an ageing society. Available at: [Age friendly Wales: our strategy for an ageing society \[HTML\] | GOV.WALES](#)

services in particular, are funded to enable older people to access healthcare, leisure and social activity. Older people often describe public and community transport as 'lifelines', enabling access to local amenities, being able to volunteer, and keep in contact with families and friends.

The reduction in the numbers of older people using the concessionary bus pass is worrying. Earlier this year, CPT Cymru estimated that use of concessionary passes was only 40-50 per cent of pre-pandemic levels. There is a risk that any additional cuts to bus services due to insufficient funding will reduce this level even further as the services that older people need will simply not exist.

While commercial passenger numbers have struggled to return to pre-pandemic levels, community transport demand has resumed at its previous level. Community transport has a history of providing flexible and accessible community-led solutions in response to unmet local transport needs. It is sometimes the only means of transport for many people. However, community transport provision is not available in all areas where it would benefit older people and requires more secure and sustainable funding. This should be addressed in the draft budget.

Regular bus journeys can also build personal connections with drivers and other passengers. The Friends of the 65 Bus group in Monmouthshire have described how sometimes the absence of regulars is noted by the drivers who alert other passengers. In one case, this led to finding out that someone had experienced a fall and the group organised help with tasks until the person was well enough to return to using the bus and do their shopping again.

The Joint Statement on the new Bus Transition Fund (16 June 2023) stated that the Bus Transition Fund was developed collaboratively by Local Authorities, Welsh Government, Transport for Wales and the industry. However, the role of passengers, including older people, in these discussions and developments is unclear.

The voice of older people and passengers more broadly must be heard and acted upon in future decisions about bus funding and bus routes, as well as public transport more broadly. While it may not be possible to maintain every bus service at its current level, older people must be able to access transport in order visit friends and family, work, volunteer, attend healthcare appointments and other services and generally do the things that matter to us all.

Reduced bus services will make it harder for some older people to stay in work or take part in volunteering activities. A significant number of older people continue to work (in Wales, 9.2% of people over 65 are in employment) while almost a third of people aged over 65 volunteer in some capacity.<sup>10</sup> Both the paid employment and voluntary activity undertaken by older people make a significant contribution to Wales's economy (volunteering by older people was valued at £483M in a 2018 report by Bangor University and expected to rise).<sup>11</sup>

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<sup>10</sup> Older People's Commissioner for Wales. (2023) Understanding Wales' Ageing Population: Key Statistics. Available at: [Understanding-Wales-ageing-population-18.9.pdf \(olderpeople.wales\)](#)

<sup>11</sup> Bangor University. (2018) Living well for longer: the economic argument for investing in the health and wellbeing of older people in Wales. Available at: [livingwell2018.pdf \(bangor.ac.uk\)](#)



Unpaid carers who rely on bus services will also be adversely affected by cuts: around 55% of carers in Wales are over the age of 55 and unpaid carers are more likely to be female, older and living in deprived communities.<sup>12</sup> Future bus services should not be restricted to standard office hours and weekdays, leaving older people unable to get around in the evenings and weekends.

The proposed Welsh Government Bus Bill is intended to resolve some of the issues around provision of bus services and the Commissioner looks forward to engaging with the legislative proposals as they unfold. However, the Welsh Government's draft budget for 2024-25 needs to ensure that sufficient resources are allocated to bus services in the immediate future: action to address this cannot be put off until legislation is passed and implemented.

### **Ageism and Equality Impact Assessments**

Ageism is the stereotyping, prejudice and/or discrimination against people based on their age or perceived age. Ageism can apply to any age group.<sup>13</sup> The World Health Organisation estimates that globally, one in two people are ageist against older people, highlighting the scale of the challenge that needs to be addressed.<sup>14</sup> The Welsh Government's draft budget for 2024-25 needs to ensure that decisions around spending and the prioritisation of resources are not influenced by ageism.

The diversity of older people also needs to be recognised in decisions around the Welsh Government's draft budget. It is important older people are not treated as a homogenous group. Policy development needs to reflect the fact that we become more diverse as we age i.e., in terms of experiences, interests, income, health and social relationships.

The Welsh public sector is currently facing a very challenging time in terms of financial settlements and spending pressures. However, there is a risk that older people bear a disproportionate burden from cuts to services. The combined impact of cuts to different types of services needs to be assessed. For example, cuts to bus services should not be viewed in isolation from cuts to other services used and valued by older people.

In compiling budget allocations for 2024-25, the Welsh Government needs to ensure that effective Equality Impact Assessments are undertaken to understand the impact of proposed spending and changes on groups with protected characteristics, including older people. These Assessments should also be published in order to aid scrutiny of decision making and ensure that policy and decision making have not been impacted by ageism.

Digital exclusion should be a key consideration in developing and scrutinising the Welsh Government's draft budget. The ability of older people who are not online to

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<sup>12</sup> Older People's Commissioner for Wales. (2023) Understanding Wales' Ageing Population: Key Statistics. Available at: [Understanding-Wales-ageing-population-18.9.pdf \(olderpeople.wales\)](#), p. 12

<sup>13</sup> For more information on ageism, see: Older People's Commissioner for Wales. (2020) Taking Action Against Ageism. Available at: [Taking Action Against Ageism - Older People's Commissioner for Wales](#)

<sup>14</sup> World Health Organization. (undated) Ageism. Available at: [Ageism \(who.int\)](#)

access services, goods and information needs to be maintained or in some cases restored. As highlighted above, 31% of over 75s do not have access to the internet at home and 33% of over 75s do not use the internet (including Smart TV and handheld devices). Ensuring that all Welsh Government spending departments have adequate resources to deliver information and services to citizens who are not online is an essential part of inclusion and preventing the equality gap from widening even further. This must be taken into account in future planning.

### **Summary: Priorities for the Draft Welsh Government Budget**

- Allocate resources to improve take up of Pension Credit via new approaches such as using existing local authority data to identify older people currently missing out; ensure messaging about support available via the Discretionary Assistance Fund is better targeted at older people.
- Ensure that there is sufficient investment in health and social care, including funding for prevention and community-based support.
- Continue to provide ring-fenced funding for local authorities to support the ongoing development of Age-Friendly Communities.
- Maintain the concessionary bus pass and ensure that older people's voices are heard and acted upon in any future changes to public transport, especially bus services.
- Support Community transport to provide greater assistance to older people in areas of severe transport deficit.
- Undertake and publish Equality Impact Assessments on the combined impact of spending decisions on the draft budget that are likely to have a negative effect on older people to ensure that policy and decision making have not been impacted by ageism.
- Ensure the draft budget recognises the issue of digital exclusion and does not contribute to widening the equality gap between people who are not online, many of whom are over 75.

# The Older People's Commissioner for Wales

The Older People's Commissioner for Wales is an independent voice and champion for older people throughout Wales.

The Commissioner is taking action to protect older people's rights, end ageism and age discrimination, stop the abuse of older people and enable everyone to age well.

**The Commissioner is working for a Wales where older people are valued, rights are upheld and no-one is left behind.**

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