

## Welsh Government Draft Budget 2022-23

November 2021

### Introduction

The Commissioner welcomes the open and engaging approach made by the Senedd's Committees to consult to inform their scrutiny of the Welsh Government's Draft Budget 2022-23. This Budget comes at a critical time as we hope to move forward into a recovery from the Covid-19 pandemic that looks to repair damage done during the outbreak, as well as ensure that we build back in a more fair and equitable way.

Whilst the increases in spending from the UK Government's Autumn Budget and Spending Review are to be welcomed, it is crucial that the Welsh Government looks to invest this additional finance in the right places to ensure improved access to public and community services and an economic recovery that enables opportunities and support for everyone.

### Consultation Questions

#### **1. What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?**

The vast majority of the additional funds provided by the Welsh Government's 2021-22 Budget related to Covid-19 have been focused on dealing with the problems that we face in the here and now. As we move into this winter and beyond, it is important that funding begins to focus more on helping people to recover from the pandemic and looking towards improvements to services and to people's quality of life into the future.

#### **2. How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?**

It is clear that there will be a continuing cost to the Welsh budget and to Welsh public services as the Covid-19 pandemic continues and as we seek to repair the damage that has been inflicted by the pandemic. As Barnett consequential for spending on the pandemic dry up in 2022-23, the Welsh Government will need to ensure that sufficient funding is provided to enable public services to overcome backlogs, as well as make the necessary changes to improve delivery and access into the future.

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A significant amount of additional funding is likely to make its way into the health service and it is important that the Welsh Government sets an expectation with health boards and regional partnership boards that they must look at how they are supporting older people to stay healthy and active in their own communities. The pandemic has had a significant impact on the physical and mental health of older people, including deconditioning, deteriorating mental health and loneliness. Without action to remedy these issues, many older people's quality of life will not improve or will continue to deteriorate, and will lead to greater need for support from health and social care services in the future. The Commissioner has put forward proposals to the Welsh Government for investment over this winter period to support the voluntary sector to provide services and information to help older people become more physically active and socially engaged. Whilst some funding has been found in current budgets to support this programme of work, it is important that these kinds of interventions are mainstreamed throughout commissioning processes and that funding is made available for this crucial preventative work that not only improves the quality of life for older people but also leads to significant cost savings for our health and social care services.

Social care services throughout Wales are continuing to struggle with well-documented problems in the recruitment and retention of staff, increases in demand for services and budgets that often constrain their ability to provide services to all those that need them. The Draft Budget will need to ensure there is sufficient funding provided for social care services to meet the challenges that have come with the pandemic, whilst also looking at how to invest in a sustainable model of social care that addresses the long-term future of services and how they are paid for. It is welcome that the Welsh Government has resurrected its Inter-Ministerial Group on Paying for Social Care, in light of announcements on the future of social care funding in England, and this group must act quickly to come forward with proposals for the future of social care in Wales.

Reform of this system will be an essential part of our recovery from Covid-19, as we seek to ensure that we move into the future with public services that are better equipped to cope with the challenges ahead and that lessons have been learned from this period. Ensuring that this recovery works for everyone must be an important part of considerations for the Welsh Government's Budget for next year and there must be due consideration given to the specific needs and circumstances of older people.

The Commissioner's *State of the Nation* report found that progress in tackling key issues that affect older people's lives is now at risk due to the pandemic and that older people's health, independence and quality of life will suffer without appropriate action across society. The report found that older people are being particularly impacted by the economic consequences of the pandemic, with unemployment rising highest amongst 50-64 year olds compared to other age groups during this period and that take-up for the Job Retention Scheme is reducing more slowly for the over 65s than any other age group. At the end of

August 2021, the over 65s had the highest take up of the now defunct Scheme of all age groups (7% of females, 8% of males, compared to 4% and 5% respectively for total female and male populations).<sup>1</sup>

### **3. How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?**

The current timelines for budget information give a limited timeframe to plan accordingly for the financial year ahead. A more long-term approach that looked at providing advanced budgetary information for multiple years into the future would provide the ability to better plan and therefore provide more stability for organisations such as ours.

### **4. Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?**

In order for the Welsh Government's Budget to properly reflect the needs and wishes of the Welsh people, it must be considered how the public can feed into the process for setting the Budget and its priorities. There should be opportunities made available for older people, and the rest of the population, to be able to participate in the decision-making process, particularly given the significant impact that the Covid-19 pandemic continues to have on people's everyday lives.

The Committee may wish to consider how it is engaging with the public as part of its Budget scrutiny process to enable contributions from the general public, as well as inviting contributions from key stakeholders and interested parties.

### **5. Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?**

It is crucially important that the funding received by the Welsh Government properly reflects the different demographic profile of Wales and, given the proportionately older population that Wales has now, and will continue to have into the future, this must be considered when determining the level of funding made available to Wales.

