

## Welsh Government Draft Budget 2022-23

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

Care & Repair is Wales's older people's housing champion. We are a long standing and trusted partner of Welsh Government, Local Authority and Local Health Boards across Wales, consistently delivering services and solutions to support older people's independence, safety, health and well-being at home.

In 2020/21 we worked safely and to Public Health Wales guidelines throughout the challenges and pressures of the pandemic to achieve the following for older people living in poor housing:

- 44,000 older people helped to stay independent at home.
- £14.5m of housing repair and improvement work completed.
- 36,371 jobs completed, of which 25,844 jobs supported falls and prevention and reduced pressures on the NHS.
- 17,232 Rapid Response Adaptations completed, supporting hospital discharges and prevention admissions to hospital and residential care.
- Secured £6.81m of unclaimed benefits entitlements for older people, which can help better afford food, transport, energy and other bills.
- Supported 2,265 older people with sensory loss, stroke and dementia to adapt their homes and live independently through our 'Managing Better' service
- 3,403 patients supported with a quicker, safer hospital discharge across 17 hospitals in Wales, leading to an estimated 20,000 bed days saved
- Specific additional support to older and disabled people during the pandemic:
  - 6,465 'Keeping in Touch' calls
  - 1,341 prescriptions delivered
  - 1,864 essential shopping trips and delivery of meals on wheels
  - 4,744 telephone advice calls
  - 4,139 signposted to other organisations better placed to provide support
  - 1,067 NHS deliveries (PPE, oxygen, medication, aids and equipment).

Via WCVA, we received Voluntary Services Emergency Funding and National Lottery funding that enabled Care & Repair to purchase PPE for safe service delivery and to make our workplaces safe. Later in the year we received Voluntary Services Recovery Funds and made around £100K hardship funding available to improve living conditions for older people who were in cold and unsafe housing. We believe this funding was via WG, and both funds were welcomed in terms of our response to service delivery during the early stages of the pandemic, and into helping older people, many of whom were "staying at home", but living in cold and poor conditions.



As the above figures demonstrate, Care & Repair performs well and makes a significant contribution to Welsh Government priorities such as 'Prosperity for All', 'A Healthier Wales', and the Well-being of Future Generations Act'. Our service is holistic, people-centred and adapts to individual needs and homes – key approaches underpinning Welsh Government's aspirations for citizens.

Our core revenue funding for business as usual in 2021/22 was standstill. This has been the case for the past 6 years. This followed on from major funding reductions of nearly £1m or 22% between 2010 and 2016. With inflation of around 38% over 11 years, continuing to operate our services and keeping up with need has been a big challenge at a time when demand for Care & Repair has increased significantly with an ageing population. Now, due to Covid, older people are spending even more time at home and demand for Care & Repair is increasing even more.

When it comes to our Rapid Response Adaptations Programme (RRAP), capital funding has remained the same for 10 years at £2m. When inflation of 38% is factored in, this £2m realistically pays for 38% fewer adaptations and essential repairs. This is now exacerbated by covid, and Brexit increases in building supplies costs and labour costs, and increasing market costs and overheads (e.g. fuel and energy).

We are therefore working within a continuously stretched budget, in terms of recruiting and retaining skilled and qualified staff (Caseworkers, Surveyors and Handypersons) and balancing Care & Repair organisation budgets, as well as meeting needs for home adaptations and improvements for our clients through capital funds. Every year numerous Care & Repair Agencies run out of capital funding for RRAP and must hope on the availability of local funding sources, which varies considerably across Wales, or on central applications for slippage or other available funds from WG. Even with some additional local funding secured, our C&R Agencies indicated a shortfall of some £500,000 capital this year, with at least two anticipating running out of funds entirely in December, just when winter pressures are being felt most by the NHS. Local funding sources are precariously unguaranteed, making our service very vulnerable to local fluctuations, potentially resulting in unmet need and inequity of service across different parts of Wales. For those Agencies who are successful in applying for local funding streams, these are spent fully each year even without the additional challenges of Covid-19.

The impact of annual standstill budgets is felt acutely across the Care & Repair sector. Care & Repair works closely with LHBs and LAs in a preventative capacity. RRAP works to prevent falls and accidents in the home, so reduces unscheduled care. It also works to facilitate quicker hospital discharge and better patient flow – therefore saving NHS costs and pressures in the long run. Despite the volume of people we reach every year, the inability to fund RRAPs and works in the home in line with actual need means that our stagnant budget results in increased costs elsewhere from missed opportunity to complete preventative works.

