



## Work and Pensions Committee

### Oral evidence: Pensioner poverty: challenges and mitigations, HC 465

Wednesday 26 March 2025

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Members present: Debbie Abrahams (Chair); Johanna Baxter; Mr Peter Bedford; Steve Darling; Damien Egan; Gill German; Amanda Hack; Danny Kruger; Frank McNally; John Milne; David Pinto-Duschinsky.

Questions 129 - 165

#### Witnesses

**I:** Professor Matt Padley, Centre for Research in Social Policy, Loughborough University; Dr Juliet Stone, Centre for Research in Social Policy, Loughborough University; and Dr Kingsley Purdam, University of Manchester.

**II:** Daphne Hall, National Association of Welfare Rights Advisers; Gary Vaux, Head Money Advice, Hertfordshire County Council; and Gareth Morgan, Ferret Information Systems.

Written evidence from witnesses:

Researcher at University of Manchester ([PPCM0025](#))

Centre for Research in Social Policy, Loughborough University ([PPCM0039](#))



## Examination of witnesses

Witnesses: Professor Matt Padley, Dr Juliet Stone and Dr Kingsley Purdam.

**Chair:** I am delighted to welcome our panel online, but it is lovely to have Dr Purdam with us in person as well. I will ask you to introduce yourselves, starting with Dr Purdam.

**Dr Purdam:** Good morning. I am Kingsley Purdam from the University of Manchester. I am a researcher into issues around ageing and social participation among older people.

**Chair:** We also have Professor Matt Padley and Dr Juliet Stone. Matt, if you would like to introduce yourself first.

**Professor Padley:** Hello, everyone, thank you for letting us join online. I am Matt Padley, one of the co-directors of the Centre for Research in Social Policy at Loughborough University. My research and the research of the centre focuses on living standards broadly and I have also done quite a lot of work on retirement living standards.

**Dr Stone:** Hello. I am from the Centre for Research and Social Policy also, where I am a research fellow. I do quite a lot of work on income adequacy, but I have also done some work in the past specifically on pensioner poverty and on poverty at the end of life, which obviously affects pensioners.

Q129 **Chair:** Thank you. Could I ask you to speak up? We are getting you, but it is quite soft. I am going to kick the questions off. Obviously, we are expecting the Government to announce the second stage of the pension review, particularly looking at pension adequacy. What are your views of the issues and problems the Government's review should encompass and seek to address? For example, what is an adequate retirement income, how much do people need to save both in terms of the occupational or private pension on top of the state pension, how do we address pension inequality and so on?

**Dr Purdam:** I can start and tell you how our research relates to that. This is an immediate and growing issue among older people in their 50s and 60s, but the present pensioners are facing serious challenges economically, financially, but also more generally in their everyday lives. There are some important challenges there. It is not only income that presents a challenge to older people. It goes as wide as, say, feeling safe when you walk to the bus stop, or being housebound, or not having the support to go shopping or put a wash on—those kinds of things. There are wide-ranging challenges.

We look at survey data from data sets, like the English longitudinal study of ageing or the wealth and assets survey. These are gold standard surveys. We also speak to older people as well. There was a telling comment from a 76-year-old woman, who described how she felt she was punished for getting older. There are some serious challenges that go



## HOUSE OF COMMONS

beyond the issues of which specific benefits are being taken up or the value of those benefits, as important as that is.

**Professor Padley:** Just to talk about adequacy and what that means. It is important to ask questions about what the state pension should provide and how we are thinking about what adequate incomes in retirement look like. There are three dimensions of that: adequate for what, what is the living standard that we are hoping that pensioners can have in retirement, and how do we reach consensus about what that looks like? A lot of our work focuses on that through our work on the minimum income standard but also, at a higher level, through our work on the retirement living standard. What is it that we think that the state pension should provide? That is a critical question. What should it enable people to do?

There are also key questions about adequacy for when. When we are thinking about adequacy of incomes in retirement, we often separate that from adequacy of incomes across the life course. People do not just arrive at retirement and suddenly have enough money. If we are thinking about income adequacy, it is important that we think about people's incomes before retirement and what we need to do to them in order to enable incomes in retirement to be adequate. If you do not have enough income during your working life, it is incredibly difficult to have enough to have an adequate income in retirement. Much as the state pension is valued and does provide a higher proportion of that minimum living standard established through our work, we need to do more to look at adequacy across the board, and across the life course, rather than just these discrete points in time.

Then adequacy for whom as well—that is a critical question with demographic changes, changes in households and household compositions. Retired households do not look the same as they did 20 or 30 years ago. An increase in multigenerational households, and relationship breakdown later in life—all these things bring challenges to what that adequacy looks like and what sort of thing it is providing.

We also need to think about adequacy beyond income. Often, we are talking about what people have saved during their working life and the state pension, and whether combined they are enabling people to have the money they need to have a certain type of living standard. That is affected just as much by the costs that people face. Housing is clearly a critical one. We know there are shifts away from private ownership later in life and that brings challenges if you must pay housing costs throughout that retirement period. But also, always the elephant in the room when we talk about retirement is social care and the cost of social care. What do those costs mean for what might look like very adequate retirement incomes?

**Dr Stone:** I agree with everything the previous two panellists have said, but also just wanted to highlight the research that we have done with the



## HOUSE OF COMMONS

end-of-life charity Marie Curie. Talking about inequalities, we looked at poverty at the end of life, which clearly affects pensioners more than working age people, although it does affect working age people. We estimated around 90,000 pensioners died in poverty in 2023. Reiterating what Matt has said, in some ways, this is partly about costs. Part of what we looked at there was fuel poverty at the end of life and how people's domestic energy needs increase at certain points of the life course—if they need particularly to have a warm home because their health will be affected by living in a cold home or they may have additional costs for running medical equipment. It is about addressing those inequalities and costs as well, and particularly for those vulnerable groups who, for example, are in ill health.

This clearly overlaps with things like disability benefits as well. I know that you are having a session in April that is specifically looking at health. It is just putting a flag there to have that as something to focus on.

**Dr Purdam:** Just on the framing of adequacy, I find that not very aspirational in terms of growing old. You might accept an adequate partner or restaurant, but I do not really think it addresses some of the concerns older people have. I do not think the older people we speak to would be sat around the room going, "I hope I am going to have an adequate old age".

There is much more to ageing, as I am sure people know, beyond income. It is your social connections. It is how you are connected to your family. It is your health and the support you get. It is whether you can get a GP appointment. It is whether your house is damp. These things can be addressed through financial measures, but they go beyond that. That is important to consider when you are reframing ageing, which I think needs to happen because older people do not want to be seen as a burden, and they do not want a welfare system that labels them as a burden. They do not want to be vulnerable or seen as vulnerable, but they need the support, and that is about connecting the support that exists but also reframing how we view ageing—and ageing in place.

At the University of Manchester, we do a lot of work on ageing in urban areas. We want people living in urban areas, accessing services, in multigenerational, multi-age communities. That is more of a housing and planning issue. It is not necessarily the £5, £10 you are going to get on your pension or your pension credit. That is important. It is the UN decade of healthy ageing, as I am sure you know. We are halfway through that. What is the UK doing to address those issues?

Q130 **Chair:** That is a very valid point. A little bit beyond the scope, but I absolutely get the point that we need to be a more integrated and joined up Government in our approach to this. Policy in Practice has indicated that there should be a slightly different approach to consider and separate issues for pensioners on lower incomes. Do you agree? Do you think that that is something that we should be suggesting to the



Government to do?

