



**Older People's Commissioner for Wales**  
**Comisiynydd Pobl Hŷn Cymru**

# **Response from the Older People's Commissioner for Wales**

**to the**

## **National Assembly for Wales' Finance Committee Inquiry into Welsh Government draft budget proposal for 2015-16**

**September 2014**

For more information regarding this response please contact:

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## **About the Commissioner**

The Older People's Commissioner for Wales is an independent voice and champion for older people across Wales, standing up and speaking out on their behalf. She works to ensure that those who are vulnerable and at risk are kept safe and ensures that all older people have a voice that is heard, that they have choice and control, that they don't feel isolated or discriminated against and that they receive the support and services they need. The Commissioner's work is driven by what older people say matters most to them and their voices are at the heart of all that she does. The Commissioner works to make Wales a good place to grow older - not just for some but for everyone.

The Older People's Commissioner:

- Promotes awareness of the rights and interests of older people in Wales.
- Challenges discrimination against older people in Wales.
- Encourages best practice in the treatment of older people in Wales.
- Reviews the law affecting the interests of older people in Wales.

## **Welsh Government Draft Budget Proposals for 2015-16**

1. As the Older People's Commissioner for Wales I welcome the opportunity to respond to the National Assembly for Wales' Finance Committee Inquiry into the Welsh Government draft budget proposals for 2015-16<sup>1</sup>. I will reply to the questions as set out in the consultation document.

### **What, in your opinion, has been the impact of the Welsh Government's 2014-15 budget?**

2. The impact has been significant and has affected older people in a number of ways. As I outlined in my response to the 2014-15 draft budget<sup>2</sup>, I welcomed the announcement to allocate an additional £570m over the next three years for health and social care, including an extra £150m for 2014-15.
3. I also welcomed the announcement of £50m to create an Intermediate Care Fund for Wales, an important resource to support independent living and better integration between health, social care and housing. However, despite these positive steps during the course of the financial year, progress in intermediate and integrated care is at risk of being lost because of the short term nature of this funding stream. The Welsh Government needs to ensure continuity of funding for these programmes and networks that have been supported by the Intermediate Care Fund to ensure that their impact is not lost.
4. Less positive was the financial settlement for local government. Community services provided by Local Authorities are absolutely essential to the health, independence and wellbeing of older people. Protecting and improving community services, facilities and infrastructure is a priority in my Framework for Action 2013-17<sup>3</sup>. These services are often described as 'lifelines', and as I outlined in my 'The Importance and Impact of Community Services

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<sup>1</sup> <http://senedd.assemblywales.org/documents/s29438/Consultation%20letter.pdf>

<sup>2</sup> [http://www.olderpeoplewales.com/en/news/news/13-10-08/Statement\\_on\\_Welsh\\_Government\\_Draft\\_Budget\\_2014-15.aspx](http://www.olderpeoplewales.com/en/news/news/13-10-08/Statement_on_Welsh_Government_Draft_Budget_2014-15.aspx)

<sup>3</sup> [http://www.olderpeoplewales.com/en/Publications/pub-story/13-05-23/Framework\\_for\\_Action.aspx](http://www.olderpeoplewales.com/en/Publications/pub-story/13-05-23/Framework_for_Action.aspx)

within Wales' report<sup>4</sup>, they should be seen as essential community assets, essential to the delivery of national priorities relating to prevention, citizen focus and community resilience, containing the costs upon statutory services and maintaining the wider health of the economy.

5. As a recent Wales Audit Office report highlights<sup>5</sup>, Local Authorities have been able to meet their financial challenges and deliver their overall plan, however more robust arrangements will be necessary as financial pressures increase. Local Authorities have ran front-line services on a collective £250m budget shortfall<sup>6</sup> and whilst I recognise the huge budgetary pressures and that difficult decisions on expenditure and savings must be made, I have made it clear that older people cannot afford to lose these vital community assets. The need for creativity and innovation in delivering public services, in one form or another, for older people and others will become increasingly important.