We have seen a huge increase in demand this year. In Q1 and Q2 of 2020/21 we completed 7,819 RRAP works, whereas this year in 2021/22 we completed 11,838 RRAP works. Pre-pandemic demand has already been reached and exceeded, in some Agencies by more than 50%. We attribute this to increased demand from hospitals as NHS pressures continue to increase due to higher incidence of

unscheduled care amongst older people and presentation at ED; coupled with post-covid waiting lists now being processed; family members beginning to visit older relatives at home, resulting in a call to Care & Repair; and the increased confidence of older people to self-refer now they deem it safe to do so.

Last winter was one of the toughest we have faced, and the likelihood is this winter will be worse. Care & Repair have the tools to assist Welsh Government and public services during winter. We anticipate additional strain on healthcare services already stretched thin, and in turn continued unprecedented demand and strain on our services: in September, the NHS Confederation estimated that 1,400 patients in Wales were unable to be discharged from hospital, which had the same impact of shutting down the University Hospital of Wales in Cardiff<sup>1</sup>. Care & Repair's *Hospital to a Healthier Home*<sup>2</sup> directly supports quicker, safer discharge of older patients from hospital and helps improve patient flow. Last year the service helped 3,403 patients leave hospital more quickly. It is vital that RRAP which allows us to make homes safe and accessible is available to meet the increased need for this service and others we have evidenced this year.

Good health starts at home, and Care & Repair Cymru can be an increasingly valuable partner, providing adaptations for older people to lessen their risk of accidents or poor health caused by hazardous or unfit homes. Care & Repair Cymru can work with Welsh Government in a preventative capacity, to stop hospital admissions and to ensure that older patients who are ready for discharge are able to leave hospital.

Thankfully for this year, we have been successful in applying for capital slippage funds from WG Housing Directorate, and Winter Pressures Social Care Third Sector funds, and are grateful to colleagues in WG for their collaboration and support in recognising the case we made. These additional capital funds are welcomed, but it is worth pointing out that additional funds are not available every year to deal with unmet need.

Certainty of both revenue and capital funds which meet need and demand for preventative services, allowing for better planning and preparation are much needed in the future.

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

See above response.

Ramping up a proactive, prevention agenda with support from third sector organisations in Wales will be essential to support the huge pressures the Welsh NHS faces.

Adaptations in the home reduce falls in older people and lead to fewer admissions to hospital. We worked collaboratively with Swansea University and the SAIL databank to show the evidence behind this claim:

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<sup>1</sup> NHS Welsh Confed, Pressures facing NHS Wales. available [here](#)

<sup>2</sup> For more information on Care & Repair's Hospital to a Healthier Home service, click [here](#)

- The research used data from 650,000 patients aged between 60-95 over nine years, of which 123,000 people had Care & Repair support.
- The findings show that Care & Repair adaptations and interventions reduce the odds of falling at home. Those who had NOT received Care & Repair support had a 17% increased risk of falling.
- The findings also indicate that Care & Repair clients had higher odds of falling from the outset, meaning that we are successfully targeting a more vulnerable sub-population of older adults.<sup>3</sup>

For years we have known that older people who receive Care & Repair services have a reduced risk of falling, reduced risk of being admitted to hospital, a reduced or delayed need for admission to a residential care home.

We know that priority must be taken to address the backlogs in NHS care – for this to happen, we believe it is vital that the Welsh Budget of 2022-23 places increased significance on reducing preventable admissions to ED and supports third sector services that help improve patient flow and quicker safe discharges of care.

To do this, the Welsh Government must continue to reflect its commitment to person-centred care by breaking down traditional siloes between health and housing in its budget. Throughout the Covid-19 pandemic, Care & Repair Caseworkers have witnessed first-hand the deconditioning of older people's health in tandem with the deterioration of housing condition. The quality and condition of a home and health of its occupants are interlinked. The Welsh Housing Condition Survey conducted in 2017-2018 revealed that 18% of older homes have Category 1 hazards present – meaning nearly 1 in 5 homes in Wales are hazardous to health<sup>4</sup>. Consequentially, poor housing costs the Welsh NHS £95million each year.<sup>5</sup> Many older people live in unfit housing unsuitable for their needs and need support to make the changes necessary to continue to live in safe, warm, accessible homes.

