



Response from the Older People's Commissioner for Wales

to the

National Assembly for Wales' Communities, Equality and Local Government Committee Inquiry into Poverty in Wales

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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.

Inquiry into Poverty in Wales

1. As the Older People's Commissioner for Wales I welcome the opportunity to respond to the National Assembly for Wales' Communities, Equality and Local Government Committee Inquiry into Poverty in Wales¹.

The impacts of poverty, particularly destitution and extreme poverty, on different groups of people

2. Living in poverty is a key issue and a growing concern for many older people in Wales. There is a misconception that the challenging economic climate and austerity measures introduced by the UK Government have not affected older people: austerity is affecting older people in Wales significantly and in a number of ways.
3. As outlined in the Welsh Government's Strategy for Older People 2013-23², poverty often results in poorer health outcomes for individuals. It can limit people's access to services and affect their ability to participate fully in society. There is a clear link between living on a low income and reduced healthy life expectancy.
4. In recent years, whilst the incomes of many older people have remained static their finances have become increasingly pressurised due to a number of factors, including the rising costs of essential goods such as food and fuel, and historically low interest rates on savings³. Whilst some older people may have experienced poverty during their working lives, other older people may experience poverty for the first time due to reduced incomes, ill health, retirement, the costs of caring responsibilities, or

¹ <http://www.senedd.assemblywales.org/documents/s29421/Consultation%20letter.pdf>

² <http://wales.gov.uk/topics/health/publications/socialcare/strategies/older/?lang=en>

³ <http://www.ageuk.org.uk/PageFiles/41168/Life%20on%20a%20low%20income%20-%20FINAL%20-%20E.pdf?dtrk=true>

bereavement. It is estimated that 42,000 people aged 65 and over have fallen into more debt during recent years⁴.

5. It is essential that older people have an adequate standard of income and are receiving all the financial benefits to which they are entitled⁵. However, older people are among those at highest risk of financial exclusion and are least likely to claim their financial entitlements. It is estimated that 84,000 older people in Wales (14% of those aged 65 or over) are living in poverty⁶. This means older people living on a weekly household income of £220 or less after their housing costs are deducted. Too many older people are living in poverty: one report suggests that one in five pensioners living on a low income are struggling to make ends meet⁷.
6. Further, it is estimated that 8% of older households in Wales (just under 50,000 people) live in severe poverty on £183.50 per week or less⁸. These older people are living on fixed incomes and are struggling to make ends meet, which severely affects their health, wellbeing and independence. Pensioner poverty tends to affect single older people living alone more than any other group, and levels of poverty are highest amongst older women (85 years old and over) living alone⁹.
7. The implications of living in poverty are significant and far-reaching. The Strategy for Older People emphasises that poverty in later life is specifically associated with high levels of social isolation, poor health, insufficient social care, poor housing and lack of access to good financial advice and support. Older people living in poverty must face a range of challenges, including:

⁴ <http://www.ageuk.org.uk/PageFiles/41168/Life%20on%20a%20low%20income%20-%20FINAL%20-%20E.pdf?dtrk=true>

⁵ <http://wales.gov.uk/topics/health/publications/socialcare/strategies/older/?lang=en>

⁶ <http://www.ageuk.org.uk/PageFiles/41168/Life%20on%20a%20low%20income%20-%20FINAL%20-%20E.pdf?dtrk=true>

⁷ <http://41ydvd1cuyvlonsm03mpf21pub.wpengine.netdna-cdn.com/wp-content/uploads/2012/06/final-report-13.06.12.pdf>

⁸ Relative poverty defined as households with an income below 60% of the median UK household income. UK poverty line is £220 per week, severe poverty line is £183-50

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

- Stark decisions on whether to ‘eat or heat’ during the long winter months: an estimated 140,000 older households in Wales are living in fuel poverty, affecting some 360,000 older people¹⁰. As outlined in my response to the Environment and Sustainability Committee Inquiry into Energy Efficiency and Fuel Poverty¹¹, I am particularly concerned that fuel poverty is affecting a higher proportion of older people in Wales than in the rest of the UK: 26% of older people reduced their heating in the winter of 2012/13 compared with a UK average of 21%¹². Energy bills are a key concern for older people, and every effort must be made to ensure that older people in Wales are not disproportionately affected by the fuel poverty ‘perfect storm’ of poorly insulated homes, rising fuel prices, low incomes and limited accessibility to the cheapest fuel and best tariffs.
 - Cutting back on the purchase of food, energy use, social activities and consumer goods can lead to a range of physical health problems, including increased susceptibility to arthritis and falls due to fuel poverty, and heart attacks and strokes due to, for example, poorer diets and reduced access to leisure and physical activities.
 - Cutting back on key purchases and services can also lead to a range of mental health problems, including loneliness, depression, stress, anxiety and social isolation.
8. Approximately 90,000 pensioners in Wales are reliant on state benefits alone, with more than half of older people in Wales relying on the £110 weekly State Pension as their main source of income¹³. Relatively small numbers of older people in Wales have additional income from occupational or personal pensions, with