**Looking at the indicative budget allocations for 2015-16, do you have any concerns from a strategic, overarching perspective, or about any specific areas?**

6. As in previous years, I expect to see evidence of a clear and consistent approach adopted at local, regional and national levels. The indicative allocations for 2015-16, as outlined in the Welsh Government's Final Budget report for 2014-15<sup>7</sup>, largely follow those from the previous year. Whilst I welcome the slight budget increase for Health and Social Services, I am concerned about the budgetary reductions for other departments and the cumulative impact felt by older people. In particular:

- **Communities and Tackling Poverty:** An estimated 84,000 older people in Wales live in poverty, with 50,000 of those living

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<sup>4</sup> [http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The\\_Importance\\_and\\_Impact\\_of\\_Community\\_Services\\_within\\_Wales.aspx](http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The_Importance_and_Impact_of_Community_Services_within_Wales.aspx)

<sup>5</sup> [http://www.wao.gov.uk/system/files/publications/694A2013\\_Meeting%20the%20financial%20challenges\\_Final.pdf](http://www.wao.gov.uk/system/files/publications/694A2013_Meeting%20the%20financial%20challenges_Final.pdf)

<sup>6</sup> <http://www.wlga.gov.uk/media-centre-l-wlga-e-bulletins/in-defence-of-localism>

<sup>7</sup> <http://wales.gov.uk/docs/caecd/publications/131206explanatoryen.pdf>

in 'severe' poverty<sup>8</sup>. Further, around 140,000 older households in Wales are estimated to be living in fuel poverty<sup>9</sup>. Whilst the incomes of many older people have remained static their finances have become increasingly pressurised in recent years due to a number of factors, including the rising costs of essential goods, and historically low interest rates on savings. Austerity is affecting older people in Wales significantly and in a number of ways, and the Welsh Government requires a robust budget to tackling poverty, including poverty amongst older people. Regrettably, there are very few references to older people in the Tackling Poverty Action Plan<sup>10</sup>, and I am now working with the Welsh Government and other key partners to see what can be done to improve the uptake of financial entitlements amongst older people.

- **Economy, Science and Transport:** As I emphasised in my Community Services report, whilst the introduction of free bus travel for older people in Wales has been a real success, a free bus pass is worth little to older people should certain bus routes disappear. I am particularly concerned about the reductions in concessionary bus travel reimbursements to operators, reductions which could result in up to a 30% reduction in services<sup>11</sup>. Further, I am concerned about the insufficient funding for Community Transport Schemes in Wales, hugely popular amongst older people yet schemes that cannot cope with demand due to inadequate financial support. Further budgetary reductions will have huge implications for older people across Wales, affecting service provision and reducing the availability of much-needed public transport.
- **Education and Skills:** Learning for older people has a range of benefits. For some older people, learning is something to look forward to, something that keeps them physically and mentally

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<sup>8</sup> <http://www.ageuk.org.uk/cymru/professional-resources/publications/life-on-a-low-income/>

<sup>9</sup> <http://wales.gov.uk/docs/dhss/publications/130521olderpeoplestrategyen.pdf>

<sup>10</sup> <http://wales.gov.uk/docs/dsjlg/publications/socialjustice/120625tackpovplanen.pdf>

<sup>11</sup> [http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The\\_Importance\\_and\\_Impact\\_of\\_Community\\_Services\\_within\\_Wales.aspx](http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The_Importance_and_Impact_of_Community_Services_within_Wales.aspx)

active, and contributes towards their wellbeing. For other older people, adult learning is crucial to allow them to acquire new skills to remain in or re-enter the labour market. With the traditional retirement model affected by the economic downturn, Wales has an alarming number of older people not in education, employment or training: it is estimated that over 1 in 3 people between 50 and the State Pension age, over 200,000 people, are currently unemployed. I am particularly concerned with the drastic funding reductions for adult community learning (37.5% reduction in 2014-15), and budgets for part-time further education (33% reduction)<sup>12</sup>. The scarcity of funding for adult learning hinders the employment prospects of older people and the development of a curriculum for later life, including much-needed digital and financial skills, as well as healthy living education. The cumulative effect of reducing access to public transport means that older people are less likely to access much-needed employment, learning and skills opportunities, placing them at greater risk of poverty, loneliness and isolation.