There will be additional pressures on public services because of the pandemic. According to Wales Fiscal Analysis, the core Welsh resource budget (excluding covid19 funding) is projected to grow by 5.7% in nominal terms from 2020-21 to 2022-23. However, WFA predict that housing and public services outside the health budget fall in real terms in 2022-2023. Overall spending outside the NHS and Local Gov is about 13% below pre-austerity levels but will face post-pandemic public service pressures too.<sup>6</sup>

Care & Repair is a service that works. Every year we support thousands of older people to stay safe and independent at home. We demonstrate strong outcomes year on year thanks to a strong evidence base of the large volume of outputs, proven

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<sup>3</sup> This work has been peer reviewed and published in *Age and Ageing* (2021): <https://doi.org/10.1093/ageing/afab201>

<sup>4</sup> Welsh Government, Welsh Housing Conditions Survey, available [here](#). (p. 10)

<sup>5</sup> BRE Trust, The Cost of Poor Housing Report, available [here](#).

<sup>6</sup> Wales Fiscal Analysis, Welsh Budget Update: Outlook ahead of Spending Review 2021, available [here](#)

outcomes, positive client and patient stories, NHS staff testimonials, studies and this year published academic research from Swansea University that provides evidence that our preventative work reduces numbers of older people who fall and need an ambulance and hospital care. Despite all this, our budgets are stretched, we have difficulty in recruiting and retaining staff due to salaries not keeping pace with inflation, or similar posts in other sectors or organisations being paid more. We would like to see a commitment in the 2022-23 budget to sustainably fund preventative third sector services beyond those that just work in statutory health services, including our own in Care & Repair (i.e. housing and third sector), that will be vital to Covid recovery.

### **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?**

Care & Repair has seen a significant decrease of nearly £1m revenue (22%) since 2010. With increasing inflation and costs of goods and services, we are now facing extreme pressures. As demonstrated in our response to Q1 and 2, this funding is not sufficient to meet need and leaves the service vulnerable to non-guaranteed local funding pots and sustaining staffing levels. Ultimately, this means that every year we face difficult choices in prioritising works for some of Wales's most vulnerable people. We see thousands of older people in desperate need of help to make their homes safe to live in that we cannot help.

We are already seeing unprecedented demand in 2021/22 due to deconditioning over lockdowns means that the work we need to carry out is often urgent and critical. Our referral rates are higher than comparable years meaning our casework, handyperson, and technical teams are stretched to the limit to fill the gaps left by public services.

We are also seeing increasingly complex cases involving mental health, hoarding and wider societal issues. We are seeing higher incidence of falls and accidents in the home amongst older people, resulting in increased presentation in ED. Older people have spent much longer periods of time inside without being seen by health professionals – this had led to increased deconditioning and means that we are seeing a large increase in the complexity of works required to ensure clients can remain living safely and independently at home, which in turn pushes costs up.

Demand will increase over winter. We have already stated how the decrease in funding and increase in demand is affecting our services. Each year we run the risk of being unable to carry out essential work in the winter months when prevention is needed most to support the Welsh NHS.

Without increased funding for our Care & Repair service in 2022/23, need will go unmet.

As mentioned, Care & Repair is faced with workforce challenges: with levels of funding available it is impossible to compete with the private sector, local authorities and RSLs when it comes to recruiting and retaining some of our professional posts. We cannot compete with salaries and stability offered outside of the third sector, making it increasingly hard to keep staffing levels the same. The salary of a Technical Officer in Local Government, for example, is £38,791, whereas the average Care & Repair salary for the same position is currently £31,750. Staffing issues are also present for



external partners, including contractors and handymen, who are facing increased demands and have months-long waiting lists as well as increased costs due to material price increases.

For all the above reasons, we have asked that for 2022/23, a grant funding uplift for Care & Repair is considered by WG.