**Dr Purdam:** Organisations are particularly good at supporting local authorities trying to access more income or income that has not been claimed and targeting it. When the policy design of a benefit means the take-up is so low or lots of people who are applying are not eligible—I am sure you know, 50% of those recent applicants have been declined—that is a failed policy. Take-up should be part of the design of policy. The policymakers should be called to question about take-up.

The research on take-up goes back to the 1980s. They have tried everything. This is to do with means-tested benefits, which you want to go on to. We use the term AUNTIE, which refers to awareness, unintended consequences, not recognising being in need, too complicated and trust. Older people manifest those reasons for not claiming benefits they might be entitled to.

**Chair:** Matt, do you want to come in. I am conscious of time. I mustn't overstep.

**Professor Padley:** I missed the question. Sorry.

**Chair:** Policy in Practice have indicated that the Government's pension review—what they are calling the adequacy review—should consider slightly separately for the issue that we have around pensioner poverty and people on low incomes. Do you agree?

**Professor Padley:** I think the issues facing low-income pensioner households will also be faced by pensioner households who are higher up the income distribution. As Kingsley was saying, the targeting of benefits needs to work better.

Is there a kind of magic answer to that and how we do that? I do not think there is, unfortunately. I think if we separate out particular income groups and treat them differently, when we are thinking about the sort of retirement that they should have or we are thinking about what they should be able to do in retirement, we run the risk that we end up with a one-tier system where one income group settles for less than we would do for higher up the income distribution. I am not entirely sure that that is an effective way of structuring our thinking around this.

**Dr Stone:** Again, just to agree with the other panellists and to build on what Matt was saying, I think it does run the risk of stigmatising means-tested benefits, and it might reduce take-up if you put them in a silo separately from other pensioners. Yes, I would caution against it.

Q131 **Gill German:** First, I agree wholeheartedly with the comments that have been made regarding income adequacy and what that means for pension adequacy. Indeed, issues such as just getting through the week and often putting your children first and just managing through your day-to-day life and what is going on with your pension—even if it is on your mind—is not something that you feel like you can look towards. I do think that that is



## HOUSE OF COMMONS

something we need to look at. The pensions dashboard will help with that but there is much more work to do.

I would like to go back, if I can, to comments on housing and health as intersectional issues. There are a number of voices saying that housing is an issue. The Local Government Association has said that issues with health and housing are deeply entwined with the challenges that pensioners face. The Women and Equalities Committee has asked for a policy and data unit within the Cabinet Office looking at these cross-departmental challenges and the Pensions Policy Institute has described housing tenure as a growing fracture. I would like to delve deeper into that. Do you agree with those thoughts and what would an integrated approach mean in practice?

**Dr Purdam:** There is a growing concern about older people in the private rented sector, as I am sure you know. They are vulnerable to rent increases and held to ransom by what I consider unscrupulous leaseholders putting up service charges. It is quite clear that that is going on. What do you do if you are an older person, if you are just about covering the rent and then the annual fees go up? You cannot magic money out from somewhere. Older people might not let their families know. They do not want to tell them they are struggling financially. They might have debts they have not told their families about. Housing is a crucial issue, and it is going to be increasingly so, because we know about the profile of home ownership and how that is changing.

Obviously, we know that the older old—the 85-year-olds: that is mainly women living on their own, widows, dealing with financial consequences of years of unpaid caring, bringing up their families maybe, and low-paid work or maybe some part-time work—are very vulnerable to any changes in the housing market.

**Professor Padley:** Clearly, there were lots and lots of critical questions around housing. They extend beyond what we do for retired households and how we house people appropriately. There are some radical things you could do. Part of what Kingsley was saying about the value of community and the value of old people remaining in urban centres links up with changes in expectations about what retirement looks like, which we have certainly picked up through the work that we do. It looks far more like working age now than it used to.

There are more innovative housing solutions that bring together young and old people—that are multigenerational. There is some of that going on in Stockport. I heard Andy Burnham talking about it. Those solutions are bringing together older people and younger people, creating cross-generational communities so that people are looking out for each other, looking after each other and strengthening community ties, which goes some way to addressing those issues with housing. There are structural issues as well about housing stock and older households living in housing that is not fit for their needs. There is that often-repeated statistic that most people who are wheelchair users do not live in housing that is



## HOUSE OF COMMONS

appropriate for wheelchairs and most people who live in a housing that is appropriate for wheelchairs are not wheelchair users.

There are clearly challenges around what housing looks like, and then there is the cost as well. If you are having to bear the cost of paying private rent or even social rent into retirement—and not necessarily getting full support for that through the benefit system; as income goes up, obviously that tapers off—that has an impact on the other sorts of things you can do and may have an impact on your ability to actually just meet your essential needs as well.

**Dr Stone:** I would like to pick up on one of the points that Kingsley mentioned, which is gender. We cannot ignore that if we are talking about intersectionality, and it does interact with housing and health. We know that single female pensioners are the most likely of pensioners to be in poverty. That is linked to the fact that they tend to be the older pensioners. They are skewed towards the older pensioners because of the longer life expectancy obviously for women. Going back to that life course issue—that building up a pension pot, particularly for current pensioners—it is much less likely for female pensioners to have built up a decent pension pot. They are much less likely to have worked enough to claim the full state pension, so they are then reliant on pension credit.

As we know, the uptake of pension credit is that only about two thirds of people who are eligible are receiving pension credit, and women are more likely to be in poor health in pension age than pension age men, with all the additional costs that that then brings to light. Keep in mind that there is this gendered issue here and it is something that we need to address before people reach pension age.

Q132 **Gill German:** I am glad you mentioned that because I absolutely agree. There are many women, in my direct experience, who are absolutely in the situations you describe. I cared full-time for my children for many years so there will be gaps there. This is the reality of having caring responsibilities and often, as you say, part-time work and all the things that come with being a woman in the workplace.

The Pensions Policy Institute says that the pension system needs to better reflect the range of individual circumstances, so things that we have touched on already: health, caring and working patterns. To what extent do you agree with this and how should the adequacy review approach this?

**Dr Purdam:** We are faced with a population in its 80s that is predominantly female and so those support needs will vary between that cohort. There are also some things specific to women. It is issues around personal care, loneliness, contact with the health visitors—that is quite rare these days—and access to GP support. For example, if you live in a damp home and you are fearful of putting the heating on or, as one of the older people we spoke to described, get up every morning and look at the meter to see how much it has gone up, so there is constant



## HOUSE OF COMMONS

surveillance of costs, then at best, if you are unwell, you are going to be admitted to hospital. We know that older people dominate hospital admissions and hospital ward admissions. How can that be a cost saving, given the cost of a hospital bed per night, compared to providing someone with an adequate well-heated home and enough food to eat? It is a false economy.

**Q133 Gill German:** Matt, Juliet, do you have any thoughts particularly on the range of issues to do with women and the fact that people's lifestyles will be different leading up to pension age? What could we do to reflect an understanding of that?

**Dr Purdam:** I am sad about this issue that comes up in relation to food insecurity, and it is to do with men as well, but I am talking about mothers' and grandmothers' food sacrifice. They skip their meals, or they go to the food bank for their daughter or grandchildren, not for themselves. They are building up longer-term health issues.

**Chair:** Anything to add finally, Juliet or Matt, on this question?

**Dr Stone:** I just want to raise the issue of caring as well, which we have touched on, but that is not just about caring for dependent children. Increasingly, female pensioners will take on a caring role often for a spouse who is in ill health, and we know there are all sorts of issues with informal carers being unable to make ends meet. There are issues with carer's allowance and with the related benefits that come with that. That, again, is disproportionately going to affect women and women who are already in stretched financial circumstances. We cannot think about pensioner poverty without thinking about caring as well.