- **Housing and Regeneration:** In order to reduce older people's dependency on statutory packages of health care, the Welsh Government needs to financially support home adaptations as much as possible, and must use the ongoing review into independent living as an opportunity to reform the aids and adaptations system to enable a tenure blind system that is consistent across Local Authorities and is easy to access and navigate. The cost of providing adaptations and maintaining the independence of older people is relatively small in comparison with the additional financial strains on health services as a result of hospital (re-)admissions; for every £1 spent on adaptations (through the Rapid Response Adaptations Programme), £7.50 is saved by the statutory health and social care sector<sup>13</sup>.

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<sup>12</sup> [http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The\\_Importance\\_and\\_Impact\\_of\\_Community\\_Services\\_within\\_Wales.aspx](http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The_Importance_and_Impact_of_Community_Services_within_Wales.aspx)

<sup>13</sup> [http://www.careandrepair.org.uk/uploads/Publications/Theres\\_no\\_place\\_like\\_home\\_E.pdf](http://www.careandrepair.org.uk/uploads/Publications/Theres_no_place_like_home_E.pdf)

7. Regarding the future budget settlement for local government, I am aware that the Welsh Local Government Association (WLGA) has indicated<sup>14</sup> that Local Authorities should prepare for further reductions of up to 4.5%, and that Authorities across Wales could be managing a potential budget shortfall of up to £900m. The cumulative effects of such budgetary reductions are significant and as regular users of community services, I am concerned that the impact will fall disproportionately on older people. Older people across Wales have told me that they are very concerned about the future of their 'lifeline' services, the services they depend on to maintain their health, independence and wellbeing, such as buses and community transport, public toilets, public seating, libraries, leisure facilities, day/community centres, 'meals on wheels' services and befriending schemes.
8. Reducing the provision of these non-statutory services will impact on the physical and mental health of older people, placing them at risk of loneliness, depression and social isolation. The implications of this reduced provision is that more older people will be placed on statutory packages of health and social care, thus increasing the pressures on health and social care budgets already under strain in Wales. With an ageing population and the dangers of inadequate preparation, it is estimated that revenue spending on health could rise from 42% in 2010-11 to around 57% of the Welsh Government's revenue budget by 2024-25<sup>15</sup>. Providing adequate infrastructure to travel and access other community services reduces dependency on others and long-term health costs: it is estimated that reducing the number of older people admitted to hospital could save the health service £2bn a year<sup>16</sup>.

**What expectations do you have of the 2015-16 draft budget proposals? How financially prepared is your organisation for the 2015-16 financial year, and how robust is your ability to plan for future years?**

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<sup>14</sup> <http://www.wlga.gov.uk/press-archive/more-deep-cuts-will-decimate-local-public-services>

<sup>15</sup> <http://www.walespublicservices2025.org.uk/wp-content/uploads/2013/09/Mark-Jeffs-WPS2025-Full-Report1.pdf>

<sup>16</sup> [http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The\\_Importance\\_and\\_Impact\\_of\\_Community\\_Services\\_within\\_Wales.aspx](http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The_Importance_and_Impact_of_Community_Services_within_Wales.aspx)

9. My expectations are that the needs, concerns and priorities of older people are, as much as possible, addressed across budgetary headings. Embedding the wellbeing of older people at the heart of public services is a priority in my Framework for Action. The concept of wellbeing is not yet sufficiently understood and reflected in the planning, development and everyday delivery of public services. Ensuring that the lives of older people have value, meaning and purpose requires sufficient financial support across departments: the needs of older people are not confined to health and social care.
10. After accounting for costs relating to pensions, welfare and health, older people are worth over £1bn a year to the Welsh economy through, for example, volunteering and childcare. Their contribution sustains the broader economy and limits the pressure on other public services in Wales. Older people can, and want to, contribute significantly to society and to the wider economy. However, they require adequate services, facilities and infrastructure to allow them to do so. Future budgetary settlements should consider how best to support older people as economic assets, increasing their £1bn contribution to the Welsh economy<sup>17</sup>.

**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 the areas identified below?**

**- Local health board financial arrangements**

11. I welcome that the Welsh Government has recognised that the current structure and provision of health and social care is not appropriate to deliver the quality and complexities of care that is needed for older people across Wales, and steps are being taken to improve the way services are delivered through improved integration.