**The request is:**

- 1) **a 20% uplift in revenue**, increasing the core revenue grant funding amount to £4.7m. The rationale for our ask is that this would fill the funding shortfall to operational revenue costs for the last 6 years (16%), the inflationary increase for next year (a further 2.5%) and assist with other pressures mentioned above. Overall, this would help sustain a uniform, core Care & Repair service across Wales.
- 2) **A 30% increase to RRAP funding** to £2.6m. The current RRAP amount is always spent by the start of winter just as winter pressures start and the funding is most needed. This has been demonstrated again this year with a successful business case paper and request for slippage recently submitted to WG. Additional RRAP is also needed to support our successful Hospital to Healthier Home service and the increased targeted work in supporting older people to return home from hospital more quickly, reducing unscheduled care pressures, preventing readmissions, and improving patient flow.

**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?**

NA.

**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?**

NA.

**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.**

Resources would be better spent focused on a more preventative agenda. This agenda should apply to both housing and health sectors and recognise the role third



sector organisations such as Care & Repair plays in terms of both strategic thinking and delivery of services in different and complimentary ways to statutory services.

In the Welsh Government's *National Milestones and Indicators* consultation in which Care & Repair Cymru called for "healthy housing" to be considered an indicator of a thriving Wales, where private housing stock is brought up to an acceptable, safe standard, ensuring the health and longevity of Wales's housing stocks, as well as the health of its occupants<sup>7</sup>.

Providing additional funding to make sure that houses are brought up to a healthy standard –targeted specifically at older and vulnerable people in the private housing sector, who cannot afford to do works and have limited capacity to organise them. This would mean its occupants are less likely to have housing related poor health issues and would save money and reduce pressures in the long term for the Welsh Government and health service. In turn this would also support healthcare resources to be used more efficiently, allowing healthcare providers to start to tackle the Covid-19 backlog, as well as create new jobs in the housing and construction sector aimed at bringing housing up to an acceptable standard.

**– To what extent alleviating climate change should be prioritised in supporting economic recovery.**

Climate change should be considered when making any budget decisions for ourselves and future generations.

We welcome Welsh Government's ban on fossil fuel heating technologies in newly built social housing from October 2021<sup>8</sup>, but this leaves behind the private housing sector in which the same considerations must be taken. With the Welsh housing sector responsible for 21% of carbon emissions<sup>9</sup>, optimised retrofit and wider cross-tenure decarbonisation proposals need to be brought forward urgently if Wales is to reach its Net Zero target, and these need to include the private housing sector as well as the social housing sector.

The next iteration of the Warm Homes Programme will be consulted on in December. Many of our clients rely on schemes such as Nest to heat their homes, alleviate fuel poverty and improve their health. In its current form, the Nest scheme limits replacement heating options to gas – the scheme needs to be future proofed by incorporating green technologies. As fewer and fewer houses rely on gas heating in the coming years, it is important that these consumers are not left on an antiquated system reliant on fossil fuels. These schemes should ensure equitable access to heating for everyone as well as equitable access to environmentally friendly means to do so.

**– How resources should be prioritised to address the pressures felt in sectors that need to "catch-up", such as Health and Education.**

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<sup>7</sup> Care & Repair Cymru response to *Shaping Wales' future: using national indicators and milestones to measure our nation's progress* available [here](#) (p. 8)

<sup>8</sup> Welsh Government, *Welsh Development Quality Requirements 2021*, available [here](#) (p. 3)

<sup>9</sup> Welsh Government, *Decarbonising Welsh Homes Stage 1 Report*, available [here](#) (p. 6)



Properly resourcing the health prevention agenda should be prioritised. It is crucial resource goes to tackling the wider determinants of health, including housing conditions, fuel poverty and income maximisation work.

Care & Repair's *Hospital to a Healthier Home* service saved the Welsh NHS 20,516 bed days between April 2020 and March 2021, working throughout the peaks of the pandemic. Welsh Government has a wealth of innovative third sector organisations running successful schemes that help reduce the pressures felt in public sectors that can be drawn on, however they need to be properly funded.

Care & Repair Cymru's work has highlighted the organisation's impact in reducing NHS spending and will be integral to reducing pressures, allowing the healthcare sector to "catch-up" after the pandemic. Likewise, adaptations are the quickest and cost-effective way to reduce hazards and risks in older peoples' homes, and Care & Repair agencies carried out 17,232 Rapid Response Adaptations in 2020/21 to support hospital discharges and preventing admissions to hospital and residential care, as proven by our recent SAIL research<sup>10</sup>.