**Professor Padley:** If we were designing the pension again, it would probably not look like it currently does. If we are thinking about what the system should do, it does not need to just be adequate; it needs to be sustainable from a public policy point of view and public spending point of view, but it needs to be equitable in terms of outcomes rather than in terms of what you pay in and what you get out. We need to make sure that we have a system that produces good outcomes across different age groups, different genders and different income groups—a focus on equitable outcomes rather than what people have put in and what they get out.

**Q134 Johanna Baxter:** Good morning, everybody. My first question is to Dr Purdam. Your research has suggested that older pensioners, particularly women, think that people like them cannot influence policy. Are they right on that and, if so, what is needed to ensure their rights and interests are reflected in policymaking?

**Dr Purdam:** This was some research across Europe and in the UK. There is lots of debate about intergenerational unfairness and those kinds of issues, and how older people are more likely to vote, but there is a drop off in voting when you get into your 80s. There is a detachment. Women who are 85 and older are less likely to vote than men in the same





category. They become detached and they feel like people like them—that is the survey question; it is quite awkward, but it is about putting yourself in that position—cannot have an influence. They are almost powerless in that sense, despite having had a stage in their life where they might have contributed national insurance and brought up their families, they are now at a stage in life where they feel powerless. Who do older women go to when they are 85? Their partner is more than likely passed on.

There is some strong evidence about this powerlessness and there are barriers to voting for older women as well, also older men, but it might be the complexity of postal voting or cognitive issues around that. We have picked up on some of those things. If you are isolated, you might become disconnected from the idea of voting. It becomes something that you are not involved with.

The evidence is quite striking of the difference between men and women in their eighties, but also that drop off among older people. A policymaker said to me, “Well, that is good, isn’t it, Kinsley? We don’t want older people voting.” I found that quite offensive because we want these older people to be engaged. We need to know what services they need; we need to embrace ageing and support them in their complex lives. A lot of older people’s lives are quite simple. There is an issue there, I think, that has come through the survey evidence, and we are looking now at the UK, because we looked across Europe and that drop-off in voting among those aged 80 and over is a growing population.

**Q135 Johanna Baxter:** What do we need to do to make sure that their interests are better reflected in policymaking? What is the answer to that issue that you have described?

**Dr Purdam:** Among the older women, it is striking because we are looking at a century of suffragettes. Their parents and grandparents were among some of the first women to vote, so there is a passion for democracy and engagement. But what comes through is, “I have had enough”. One person said, “By the time you get to 90, I bet you give up”. That needs addressing. That comes through a sense of who are they trusting and what services have failed? Also, look the broader society around them—how confident do they feel? For example, is the post office closing?

**Q136 Johanna Baxter:** To everybody on the panel: in 2022 our predecessor Committee called for the establishment of a new body to build and maintain an evidence base, explain the trade-offs in different policies and report regularly on progress in pensions adequacy. The Government at the time said that was not needed because there was already enough research. To what extent do you agree or disagree with that?

**Professor Padley:** People need a reason to be engaged, and people need a reason to be engaged with policy and the political process more generally. A lot of discussion, I guess, at a policy level, does not



necessarily relate to older people, particularly when things like social care as an issue has been around for a long time and there has been no answer to it. There has been no movement on it for quite a while now. We need people to feel like they are being talked to and about, and that their interests are being represented. We need them to have clear advocates—people who are thinking not just about the adequacy of incomes in retirement but what retirement looks like.

There is a risk, if we focus too narrowly on income adequacy in retirement, that we miss out on all the other important stuff that we have talked about this morning, like community, housing, what we do about the relationships between different generations—which are really critical in ensuring cohesion, which is a good thing—and good community relationships. This is all the stuff that we all know lots about. Having someone who is responsible for gathering good evidence on that because the best policy is made based on good evidence.

We need good evidence about what works with these kinds of experiments around intergenerational housing. For instance, what are the outcomes in terms of health and how people feel engaged in the world around them? What can we do to build those things if they do work, indeed, in other places? That is critically important and that could be a key role in advocating for, again, not just income adequacy but thinking about retirement in the round.

**Dr Stone:** I have nothing really to add.

Q137 **Johanna Baxter:** One very quick one: how effective are models like the Older People's Commissioner in Wales and Northern Ireland? Is that a model that that you think would be helpful?

**Dr Purdam:** It can only help as a point of focus. I do not think we are just thinking about income. Another issue, which I don't know if you have time for, is we have been looking at funeral costs, which tend to fall to older women because they live longer. There is a huge amount of funeral poverty—people not being able to afford to plan or pay for a funeral. There are some issues around older people taking up the funeral expenses payment benefit as well, which links to other things, but a point of focus would be a good start.

Q138 **Gill German:** How do we compare to other countries? Does the UK state pension stack up? Are we doing well? Are there are other countries doing better than us? What is your understanding of that?

**Professor Padley:** This is the point at which I say I am not really an expert on other countries. I do know there was a big review of pensions adequacy across the EU recently. There are lots of countries who are facing the same questions around the adequacy of incomes in retirement, with rising costs across the board. As for the extent to which state pension systems meet those needs, I think there has been a perception, certainly across Europe, that they are meeting those to a greater extent,



## HOUSE OF COMMONS

but I do not know whether that is true in terms of the demographic changes, changes in costs, and all those things. It is not an area that I am massively expert in—sorry.

**Gill German:** Who wants to take it next? Who would consider themselves more of an expert?

**Dr Purdam:** It is a difficult comparison because of the variations in cost of living, population size and so on. In a general sense, you will have seen the world happiness report. Obviously, we would all be happy if we lived in Finland, which is a much smaller country. In terms of pensioners and those measures, income was not one of the key measures there. It was about your social connections—for example, in the food poverty work we have done, can you afford to have the neighbour round for tea?

That would show up in the world happiness measure but would not show up necessarily in some other approaches to making sure people are ageing well. Across countries, there is huge variation. There is no perfect approach but there is good practice to draw on, particularly around housing and intergenerational communities, and how older and younger people and families can live in much more integrated ways that are supported by, for example, sustainable transport and accessible shops—safe spaces where older people feel safe walking between places, and do not feel intimidated by groups of young people on the corner, because that is the community they live among.

**Gill German:** Juliet, do you have anything to add?

**Dr Stone:** This is not my area either so I will pass.

**Gill German:** Fair enough, thank you.

**Dr Purdam:** If you look at one of the key measures of how ageing is different across countries, you can look at the level of healthy lived years—healthy life expectancy—and life expectancy. If we wanted to use that measure, that is quite interesting because obviously the UK is a certain amount lower than other countries and across regions. I am from Manchester and if we look at healthy life expectancy and life expectancy in Manchester, there is a 10-year gap.

Q139 **John Milne:** I would like to explore whether you think the Government have a clear rationale and objective for the state pension. For example, the aim of the Pensions Commission's reform was to help people achieve a percentage of working life income in retirement—for example, a replacement rate of 45% for median earners. Do you think that is still the right approach? Alternatively, what might be the pros and cons of, for instance, setting targets based on retirement living standards?

**Dr Stone:** To pick up on some of the things we have talked about already, it is really difficult to have that fixed target to build up a pot for 25% of your working income, for example, when people's circumstances over their life courses—particularly as we highlighted for women—are, for a lot of people, going to make that challenging.



## HOUSE OF COMMONS

Going back to what Matt was saying earlier, I think we should be focusing on outcomes here rather than on what people are putting in. From my perspective, it would be a much more equitable way of having a target. I think we should be thinking about what kind of life we want people to be having when they reach pension age.