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<sup>17</sup> [http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The\\_Importance\\_and\\_Impact\\_of\\_Community\\_Services\\_within\\_Wales.aspx](http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The_Importance_and_Impact_of_Community_Services_within_Wales.aspx)



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

12. The approach to preventative spending is insufficient. The issues that I have previously outlined, including housing and community services, are all preventative services that are absolutely essential in reducing the pressures on health and social care services. With an ageing population, it is crucial that we plan ahead, develop health services fit for 21<sup>st</sup> century challenges and reduce the need for statutory health care packages and hospital admissions as much as possible.

13. Despite the aforementioned £570m funding boost for health and social care over the next three years, a recent report suggests that there will be a funding gap of £2.5bn for the NHS in Wales by 2025-26<sup>18</sup>; preventative spending on schemes that promote active and healthy ageing is therefore crucial. Furthermore, the Auditor General for Wales recently announced that he had qualified the accounts of three health boards that failed to achieve their statutory target to maintain expenditure within their resource allocation<sup>19</sup>.

14. I therefore welcome that the Welsh Government has recognised the current structure and provision of health and social care is not appropriate to deliver the quality and complexities of care that is needed for older people across Wales, and steps are being taken to improve the way services are delivered through improved integration.

**- Impact of the Welsh Government's legislative programme and whether its implementation is sufficiently resourced**

15. The 2014-15 legislative programme<sup>20</sup> impacts on the wellbeing of older people in a number of ways. The Local

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<sup>18</sup> [http://www.nuffieldtrust.org.uk/sites/files/nuffield/publication/140617\\_decade\\_of\\_austerity\\_wales.pdf](http://www.nuffieldtrust.org.uk/sites/files/nuffield/publication/140617_decade_of_austerity_wales.pdf)

<sup>19</sup> <http://wales.gov.uk/about/cabinet/cabinetstatements/2014/8917720/?lang=en>

<sup>20</sup> <http://wales.gov.uk/legislation/programme/2014-2015/?lang=en>

Government Bill will begin the process of local government reform in Wales. Whilst the debate has largely focused on the number and size of Local Authorities, any reform must focus on the quality of services for the end user, including older people.

16. As I emphasised in my evidence to the Commission on Public Service Governance and Delivery<sup>21</sup>, public services should have a greater focus on outcomes and the impact a service makes to the life of an older person. Whilst there is a clear consensus that there is a need for a step change in the performance and delivery of public services in Wales, the Welsh Government must be certain that the proposed timetable for reform represents value for money. This takes place at a time when Local Authority budgets are facing unprecedented challenges to deliver front-line services for the benefit of older people and others; the Welsh Local Government Association (WLGA) predicts that reform could cost up to £200m<sup>22</sup>.
17. Driven by the Planning Bill, the Welsh Government can help support and improve the lives of older people by prioritising suitably designed and accessible housing stock and developing age friendly communities, a priority in the Ageing Well in Wales Programme (a national partnership programme that includes the Welsh Government as a key partner and is committed to improving the wellbeing of people aged 50+), that ensure the built environment accommodates the needs of older people. Empowering older people by encouraging the active contribution of local communities in shaping local development plans is also crucial and I support all efforts to better involve older people in the decision-making process via the Planning Bill and other legislation.
18. As outlined in my response to the Welsh Government consultation, there is much to welcome in the proposals for a Public Health Bill<sup>23</sup>. In particular, I welcome the introduction of a standard for nutrition in care homes, improved access to effective

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<sup>21</sup> <http://wales.gov.uk/docs/dpsp/publications/psgd/140120-psgd-full-report-env2.pdf>

<sup>22</sup> <http://www.bbc.co.uk/news/uk-wales-25816599>

<sup>23</sup> <http://wales.gov.uk/docs/phhs/consultation/140402consultationen.pdf>

integrated care and support and person centred primary care services, and recognising public toilets as community assets, supported by placing a duty on each Local Authority to develop a strategy on the provision of and access to toilets for public use in their area<sup>24</sup>. I expect these proposals to receive adequate financial support in order to improve the lives of older people across Wales.