#### **– Welsh Government policies to reduce poverty and gender inequality.**

Over 2 years 2019 to 2021, Care & Repair helped older people in Wales access an additional £17.5 million annually in unclaimed benefits. We believe there is more work to be done on tackling the stigma around benefits claiming, to recast this as a right and entitlement in public conscience that falls within the remit of Welsh Government.

An estimated 155,000 people in Wales still live in fuel poverty; 130,000 of which are classed as vulnerable<sup>11</sup>; a characteristic which includes older people. In the final few months of 2020/21, we also helped 80 older people who were living in fuel poverty, via our 70+ Cymru scheme<sup>12</sup>. We agree with the actions of the Fuel Poverty Plan 2020-2035 and look forward to reiterating the need for a fabric first, whole house approach to ensure homes are free from drafts, leaks and able to retain heat to help reduce fuel bills and fuel poverty.

#### **– Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).**

Prevention underpins Care & Repair Cymru's aims as an organisation and the work we do. We have made the case for additional resource in our preventative agenda in our response to Q1,2 and 3. Poor housing conditions are where many health problems begin, especially for older people who live in unfit housing which is unsuitable for their needs. Welsh Government should take a holistic, cross-governmental approach to public health and prevention given the task ahead of recovering and protecting our NHS from current and future effects of the pandemic.

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<sup>10</sup> Care & Repair Cymru Annual Report 2020/21, available [here](#)

<sup>11</sup> Welsh Government, Fuel Poverty Estimates 2018, available [here](#).

<sup>12</sup> Care & Repair Cymru Annual Report 2020/21, available [here](#)



Care & Repair Cymru advocates for a right to decent housing to be enshrined in law. We welcome the new announcement via the Labour and Plaid Cymru Cooperation Agreement publish a White Paper to include proposals for a right to adequate housing but are mindful that this should be about the quality of homes as well as the supply. We are calling for clear minimum standards to be in place for private sector housing. There should also be a national safety net programme for vulnerable older homeowners that should be made available to Care & Repair agencies for us to carry out essential maintenance and improvement works<sup>13</sup>.

**– Sustainability of public services, innovation and service transformation.**

Moving from yearly funding to longer-term funding would ensure longer term certainty of services across the board and the continued viability and success of Care & Repair Cymru's work and that of the wider third sector community.

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

We have provided evidence of the strength of service every year since 2002 via RRAP reporting. We have submitted evidence for several years as to why our organisation requires an increased budget to be able to meet the needs of older, vulnerable people in Wales. Despite showing consistent success through our work, we have not seen an increase in our funding in eleven years - a large real-terms decrease in our core funding. While we appreciate and highly value working with Welsh Government and being a trusted partner, it is becoming increasingly difficult to help all older people in Wales who need our help.

Over 90% of completed works (under £500) have an average value of £130 and 7% is mid-level up to £5,000 with an average value of £1,600 (there are combinations and multiples of these for some clients of course). The average cost of works for Care & Repair is approximately £340. If you look at The Real Cost of Housing in Wales (BRE) 2011, there is a £67m (\*updated to £95m in the PHW Making a Difference Report in 2019, average investment £584) annual cost to the NHS in Wales from poor housing related to Category 1 Hazards (Falls, Cold Homes risks) and 20% of the hazards identified could be addressed with costs less than £520 and over half with works costing £1,600 on average.

**– How the Welsh Government should use taxation powers and borrowing.**

NA

**– What specific support is needed in the budget for businesses, economic growth and agriculture, related to post EU transition.**

NA

**– What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).**

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<sup>13</sup> Care & Repair Cymru, Improving Homes to Change Lives, Manifesto for the Welsh Senedd Elections, available [here](#). (p. 3)



Well-being and good health start at home, especially for older people. Carrying out home improvement and adaptations work to ensure that older people can live safely and independent at home, as well as to prevent health issues also aligns with *The Wellbeing of Future Generations Act's* aims for resilience, equality, and good health. "Future Generations" means future older people as well as those not born yet, so we need policies in place now to support Wales's current older population, as well for the future. If more funding is made available for this work, benefits will be cross-governmental, and in line with *A Healthier Wales's* plans for more preventative healthcare, as well as the *Strategy for an Ageing Society's* aim to make Wales the best place to grow old.

**For further information or any clarifications, please contact**