**Professor Padley:** You started with the question: what is the state pension for? That inevitably leads to the question of how we should think about the level at which it is set. More broadly, across the whole benefit system, having a clear idea of what it is that we are aiming to provide and the standard of living that we are aiming for when we are supporting people, either in retirement or through working life, is useful as a guiding principle. If what we are doing is piecemeal, particularly separating life out into these stages that absolutely run into each other—and more and more run into each other—working lives extend far beyond where they used to, and people are still working into retirement. My dad still insists on marking A level exams at the age of 83 when he doesn't need to. Working life has changed and our understanding of how the state pension fits in with that needs to change to reflect the changing world around us.

People are working possibly because they want to and possibly because they feel they need to. How do we take that into account? There has been some value, I think, in having the national living wage and having a target for setting that at a particular percentage of median income. Is there value in doing the same thing for pensions? Maybe. I do not think it should be pegged to retirement living standards.

As the person who is responsible for the retirement living standards research, they are intended as useful guidance in people's thinking about the retirement they want as individuals rather than being or functioning as targets for the state pension, for example. Going back to what I said at the start, we need to have that guiding principle about what it is that we want the benefit system in general to do, but the state pension more specifically. What do we want it to enable, touching on all sorts of things we have talked about this morning, like community, combating loneliness, all those sorts of thing? Those fundamental questions are important in guiding whatever decision that we make about the value of the state pension.

**John Milne:** Thank you, very interesting. Kingsley, anything to add to that?

**Dr Purdam:** The minimum income standard, which I am sure you know has been developed, is a good baseline to think about how much resources people are going to need in old age. Obviously, there is always unexpected costs and for a lot of people on low pay in their 50s they cannot afford or they might not have a workplace pension, and they might have gaps in their contribution. It goes beyond this issue of how much money you have.



If society is a bit more orientated around a positive narrative of ageing, you do not need as much money. If you are supported in various aspects of your daily life as an older person, then the difference between a few percentage points in terms of income is not going to make a massive difference. The minimum income standard—which I am sure other academics can talk about—does set a framework for saying, “Actually, okay, this is an idea of ageing that will give me a sense of wellbeing, a certain quality of life”. When you speak to older people, they might talk about money a little bit, but they talk about all the things they interact with first.

**Q140 Steve Darling:** We have already unpicked this to a certain extent but the cost of the mortgage or—increasingly now—rent is not taken up in the account of when you are considering retirees’ living standards. We have already unpicked it. Where else would you go around that housing challenge? Some of the panel have talked about co-habiting opportunities—different ways of older people living in a more enriched approach to retirement. That sounds very interesting, if you can explore that as well.

**Professor Padley:** I will go back to the minimum income standard for a minute and then I will come to the retirement living standards, which is only because the minimum income standard provides the basis for our work on retirement living standards. Within that, the public are clear that older people living in social housing meet that minimum housing need. There was a point at which that was fine and everyone could access social housing and social housing was generally appropriate for older people. That is changing and over the course of the past nearly 20 years of doing research on minimum living standards, those views have changed.

When we took that same approach to ask the public to define those retirement living standards above that minimum, there was still an assumption—or the public thought it was a reasonable assumption—that in retirement people could expect to own their own home. We absolutely know that is changing.

That is why the retirement living standards, as they are reported, do not include housing costs, because it is based on what the public think are reasonable assumptions. However, as you rightly say, where there are housing costs in retirement, they pose significant challenges often. It is not just direct housing costs. We know an increasing number of people have mortgages going into retirement or beyond retirement age. We know that increasing numbers of people are living in the private rented sector, which doesn’t just bring challenges around cost but, as Kingsley talked about, around the quality of housing. We really need to think beyond the cost of housing to what sort of state housing is in. It is inevitable that if you are paying for those housing costs, then that will have an impact and often a detrimental impact on what you are able to do and the quality of your life more generally.



## HOUSE OF COMMONS

There are interesting things happening when it comes to building housing that works for generations. I have had conversations in the past year with people who were involved in building retirement villages, which are not just for older people but include multigenerational housing. What you are doing is intentionally building new communities that bring together working age people, children, and older people, and valuing the role of older people within communities. Again, much of this goes beyond any numbers or any kind of income; it is about valuing what older people can bring to communities as well as making sure that things like loneliness, which are absolutely crippling for lots of old people, are combated in ways that are based on community rather than spending money on that problem.

The last point is that there is a clear role for services here. If we improve services, improve public transport and the accessibility of that, we have an impact on outcomes and on the adequacy of incomes, not by giving people more money but by making or improving the services that make life easier and better day to day.

**Dr Stone:** The key thing here for me is giving people choice. This is one of the things that underlies our minimum income standards. Our definition of what is a socially acceptable standard of living is that people should have not endless choice but some element of choice. At the moment with housing, people have very little choice about where they end up and if they are in the private rental sector. As we know, people approaching retirement are increasingly relying on the private rental sector. The quality of housing they can access, where that housing is and how much it costs are really limiting their housing choices.

These developments we have been talking about, where you are getting these sorts of intergenerational villages are great as an option, but we shouldn't assume that that is what everybody wants. Not everybody is going to want to live in that kind of environment. Trying to make sure that people still have a choice about where and how they are living is important.

**Dr Purdam:** You have reminded me of this work we did in a sheltered housing block of flats where there was just one man there and when it came to lunchtime, he would take his lunch upstairs and eat it in his room. It reminds me we cannot be naive about these things. Older people have personality conflicts and they don't get on with some people, so we need to respect that. As Juliet says, you cannot have this fantasy, perfect world. Older people have their own issues and relationship challenges. In terms of urban design and urban ageing, there is scope for more integrated housing, because we do not want older people isolated or living on their own.

There has been a bit of a step change with the winter fuel payment and perhaps before then. Local authorities are now increasingly able to identify those older people at risk. Local authorities feel empowered,



which they have demonstrated by the way they have backfilled the winter fuel payment withdrawal by saying, “Right, we are going to find these vulnerable older people. We are going to put some other things in”. In terms of empowerment, that is a possible way forward, because we need to know who these older vulnerable people are—and they are mainly women, they are mainly isolated, and the pension and the pension credit isn’t getting to them.

**Q141 David Pinto-Duschinsky:** Thank you all for sharing your testimony so far. One of the issues that Matt raised early on was the fact that poverty once one reaches pensionable age is often driven by poverty before one reaches pensionable age. One of the patterns that certainly some people have pointed out is around an increasing spike of people who are in poverty in the years leading up to their pensionable age. The Fabian Society said that there has been a significant increase in poverty among people aged 60 to 64, driven largely by increases in the state pension age. What do you think this implies for the patterns of pensioner poverty in future? Matt, we could start with you.

**Professor Padley:** Yes, there has been. Juliet might be better placed to talk about some of this than I am. Accessing employment opportunities in that period in life is difficult. Continuing to save into a pension pot, if you have been saving into a pension pot, is difficult. That reduces the income you are likely to have in retirement, so it has consequences for your retirement standard—in the amount of your pension. You may well have to use up savings. I do not think any of that is going to disappear anytime soon. With the increase in the pension age, it is more likely to happen. What work looks like and what working lives look like, as I touched on earlier, I think is changing.

There is evidence to suggest that. Is that what we want—“we” being society? Do we want people to have to work for longer to maintain that standard of living? Is it inevitable when we have these huge demographic shifts and the increases in life expectancy, which have slowed down recently, haven’t they? We are still well above where it was before. Is it just an inevitable consequence of that that we are all going to have to work longer? Is that the kind of society we want? It is important that we do things to support that group but then supporting that group into employment is not straightforward. There is a challenge there around the challenges and issues that that older worker group are facing. Juliet may well have some more interesting things than me to say on that.