## **- Scrutiny of Welsh language, equalities and sustainability**

19. As the Older People's Commissioner for Wales, I recognise the challenge faced by the Welsh Government in allocating the limited resources available in its budget for 2015-16. At a time when demand for services is rapidly growing, the Welsh Government budget is facing a total cut of £1.68bn by 2015/16 compared with 2010/11<sup>25</sup>. I will be looking for assurances that older people in Wales will not suffer disproportionately as a consequence of decisions and actions taken by Welsh Government to meet budgetary pressures.

20. As previously outlined, where the indicative budget allocations lead to the need for a change in the nature of service provision or a change in accessibility of services then there are three key areas in which I will be looking for evidence:

- Active engagement with older people in the development of service proposals in advance and throughout formal consultation processes.
- Information in accessible formats and, where needed, access to independent advocacy services to explain and advise on the impact of any proposed changes to services.

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<sup>24</sup> [http://www.olderpeoplewales.com/en/news/news/14-03-31/Commissioner\\_strongly\\_welcomes\\_proposals\\_to\\_improve\\_access\\_to\\_public\\_toilets\\_in\\_Wales.aspx](http://www.olderpeoplewales.com/en/news/news/14-03-31/Commissioner_strongly_welcomes_proposals_to_improve_access_to_public_toilets_in_Wales.aspx)

<sup>25</sup> [http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The\\_Importance\\_and\\_Impact\\_of\\_Community\\_Services\\_within\\_Wales.aspx](http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The_Importance_and_Impact_of_Community_Services_within_Wales.aspx)

- Robust assessment of the impact on older people of any proposed changes to services as required by public bodies under the Equality Act 2010<sup>26</sup>.

21. When made available, I will consider the adequacy of the Welsh Government's own impact assessment of its indicative budget (including assessing 'age' as a protected characteristic) and publish my findings at a future date. I would like to know more about how the Welsh Government has engaged with and consulted with older people in arriving at its budget proposals. I expect that the Welsh Government's Equality Impact Assessment for 2015-16 will complement the 2014-15 version<sup>27</sup> and emphasise once again that 'there is a clear need to protect older people in Wales and the spending decisions of the Welsh Government budget reflect this'.

22. As previously mentioned, whilst the decision to protect health budgets is welcomed the needs of older people are not confined to health care. Above all, I will want to ensure that older people are treated fairly, and not disproportionately impacted by public service cuts.

## **Closing remarks**

23. In preparing the 2015-16 budget, public services within Wales, including the Welsh Government, must not only be focused on financial balance, efficiency and process measures, but also on the impact that services have on the overall quality of life that older people lead. The focus must be on ensuring that older people feel safe, listened to and respected, can do the things that matter to them, can get the help they need to stay safe and independent and that the places and communities in which they live support the lives they want to lead.

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<sup>26</sup> <http://www.legislation.gov.uk/ukpga/2010/15/contents>

<sup>27</sup> <http://wales.gov.uk/docs/caecd/publications/131008draftbudgeteia.pdf>

24. To achieve this, public services will need to improve significantly the extent to which they work together and listen to older people. This includes involving older people in the design, development and delivery of services and ensuring that care and support to individuals is tailored to their specific needs and wishes. The reduction or withdrawal of services such as community/day centres, home adaptations, and community transport, may seem like lower priorities, 'softer' services and lead to short-term financial savings, however their loss can be devastating to the older people who rely on them.
25. Maintaining these services, and in turn the health, independence and wellbeing of older people, can lead to further avoidable costs to the public purse in the medium to long term. As previously outlined, I am concerned that the cumulative effect of reducing non-statutory services will place older people at greater risk of loneliness and isolation, issues that are not yet fully recognised as major public health dangers<sup>28</sup>.
26. Older people's voices will, and must be, the ultimate test of how effective the Welsh Government and all our public services are and whether the change they want and need to see is taking place.

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<sup>28</sup> [http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The\\_Importance\\_and\\_Impact\\_of\\_Community\\_Services\\_within\\_Wales.aspx](http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The_Importance_and_Impact_of_Community_Services_within_Wales.aspx)