¹⁰ <http://wales.gov.uk/topics/health/publications/socialcare/strategies/older/?lang=en>

¹¹ <http://www.senedd.assemblywales.org/documents/s28592/EEFP%2016%20Older%20Peoples%20Commissioner%20for%20Wales.pdf>

¹² <http://www.walesonline.co.uk/news/wales-news/age-cymru-warns-pensioner-cutbacks-3567028>

¹³ http://www.consumerfocus.org.uk/wales/files/2010/10/older_peoples_finances-FOR-WEB-2.pdf

fewer people approaching retirement contributing to a private pension due to increased living costs¹⁴.

9. Addressing unclaimed financial entitlements amongst older people is a key issue to lift people out of poverty. Across the UK, it is estimated that up to £2.8bn of Pension Credit (a top-up to the basic State Pension) went unclaimed in 2009/10¹⁵, with more than £5bn of unclaimed benefits and entitlements in total¹⁶. In Wales, unclaimed Pension Credit is worth £168m each year: around one-third of eligible older people (some 94,800 people) do not claim or receive it. Pension Credit is a vital top-up for retired people and can make a real difference to older people's income, independence and wellbeing.
10. Claiming would mean an average additional income of £34 per week, or £1772 a year, money which could significantly improve the lives of many older people¹⁷. It is estimated that 70% of pensioner households in poverty and 80% of households in severe poverty are not in receipt of any major state benefits e.g. Pension Credit, Housing Benefit, Attendance Allowance, Disability Living Allowance. Full take-up of income related benefits could reduce poverty among older people by a third¹⁸.
11. As outlined in my 2014-15 Work Programme¹⁹, I am working with the Welsh Government and other key partners to address this crucial issue and what can be done to improve the uptake of financial entitlements amongst older people in Wales, including the provision of information and advice services, addressing the perceived complexity of applying and tackling the stigma associated with claiming entitlements.

¹⁴ <http://www.agealliancewales.org.uk/admin/content/files/Age%20Alliance%20Wales%202014%20report%20Final.pdf>

¹⁵ <http://www.ageuk.org.uk/cymru/latest-press/archive/pension-credit-unclaimed/>

¹⁶ <http://www.ageuk.org.uk/money-matters/claiming-benefits>

¹⁷ <http://www.ageuk.org.uk/PageFiles/41168/Life%20on%20a%20low%20income%20-%20FINAL%20%20E.pdf?dtrk=true>

¹⁸ <http://www.bevanfoundation.org/publications/poverty-and-social-exclusion-in-wales-2/>

¹⁹ http://www.olderpeoplewales.com/en/Publications/pub-story/14-07-25/Work_programme_2014-15.aspx

How effectively the Tackling Poverty Action Plan, Strategic Equality Plan and other government strategies work together

12. Regrettably, there is very little reference to older people in the Tackling Poverty Action Plan 2012-16²⁰. Whilst there are references to the important services the Welsh Government has introduced and maintained for older people, such as free bus travel, free swimming, homecare and other non-residential social services, there is little consideration of the poverty issues facing many older people in Wales. The reference to the 'shame' that prevents many older people from claiming the benefits to which they are entitled is acknowledged, however there is no detail on how the Plan aims to address this key issue.
13. Subsequent reports to take forward the Action Plan also have few references to older people. I welcome the reference in 'Building resilient communities'²¹ (July 2013) to look at employment and skills for older people, and I look forward to working with the Welsh Government to monitor the 'proportion of older workers who lose their jobs and are still unemployed' as a key performance indicator. I also welcome the references to eradicating the postcode lottery in charging for homecare via 'Paying for care'²², and the framework for the integration of health and social services for older people. The Tackling Poverty Action Plan Annual Report 2014²³ however makes very little reference to the poverty issues affecting many older people across Wales.
14. A key priority in my Framework for Action 2013-17²⁴ is embedding the wellbeing of older people at the heart of public services. Wellbeing, synonymous with quality of life for older people, should drive forward the planning, development and delivery of public services. The needs of older people are relevant to all Welsh and local government departments and portfolios: they