**Q142 David Pinto-Duschinsky:** Thank you. Juliet, as you comment on that, could you also comment on which groups you think are particularly affected by this trend?

**Dr Stone:** Thinking about the kinds of work that people are now doing and how that has changed over time, there is much more of a trend towards precarious employment now. Very few people now are going to be having a job for life, as it is called, and increasingly as those people age through the population that is going to become a massive issue.



## HOUSE OF COMMONS

People are doing the kinds of work where there is a physical element to it, and that becomes increasingly difficult as you become older for a lot of people. If their capability deteriorates, they are going to be less able to do the kind of work that they did when they were 30 once they reach 60. Those groups are going to be particularly vulnerable, I think.

There is also some work that I would like to highlight, to bring it back to the issue of caring. A project I was involved in was looking at people who were caring for somebody at the end of life in their household, which would tend to be a spouse again. There was an increasing likelihood that they would take early retirement from their work because they had these caring responsibilities. As the retirement age increases, that is going to become more of an issue. People are not going to be able to work until they reach retirement age, because they have other responsibilities. We should think about reforming this entire system around benefits, including benefits for people providing informal care, and the role of social care within that; we cannot ignore that as part of this picture.

**Q143 David Pinto-Duschinsky:** You have mentioned two different groups of people: people who are unable to undertake hard physical labour, on the one hand, and then people with caring responsibilities. How does that break down from a gender point of view? Does this particularly affect women or men? What is the pattern?

**Dr Stone:** The caring responsibilities would be more affecting women. They are clearly very much skewed towards women. Increasingly, there is less of a gender divide in terms of the kinds of work because the nature of work is changing. We are moving away from those more industrial businesses and quite a lot of women are doing work—things like cleaning, where it is quite physical. There is less of that divide now between non-manual and manual labour in terms of gender, although it is still slightly more skewed towards men.

**Dr Purdam:** They are an important group—the pre-retirement women, and men for that matter—because the level of financial insecurity is higher among that group, particularly those who have spent their lives on low income. We did some work observing debt interviews and the levels of debt among women between 60 and 64 are higher than other groups. Their level of economic abuse by partners is higher and they are very much juggling low paid part-time work with caring responsibilities.

I do not know how you could target that group, but it is not going to be an easy fix because they have spent a lifetime on low income, and they are faced with a predatory market. We have been through years of high interest cash loans, and we have moved away from that a bit, but that was indicative of the position those women were in. Any support to that group would be helpful.

The UK labour market is very segregated in terms of gender. We did some work a long time ago about if you phone for a plumber, it should be a 50-50 chance you get a woman plumber. That is unrealistic, and it has





## HOUSE OF COMMONS

not happened because of the segregation of the labour market. Part-time women are generally low paid.

Q144 **David Pinto-Duschinsky:** You mentioned that women aged 60 to 64 are more at risk of abusive financial relationships. What is the driver of that? Is that relationship breakdown? What is going on there?

**Dr Purdam:** It goes back to the male breadwinner role. Female incomes in a household have been shown to be seen as less important—more of a, “Oh, that’s a little top-up”—where the male income is seen as the important income traditionally. Then there is evidence that a lot of men hide various aspects of financial issues in a house, whether it is separate bank accounts or credit cards or those kinds of things. Sometimes it is only revealed after the man dies and the woman must confront those financial issues.

Q145 **Johanna Baxter:** This issue about ensuring people have adequate incomes in the lead-up to retirement is obviously particularly important. Juliet and Matt, your 2024 research found that households looking for work or unable to work were much less likely than pensioners to meet the minimum income standard. Is that differential justified?

**Dr Stone:** This is something that we see all the time. People of working age are much less likely to have an adequate income, however that is defined, than people of pension age. It is very much to do with the value of working age benefits as opposed to the state pension. That is not to say, “Well, that’s fine, then—the state pension is the benchmark so we will ignore the pensioners”.

When you compare the two, the amount that people get, for example, on universal credit, if they are looking for work, is much lower than people get when they are at pension age. I do not think that is justified, because we are basically saying that the lives of people of working age are of less value than people of pension age and they do not need as much, when actually a lot of those people probably have more outgoings than people of pension age. I think we need to look at both.

As we have talked about throughout all this, you cannot necessarily separate the two because the kind of lives that people have—whether they are able to save during their working life—is going to affect their pension. Are they able to pay into a private pension? If their incomes are too low to be able to do that, then they are not going to have an adequate pension.

Just to move it away slightly from just looking at people who are out of work, it is also the case that people who are in low paid work during working age—who often will be receiving some element of universal credit as well—are not going to be as well off as people in pension age a lot of the time. There is this disparity there and, yes, it is something that needs to be addressed.



**Professor Padley:** If you look at the adequacy of the state pension over time relative to the minimum income standards—what it is that the public agree everyone needs for that minimum standard of living—that has declined over time but not as rapidly as the value of out-of-work benefits, for instance, relative to that same standard. Something that comes out very clearly in all our conversations as part of Retirement Living Standards’ research is exactly this challenge that there is this idea—and it persists—that retirement will be better because people are looking forward to having a state pension, because that gives them some sense of security that out-of-work benefits, when they are working, just simply don’t. That does not mean that it, in itself, is adequate, but there is that security that is provided by it—and then being able maybe to access more support for housing and those sorts of things.

To re-emphasise the point that Juliet made, we need to think about income adequacy across the life course. I do not think it is right that we are shifting an awful lot of that responsibility to work and paid work, away from people receiving support they genuinely need to cover whatever costs that they are facing.

Obviously, there is a lot of discussion at the moment around disability benefits, but we have seen what has happened with support for children and the cost of raising children over recent years as well. I am not going to sit here and argue that the state should be meeting all those costs because I do not think it should and, despite the fact that we do the minimum income standard work, I would not argue that the state pension should provide everyone with that minimum income standard. There is a role for saving through auto-enrolment, and we have seen the success of that, but the value of that is not sufficient for most people when they reach retirement.

A lot of this goes back to those bigger questions about what we are trying to do and the principles that we have that guide all our decision making—about what the state pension should do, but also about what benefits for working age people should do as well.

Q146 **Johanna Baxter:** Juliet is right. If you have that lower income before retirement, at whichever stage, it is going to impact on your retirement and the pension that you have in retirement. What is the solution?

**Professor Padley:** It might be worth looking at the level of auto-enrolment rates and the contributions from employers as well as from employees, and looking at costs as well. We talk about incomes a lot, but what can we do about costs that mean that the active incomes that you need to have that minimum living standard are not as high?

There are concerns, which came out in our latest research, around the cost of healthcare and having to access services that 10 years ago people would have expected to access through the NHS, and they are not being able to now because of waiting times. If you need physio to sort your back out so you can go to work, you need physio now. You cannot wait



## HOUSE OF COMMONS

12 weeks to do that, because you are losing income and so on and it mounts up. It is about looking at auto-enrolment and costs, and the value of the support that people receive.

**Q147 John Milne:** This is a set of questions for Juliet, because they relate to your report. The Social Security Advisory Committee felt there was a tension or even a contradiction between the expected Exchequer saving from the change in winter fuel payment eligibility on the one hand and the cost of increasing pension credit take-up on the other hand. Do you think that was a fair thing to say?

**Dr Stone:** The first thing I would like to say is anything that increases uptake of pension credit is a good thing from my perspective. As we have heard, people have been trying to do that for a long time, and this seems to have been the one thing that has increased people applying for pension credit.

In the work that we did, we looked at the wider costs to society of people not claiming pension credit, particularly focusing on healthcare. We used administrative data on the cost of a hospital stay and the cost of prescriptions for people over 65 and used survey data to model what difference it would make to people, if they were claiming pension credit where they were eligible, and to their risk of being below 60% of median income.