However, the Welsh Government must also look at opportunities to maximise the leveraging of funds from Westminster through other channels. For example, modest investments in campaigns to increase take-up of financial entitlements, such as Pension Credit, can bring much needed money into the pockets of the poorest older people in Wales, whilst also giving a boost to local economies, where older people are likely to spend this additional income.

The Department for Work and Pensions estimates that Pension Credit goes unclaimed by 40% of those that are eligible<sup>2</sup>, which could be worth as much as £214m a year to older people and the Welsh economy more widely.<sup>3</sup> As well as providing additional income, claiming Pension Credit also entitles you to a number of other forms of support, such as council tax discounts, free dental care and help with housing costs.

In November 2019, the Commissioner worked with Transport for Wales to distribute a leaflet encouraging people to claim Pension Credit with all renewed concessionary bus passes, which were sent to everyone in Wales over the age of 60 in 2019. With financial support from the Welsh Government, over 500,000 leaflets were delivered in total throughout Wales. During the period that this leaflet was sent out, data from the Department of Work and Pensions shows that the number of new Pension Credit claimants in Wales was **26% higher** compared with the average per quarter over the previous two years and that **over £10,000 a week – over £500,000 a year** – was now estimated to be in the pockets of older people who otherwise would have missed out.<sup>4</sup>

The Welsh Government has also established an Income Maximisation and Benefit Take-up Working Group with cross-sector membership. The Group launched a short Welfare Benefit Awareness Campaign across multiple channels which it calculated resulted in an additional **£651,504** of entitlements being claimed.

Two further targeted take-up campaigns have also been piloted, one focusing on BAME communities combining community-based access partners linking to advice partners and the other pilot through regional Citizens Advice services focussing on different target audiences which engaged with over 1440 people over the six-month pilot and calculated that it improved their income by **£2,468,052** across a range of entitlement claims.

Investments in campaigns such as these, with strong national messaging and targeted local interventions, can play an important role in supporting Wales' recovery from the Covid-19 pandemic and should be considered further by the Welsh Government as a key component of actions to alleviate poverty amongst older people.

The Welsh Government should also further develop how it engages with UK-wide and international programmes and schemes to access grant funding or to learn from others. For example, the Welsh Government is engaging with the UKRI's Heathy Ageing Challenge which provides opportunities for Welsh projects to bid for funding from a UK-wide pot.

The Welsh Government should also be engaging with the United Nations Decade of Healthy Ageing, which is running from 2021-30 and provides an opportunity to showcase the positive work underway here around developing age-friendly communities but also to learn from other parts of the world about effective interventions that could be implemented in Wales.

**6. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?**

**How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.**

As has already been mentioned earlier in this response, it is important that the Welsh Government looks at the specific needs and circumstances of older people when considering our economic recovery and ensure that bespoke approaches are taken to support older people to get back into work and offer opportunities to those that need to reskill or retrain. Recent research highlighted in the Commissioner's *State of the Nation* report found that whilst 90% of older people believe that they have the transferable skills to move industry if they were offered training, only 35% of employers surveyed would be prepared to hire and offer training to someone over 55 in a new industry.<sup>5</sup>

This way of thinking needs to be disrupted and we must challenge the age discrimination that many older workers continue to face in the workplace. Wales, like many other nations, has an ageing society and if we are to truly make a success of this, we must look at the opportunities available to support people to stay in work longer or return to work by offering more flexible and carer-friendly policies, having a greater focus on the health and wellbeing of workers, and ensuring that training opportunities, such as apprenticeships, are marketed appropriately to older workers to drive take-up.

People over 50 already make up 35.3% of the total Welsh workforce and this is only likely to increase over the coming years and decades. If we are to support an economic recovery that works for everyone and that seeks to address long-term challenges and opportunities then we must move away from outdated models that are based on a 'working age population' that does not adequately reflect our current or future status and ensure that Wales embraces older workers as an integral and growing part of our workforce.

**How resources should be prioritised to address the pressures felt in sectors that need to "catch-up", such as Health and Education & Approach to preventative spending and how is this represented in resource allocations**

As previously mentioned on page 2, the Commissioner has put forward proposals to the Welsh Government for investment in the community and voluntary sectors to address the impacts of the Covid-19 pandemic on the mental and physical health of older people. This investment is vital, not only in rebuilding people's confidence and helping older people to re-engage with their communities, but also to ensure that additional pressure is not placed on the health and social care services in the medium and long term through increased admissions to emergency departments and increased need for statutory social care support.