²⁰ <http://wales.gov.uk/docs/dsjlg/publications/socialjustice/120625tackpovplanen.pdf>

²¹ <http://wales.gov.uk/docs/dsjlg/publications/socialjustice/130703takeforpovactplanen.pdf>

²² <http://wales.gov.uk/topics/health/socialcare/care/?lang=en>

²³ <http://wales.gov.uk/docs/dsjlg/publications/140702-action-plan-annual-report-14-en.pdf>

²⁴ http://www.olderpeoplewales.com/en/news/news/13-05-23/Framework_for_Action.aspx

are not confined to health and social care. I agree with the statement in the Strategic Equality Plan 2012-16²⁵ that a key dimension of achieving wellbeing is taking action on poverty. In order to ensure that the lives of older people have value, meaning and purpose, tackling the root causes of poverty is essential.

15. The Strategy for Older People outlined that the Tackling Poverty Action Plan would look at pensioner poverty. Regrettably, the Action Plan is a missed opportunity in terms of tackling the root causes of poverty amongst older people. The possibility of implementing a Welsh socio-economic equality duty, as proposed by the Welsh Government, also does not adequately address older people²⁶. It is often assumed that older people are immune from socio-economic inequality: older working-age people are more likely however to be affected by the introduction of Unified Credit, whilst the fact that 42% of people aged 50 and older in Wales are digitally excluded means paying more for goods and products offline and reduced access to online financial services and claims²⁷. As previously recommended to the Welsh Government²⁸, any move to build a unified strategic approach to tackle socio-economic disadvantage and address inequality must fully address the needs of older people, supported by robust monitoring and evaluation. I look forward to working with the Welsh Government on any devolved equality legislation to build on the commitment to equality²⁹, including a socio-economic duty that fully reflects the issues faced by older people.

16. Further details are required to better understand how the Welsh Government intends to improve the lives of older people living in poverty in Wales, including targeted actions to help older people living on very low incomes.

²⁵ <http://wales.gov.uk/docs/caecd/publications/120405sepfinal.pdf>

²⁶ http://www.olderpeoplewales.com/Libraries/Uploads/Refreshed_Strategic_Equality_Plan_English_1.sflb.ash

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²⁷ Welsh Government Digital Inclusion Delivery Plan 2014 (draft version)

²⁸ http://www.equalityhumanrights.com/sites/default/files/documents/Wales/wg_advice_final.pdf

²⁹ <http://wales.gov.uk/docs/dhss/publications/130521olderpeoplestrategyen.pdf>

How legislation, policy and budgets targeted at tackling poverty and reducing inequality are coordinated and prioritised across the Welsh Government

17. There is insufficient coordination across the Welsh Government on how to tackle poverty amongst older people. The issue cannot be confined to the Communities and Tackling Poverty portfolio: it includes, for example:
- Natural Resources: ensure older people are aware of energy efficiency schemes to tackle fuel poverty;
 - Local Government, Culture and Sport: protecting and improving cost-effective community and public services that give value, meaning and purpose to older people's lives;
 - Education and Skills: increased learning and skills opportunities to improve the employment prospects of older people, learning opportunities and access to digital and financial services;
 - Economy, Science and Transport: adequate provision of free bus travel complemented by community transport schemes to provide access to employment and skills opportunities and key services.
18. As a non-devolved matter, improving the incomes of older people should be a priority for the UK Government, and close cooperation is required not only across Welsh Government departments but also between the Welsh and UK Governments. A coordinated strategy and approach between both Governments is essential to tackle pensioner poverty in Wales³⁰.
19. As I emphasise in my Refreshed Strategic Equality Plan 2012-16³¹, there are many factors than can converge to cause poverty in later life. The extent and nature of older people's experience of poverty is often not fully appreciated by the Welsh and UK Governments. Until the misconceived notion that older people are immune to the challenges of the current economic climate and the UK Government's programme of welfare reform,

³⁰ <http://www.cardiff.ac.uk/socsi/resources/PovertySocialExclusioninWales.pdf>

³¹ http://www.olderpeoplewales.com/Libraries/Uploads/strategic_equality_plan_En.sflb.ashx

many older people across Wales will remain at substantial risk of living out their latter years, excluded and suffering the effects of poverty and social deprivation.