I will not go into the technical details given the shortage of time, but effectively we showed that it cost about £4 billion a year to the healthcare service and to social care because people were not claiming pension credit. This could save money. We were only looking at healthcare and social care. There are obviously other things that it could have a knock-on effect on. That increased uptake of pension credit is a good thing. I would not necessarily say that I agree with the way that the changes to the eligibility for the winter fuel payment have been implemented, but as a positive consequence, I would say that is a good thing.

**Q148 John Milne:** Your research from 2020 suggested that if everyone were to take up pension credit, for every £1 spent on benefit, there could be a £2 saving in health and social care costs. Can you explain the basis for that assessment?

**Dr Stone:** We use survey data from Understanding Society. I will give you an example. With acute hospital care, if we assume that for every percentage point increase in percentage of median income, that that was working in a linear way, so for every percentage point increase in percentage of median income, risk of going to hospital would reduce.

We did model that, looking at the gradient, and then modelled how many fewer days in hospital there would be if people's incomes increased because they had pension credit. We did that again for primary care and again for social care. We also did work looking at and comparing local



## HOUSE OF COMMONS

area data—looking at local authority spending in those areas and comparing that with rates of non-take-up of pension credit in those areas—and again we did some modelling there. Our central estimate was that the saving was about £4 billion.

**Q149 John Milne:** You also admitted that although there was evidence for the health impacts, there was little on the wider societal costs of pensioner poverty. Do you think that is still the case?

**Dr Stone:** We did not really look at the wider societal costs in that work. I know in previous work because they have looked at that. It depends on what we mean by wider societal costs. The things that we have been talking about today with social isolation and participating in society, are quite difficult to monetise. If we are doing anything like a cost-benefit analysis, monetising those things is difficult.

I would move away from thinking about the benefits in terms of savings in financial terms. Too often we focus on that and do not think about what we are interested in here, which is people's wellbeing and their ability to live with dignity. I know that there are ways that people do monetise those, but I am not necessarily saying that that is the way to go. Those are positive outcomes in and of themselves that we should not ignore.

**Q150 John Milne:** Finally, Policy in Practice said it would like to be able to measure the fiscal savings to local authorities from increased take-up. Do we have the evidence base to enable that analysis? If not, what will we need to do to build it up?

**Dr Stone:** Some of the evidence is there. What we need is to have more of a joined-up system. Even within the Department for Work and Pensions, I know that there are different teams working on different things who I have had some interaction with, and even within Departments there is sometimes a lack of clarity as to what each team is doing. Cross-departmental communication is another issue. We have already seen that benefits, incomes, healthcare and housing are all interacting, so I would argue that what we really need is a cross-departmental approach. Something like a pensioners commissioner might be a way of bringing that together.

**Q151 Frank McNally:** Figures show that there is up to £23 billion per year of unclaimed benefit and an estimated £8 billion in pension credit is going unclaimed. Kingsley, you have produced a lot of research on the reasons for that, and there has been a running theme throughout this morning on that. Taking into consideration the research that you have undertaken, what is to be a key component of a strategy to successfully increase the uptake in pension credit? Are there gaps in the Government's and agencies' understanding about what constitutes effective practice in this regard, given the historic levels of under-claiming?

**Dr Purdam:** Everything has been tried, from celebrities to letters with different interventions and behaviour change approaches, but it is an



## HOUSE OF COMMONS

entrenched issue. The research goes back to the 1980s with DWP, where you would have an automated payment and then the person would be asked if they wanted to continue. That did not really work. The most convincing intervention is face-to-face support—know the older people. This is why I mentioned the need for local authorities getting to know their vulnerable older people more. Maybe through some funding mechanism, they could be incentivised to do that.

Across Manchester there is lots of modelling about different local authorities and take up rates—for example, in Oldham and how that compares across different local authorities—but it is not specific to pension credit. As I mentioned earlier, there is a lack of take-up of the funeral expenses payment, and it is similar in other countries. There is a range of reasons. we use the phrase AUNTIE to talk about awareness, not recognising being in need, too complicated and trust. People fear that if they fill in a form, they might lose some of their income they already have. They do not want to take that chance. Then you have that disengagement from not being awarded anything. There is a lot of distrust.

One thing I want to mention in relation to funerals and funeral expenses payment is the rise in public health funerals. I was shocked to find out that some local authorities put the names of people and the home address, and the expense of that funeral, on their websites as some attempt at transparency. That is adding to the perceived stigma and shame of how we treat older people. The complexity of the funeral expenses payment, which is a means-tested benefit, has been argued to be leading people to opt for a public health funeral. A public health funeral is where the local authority has a responsibility to pay for that.

It is an entrenched problem. I do not think we are getting to the most vulnerable people. Pension credit is important. The form is complicated. They need help. The help is not there to fill those forms in.

**Frank McNally:** Face to face—that is the big thing?

**Dr Purdam:** If you look at the literature—there have been a lot of case studies or research by Government Departments over the years—what comes out is that it is about face-to-face meetings and hand-holding for a vulnerable person to complete the form. Sometimes it is someone's daughter doing that, but there is always some advice point in there, and that seems to have disappeared a little bit. What we could do, because pension credit has lots of health-linked things to it, is integrate it into healthcare, because a lot of the associated benefits are health benefits, and the outcomes of not claiming pension credit are health issues.

**Chair:** Thank you so much. I am afraid we will have to call a halt there, but I am very grateful to all our panellists for giving their evidence today. It has been incredibly interesting.



HOUSE OF COMMONS



## Examination of witnesses

Witnesses: Daphne Hall, Gary Vaux and Gareth Morgan.

Q152 **Chair:** Good morning and a very warm welcome to our second panel for this evidence session on the pensioner poverty inquiry. We have with us Daphne Hall from the National Association of Welfare Rights Advisers, Gary Vaux, head of Hertfordshire money advice, and Gareth Morgan from Ferret Information Systems—a warm welcome to you.

I will kick off. We heard from the first panel about the adequacy of support for pensioners through the state pension system. I saw you there listening intently. What do you think are the key issues that welfare rights and money advisers are seeing? How does this compare to what is being collected in the evidence at an academic level?

**Daphne Hall:** Take-up is a key thing because there is support there within the means-tested benefit system, but it is not being used. There is the pension credit take-up which we have talked about, and I am sure we will come back to, but there is also the other benefits such as attendance allowance which people do not know about. People do not even say the name of it. They do not realise that it is a disability benefit—for someone who is disabled. They think it is for somebody who is caring because you are attending somebody.

Carer's allowance is complex for pensioners because generally if they have a state pension, they cannot get carer's allowance, but they must claim it to get underlying entitlement to then get an extra bit on pension credit. That is incredibly complex. They could very simply put into pension credit a carer element like universal credit where you just need to say, "I am caring for somebody who is getting a disability benefit for 35 hours". Job done. There are a lot of complexities in the system that do not need to be there, and those are adding to it. I know we are short for time, so I will let others come in.

**Gary Vaux:** I almost wanted to come in at the end of the previous panel on the issue of what works. I have been involved in welfare rights advice work for 40 years and in that time, I have seen what works and what works are boots on the ground. It is people out there talking to clients and persuading them to claim.

The take-up of pension credit started at 62% when it was introduced. I think it has risen to the massive heights of 65% over a 20-year period. As we heard, they have tried everything—well, everything except getting Martin Lewis to promote it. Other than that, we have tried publicity. I have been talking to people in Lancashire and Durham who have done some incredible work around this. In my own authority, what works is contacting people and offering them that support.