Alongside this investment, the Welsh Government and Welsh NHS must look at addressing the backlogs in elective treatment that have compiled during the pandemic period. These treatments and procedures can be life-changing for older people and too many have been living in pain and with limited mobility over the last 18 months. The health of many of the individuals waiting for these treatments is likely to have deteriorated over this period and for some, it may already be too late for these interventions to be effective. It is important that those that are waiting for procedures are communicated with effectively so that they know when to expect to receive their treatment and what steps they can take whilst they wait to maximise their health and wellbeing. Older people's charity Independent Age has looked at this issue in relation to England and highlighted the importance of ensuring people receive appropriate support, communications and treatment whilst they are waiting for surgery. The report recommends that the NHS engages with older people to hear their voices and to "*transform the waiting period from one of anxiety to one of patient empowerment, preparation and holistic support*".<sup>6</sup>

Many cancer screening programmes were also paused during the pandemic, including breast cancer screening,<sup>7</sup> and it is important that investment is made in these life-saving interventions in order to catch up with any appointments that were missed or delayed due to the pandemic.

As with many aspects of the pandemic, the impact of backlogs and pauses in health and care treatment will not be felt equally across our society. As reported in the Commissioner's *State of the Nation* report, there continues to be significant health inequalities in Wales between those in the poorest and most affluent areas. Older people in our poorest communities are already likely to die far earlier than those in more affluent areas and support to catch up with services must be focused on those most in need and that are most effected by waiting for treatments or procedures.

### **How evidence is driving Welsh Government priority setting and budget allocations**

Understanding the experiences and circumstances of older people in Wales is essential to identifying and implementing effective public policy. However, it is too often the case that data and evidence is not collected or analysed in a way that can be broken down by age or

by intersectional characteristics of the older people, for example by gender, ethnicity or sexuality.

This is particularly the case for data and evidence collected about older people's experiences of abuse, which continues, despite some positive steps forward, to not be fully understood and recognised. Much of the data collected about abuse, and particularly domestic abuse, can often stop at a certain age or group everyone over 60 or 65 into one category, which does not enable an understanding of how older people in different age groups are affected.

Without this crucial evidence about older people's lives, there is a risk that decisions about priority setting and budget allocations may not take account of the specific needs and experiences of older people and overlook interventions that could improve older people's quality of life and provide support when they need it most. This evidence and data is also important to evaluate whether intervention and decisions are effective in achieve their objectives or whether funding could be better used elsewhere.

The Covid-19 pandemic has impacted the collection and collation of some of this data, in particular around social services and safeguarding, which were paused at the start of the pandemic and there is yet to be any data published to cover 2019-20 and 2020-21. The Welsh Government must ensure that action is taken as quickly as possible to address these gaps in understanding, either through publishing data that is available or finding alternative ways to evidence older people's experiences during the last 18 months.

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- <sup>1</sup> HMRC (2021) *Official Statistics: Coronavirus Job Retention Scheme statistics: 7 October 2021*. Available at: <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-7-october-2021/coronavirus-job-retention-scheme-statistics-7-october-2021#furlough-by-age>
- <sup>2</sup> Department for Work and Pensions (2020) *Income-related benefits: estimates of take-up: financial year 2018 to 2019*. Available at: <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019>
- <sup>3</sup> Independent Age (2020) *Pension Credit: a closer look*. Available at: <https://www.independentage.org/pension-credit-a-closer-look>
- <sup>4</sup> Older People's Commissioner for Wales (2021) *New data reveals an increase in the number of new Pension Credit claimants during Commissioner's campaign*. Available at: [https://www.olderpeoplewales.com/en/news/news/21-03-24/New data reveals an increase in the number of new Pension Credit claimants during Commissioner's campaign.aspx](https://www.olderpeoplewales.com/en/news/news/21-03-24/New%20data%20reveals%20an%20increase%20in%20the%20number%20of%20new%20Pension%20Credit%20claimants%20during%20Commissioner's%20campaign.aspx)
- <sup>5</sup> 55/Redefined (2021) *Shut out, forced out and overlooked Ageism at work: Attitudes on employment over the age of 55*. Available at: <https://www.55redefined.com/drafts/shut-out-forced-out-and-overlooked-an-ageism-report>
- <sup>6</sup> Independent Age (2021) *Patiently Waiting: Older people's experiences of waiting for surgery*. Available at: <https://www.independentage.org/policy-and-research/patiently-waiting>
- <sup>7</sup> Public Health Wales (2020) *Screening during the Coronavirus Pandemic - Breast Test Wales*. Available at: <https://phw.nhs.wales/services-and-teams/screening/breast-screening/screening-during-the-coronavirus-pandemic-breast-test-wales/>

# The Older People's Commissioner for Wales

The Older People's Commissioner for Wales protects and promotes the rights of older people throughout Wales, scrutinising and influencing a wide range of policy and practice to improve their lives. She provides help and support directly to older people through her casework team and works to empower older people and ensure that their voices are heard and acted upon. The Commissioner's role is underpinned by a set of unique legal powers to support her in reviewing the work of public bodies and holding them to account when necessary.

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

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

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