It was interesting during the whole issue around winter fuel payment that when pension credit was promoted—and we promoted very heavily—it



## HOUSE OF COMMONS

soon became, “Oh, well, the claim form is 24 pages long and there are 225 questions on it”, which technically is true. That became a reason people did not claim. It was too complicated. We never got the message across except when you actually work directly with people that, of those 225 questions, 200 of them were irrelevant.

We need to have people who are trusted. We are looking at social prescribers, community navigators and GPs, who have a key role to play. If they prescribed somebody pension credit—if they gave somebody a pad and said, “Take this to your local advice service” and prescribed it—it would get people into those advice services. That is the biggest issue.

We cannot have a system where we are effectively putting out a public message which says, “Claiming benefits is bad, but actually claiming this benefit is good.” Pensioners pick up both of those messages at the same time and it is counterintuitive then to many people to think, “Well, if claiming benefits is bad for the country, claiming pension credit must be as well”. You cannot give those mixed messages.

Q153 **Chair:** Do you think is easy enough to identify from a local authority perspective who the people are they need to contact?

**Gary Vaux:** Yes. The data is there. It is usually accurate, but data only works if you can make use of it. We might know the 35% of pensioner households who are not claiming, but saying to them, “Oh, you are one of the 35%, please claim” may not help. It is moving on from knowledge to action that really counts.

**Gareth Morgan:** I have been around as long or longer as Gary and, like him, I was nodding at the end of the last session when the speaker was saying that the secret is face to face. That really is it.

I would like to point to the Welsh Government’s project on Dangos, which is ongoing. That has taken an approach of trying to increase face to face, in terms not of getting detailed advice and problem-solving to people, but of raising the awareness of what they call frontline workers about what financial help and support is available—not to turn them into advisers, but just to raise their awareness. Frontline workers is a broad term there. It covers housing support officers and social workers, but it goes as far as saying police community support officers, hairdressers and anybody that meets people face to face.

They have been for three or four years now raising the awareness of these people through free online training and so forth. They have raised the awareness of over 6,000 people in those three years and all the evidence coming back from that is that those people are sharing that awareness with the people they talk to on a day-to-day basis. They have information that tells them where to refer them to, where to signpost them to, and where that expert advice, like Gary’s team would have, is available.





## HOUSE OF COMMONS

All this stuff that is showing on the outcomes is positive. Well over half those people are using that information day to day and a very high proportion of the people that they see are also using that because they are known to them, and they are trusted. It is that secret that they are not a cold, impersonal envelope; they are somebody that they can talk to.

**Chair:** Daphne wants to come in.

**Daphne Hall:** Social landlords are another way in as well, because they tend to know their tenants.

**Chair:** I have another couple of questions, but I will see how we get on for time. I will hand over now to Amanda Hack.

Q154 **Amanda Hack:** We have had two panels today. One of the things that we wanted to delve down into is the challenges that you see faced by people that are age 60 up to pensionable age who are not in paid work or are struggling to get that full-time work. Have you seen that change as there has been raises in the state pension?

**Daphne Hall:** Definitely. Somebody was talking earlier about the people who have been in physical labour jobs. If you have been a builder all your life, the chance of you still being able to do it into your 60s is quite limited because it is hard labour. There was some of that. There was the state pension age going up. It is also relevant for mixed-aged couples. Within universal credit, you might have people well into their 70s who are on working age benefit. That has really increased poverty there.

On the converse of that, there are pensioners who would like to work and do work, but they lose all their income—all but £5 or £10 of their income—because that is the way pension credit works. It is trying to help the ones who cannot work, but also enabling the ones who can work to work and bring themselves out of poverty by doing that.

**Gary Vaux:** There is a generation of women in the mid-50s upwards, I would say, who are squeezed. They are squeezed by, in many cases, still providing childcare for grandchildren and still having elderly parents. As life expectancy goes up into the 80s, we have people in their 60s who are carers for people in their 80s. We see that very frequently. Their options for working are extremely limited indeed, if they are squeezed between those two responsibilities, and in some cases both at the same time. As we heard earlier, that squeeze on their income at that point becomes significant.

If I remember some of the data from the recent Get Britain Working research, there has been a very substantial increase in sickness benefit claims. A lot of the focus has been on the under-35s with that increase. In fact, there has been a 900,000 increase in those in the 55 to 64 range claiming benefits and sickness benefits because they are sick. That is their coping mechanism for the pressures that they are under.



**Gareth Morgan:** I will come back to the mixed-age couples' issues as a particularly important one. When the older person was the person who qualified for pension credit, there was much less of a gap between somebody retiring—ceasing work—and being able to move on to their supported pension. With the mixed-age couple rule, we now see a lot of couples where the elder person, typically the man, stops working and the earnings have disappeared, but the support has not appeared. There is that huge gap between when they stop working and when they become entitled to that higher amount.

You cannot even really use your pension savings very properly in that situation. If you are on a working age benefit because your income is low, then taking money from your pension savings, which would be ignored if then untaken for working age claims—but once you take them, as Daphne said, it is a penny-for-penny reduction from your benefits. If you need that extra money, the first thing you must do is to lose the amount of benefit that you would be getting from the money you are taking.

Q155 **Amanda Hack:** We are due to see another uplift in the pensionable age between 2026 to 2028. What support would you like to see from the Government for those unable to continue working up to 67?

**Daphne Hall:** I will definitely come back to the mixed-age couples because that is the thing—it distorts it. It is not just up to 67; it is up to when the younger partner is 67. The average age gap is something like eight years. I am plucking out my head, so I might be wrong. That is huge. That is people up to 75 living off what? It was mentioned earlier that the universal credit levels are very low. Could there be some adjustment on something like that for where there is a pensioner in the household? As Gareth says, that pension is almost worthless. You have made those savings.

There are going to be significant number of people going up to 67 who cannot work. Gary was quite right as well: people are retiring early because they are caring. Increasingly you see people caring for elderly relatives. It might be a spouse, but it is often an elderly relative, and they cannot cope.

**Gary Vaux:** The issue with the extension up to 67 and even beyond is that we will see a widening of the gap between those who are in work and pensioner poverty. I am over that age myself and I am still working. I am doing very well, frankly, at the moment. There are a cohort of people who are in that position where you can continue working and either you can afford to retire when you are 60 or 63 or 65 or earlier, or you can continue working until you are 70. They are doing well, but there are people who cannot work beyond that.

I am in a non-labour-intensive job—a non-physical job. If I were in a physical job, I would not be able to do it. That would be so true of many people. As the pension age goes up, there will be many people who do



## HOUSE OF COMMONS

not have the option of carrying on working and will be relying on pension age benefits.

**Gareth Morgan:** That is the case. It makes it worse for longer. One of the things we need to remember as well, particularly about poorer people, is that longevity is not so much a problem for them. Longevity is a problem for wealthy people because they are the ones who are going to live longer and more healthily. Poorer people do not. Poorer people live shorter lives and less healthy lives, so they are much less likely to be able to make use of that support than people getting the equivalent tax-deductible benefits or whatever they might be, who are better off. The poorer people are seeing their support shortened because they are not going to have the extension in longevity that perhaps better off people will.

**Daphne Hall:** Let me say one very quick thing on the proposals to reduce the health element in universal credit, which will impact massively on that older age group. They are looking at getting people into work, but for those people who have come to the end of their working life, that is a halving proposed of that health element, so that is going to bring it to even lower levels right up into their 60s—and 70s, possibly, as mixed-age couples.

Q156 **Steve Darling:** I will encompass a series of questions all in one to try to keep us on track with time. In recent months, we have seen changes around eligibility for winter fuel payment and that has had a significant impact on claims for pension credit. We have seen some thoughts around that rush and what happened there, and how that worked out for you as advisers. We have also seen a significant change, with it going up from about 20% being refused to half all applications being disallowed. Reflections on that would be helpful. Half of these pensioners were refused.

When one bears in mind it is quite often difficult to get somebody of a certain age to apply for a benefit, what is the long-term impact on people going back and trying again for appropriate support, whether it is under pension credit or under other opportunities of support for people of pensionable age?

**Daphne Hall:** The winter fuel payment was not a very well-targeted take-up campaign. It tended to induce panic, so people claimed who were not eligible, and that is why you got the high refusal rate, or one reason for the high refusal rate. The other thing is that it was about pension credit. If you get a disability benefit—attendance allowance—or if you are a carer, you can get extra bits in pension credit but that is often missed.

When you phone the pension credit helpline, they are not advisers. They should just accept a claim from anyone, but you do sometimes see gatekeeping on that line. There are people who would not be eligible for the basic level of pension credit, but perhaps because of disabilities or caring, they would be. It needs a more nuanced bit of take-up. That



brings us back to the local point, where people who know you and know that you have a disability, and think “Well, actually, we need to look at a disability benefit as well.” It is much broader than just, “Fill in this claim.”

Gareth mentioned Dangos as well. It is about getting people—your hairdresser or whoever—who know the problem you have getting through the door and sitting in the chair or whatever to say, “Actually, you should think about other benefits as well”. It is much broader. That panic that you are losing your winter fuel payment is not particularly effective in my view.

**Gary Vaux:** One of the effects of directing so many people towards pension credit, which I think was done, as Daphne says, almost out of desperation for many people, was that it led to a predictable, but not acted on, delay in making payments and dealing with claims. We were up to 15 to 16 weeks’ delay, which I think discredited the system.

Our experience is that if somebody applies for a benefit that they have been told they might get and they do not get, their trust in the system is damaged, and they are far less likely to come back. We could go back to these people next year and say, “Okay, you claimed last year but you did not get it, but we think you could now” but they will not believe us. That is a significant issue.

Somebody on the previous panel mentioned trust. That is a key factor. If somebody fails with a claim, you must work doubly and triply hard to get them to claim the next time, even of a different benefit, be that housing benefit, council tax support, attendance allowance, or whatever. Their trust in the system treating them fairly is damaged.

**Gareth Morgan:** We might have a lesson to learn from that. There is lots of evidence and lots of research that says people worry a lot more about losing something than about the possibility of gaining something. That explains the number of non-qualifying claims that were made. People thought, “Oh, there is something there that I might not be able to get now so perhaps I should try claiming it”. We should think about using that approach more broadly in a use-it-or-lose-it campaign, rather than a this-will-make-you-better-off campaign.

Q157 **David Pinto-Duschinsky:** Talking about take-up and issues related to that, obviously the Government also have announced their intention to merge the application process for pension credit and housing benefit for new claims in 2026. What do you see as the main risks and benefits arising from this?

**Gary Vaux:** From the local authority side, there is a lot of uncertainty regarding this, and we could only be a year away from it. We do not even yet know where that merger will take place. Will it be Department for Work and Pensions taking over housing benefit or will it be housing benefit services taking over pension credit? Even that has not been clarified. That must be resolved very quickly. Trying to do this at the



## HOUSE OF COMMONS

same time as we are moving into local government reorganisation in many areas and moving from two-tier systems to unitary authorities means that there is a lot of work to be done there. Playing around with housing benefit at that point will not be popular in many local authorities.

It could work towards promoting a better income for many pensioners. However, when we look at the experience of some of the universal credit take-up, there has been a significant drop-off of people simply going, "Actually, I do not want to do this". We could end up not with more people claiming, but a drop-off of those who do, and saying, "Well, I am on pension credit" or "I am on housing benefit. I do not want to claim pension credit. I will drop off my housing benefit". That could happen.

**Gareth Morgan:** The hope is that claiming the two separate elements of support as one would increase the amount of take-up. Housing benefit in pensioners is not well taken up but it is better taken up than pension credit is. My own hope would be that they would move it into local authorities rather than into the DWP because, as Daphne said, that local knowledge of circumstances and the awareness of what it is like living in that area is important. The very contact that local authorities have with people in that situation must be better than another post office box number somewhere in the country that DWP are going to treat as a paper claim.

**Daphne Hall:** I am going to add an opportunity that I think could be there. We mentioned earnings before. Housing benefit has a taper. There is a very small earnings disregard, but then there is a taper. Your earnings are not all taken into account, whereas under pension credit they are once you get beyond that basic work allowance. I would hope if they do do that, they would see it as an opportunity to bring a taper of earnings into pension credit so that earnings meant more as a pensioner, and it was worthwhile to have a job—you would be better off for having one, whereas currently pension credit does not really have that.

**Gareth Morgan:** The key thing here will be here to work out how to reconcile the two different eligibilities.

**Daphne Hall:** Yes, but I would hope they would go towards the housing benefit and perhaps increase the earnings disregard as well but certainly bringing the taper down. That is an opportunity that is there. I agree with what Gareth and Gary have said about other issues that might come up.

Q158 **Frank McNally:** Following on from David's question, do you consider it appropriate or advantageous to integrate claims for other benefits? Are there any that you would be keen that we focused on in the Department for Work and Pensions or that Government more widely focused on?

**Daphne Hall:** I mentioned before possibly making the carer question a question on the pension credit, so you do not have to do a separate claim for carer's allowance. That is an easy win and simplification. There could be questions on it about disability as well which might at least prompt a



## HOUSE OF COMMONS

claim—to encourage them to claim attendance allowance. It would be hard to bring it in as part of the claim because it is quite a different benefit.

The other thing I would like to see much more on is the transition from working age to benefit. If someone is on universal credit, you have them there. That is your opportunity to help make sure they put in their pension credit claim. There are a lot of messy transitions from universal credit up to pension credit. Sometimes universal credit does not stop, which causes confusion, so they do not claim, and that is for both single people and mixed-age couples. There is a lot of work that could be done there. It is a bit outside your question, but we could try to transition and make it smoother so that you could automatically go from one means-tested benefit to another as you move from working age to pension age.

**Gary Vaux:** I would look at attendance allowance. It is worth exploring the possibility that where a local authority social work department or social care department is doing a full assessment on some of these care needs, that is not triggering an attendance allowance claim form. I am not saying it should be the only way, because there are going to be some people who would qualify for attendance allowance who do not qualify for local authority services and do not qualify for an assessment, so they should still have a separate route.

You would not devise a system where a social worker or an occupational therapist or somebody else comes around on a Monday to assess you for your social care needs and then somebody comes round from the DWP on Tuesday to ask you effectively the same questions. There is certainly scope at least looking at that—not making it the sole route, but a route. You could then simplify and bypass a lot of the issues, because once attendance allowance is awarded, you have the chance to look again at pension credit because of the way the severe disability premium works within pension credit. There is a lot that can stem from promotion around attendance allowance.

**Gareth Morgan:** I think you have to differentiate between a claim made once for many different benefits, and merging benefits into something with a single claim process. There is an attraction in trying to claim lots of different benefits at the same time with one set of information, but when you look at the really granular detail underlying the rules of all the benefits, there are so many differences between them—different ways of calculating income, different periods you average it over, different dates you need to claim by, different definitions of who counts as a close relative for all sorts of benefits. You really have to rewrite the whole benefit system to make that work—lots of primary legislation and secondary legislation.

Taking the information you know about people and using it as an indication of potential entitlement—of pointing them where to go, of pushing advice to people—is the real problem that we have in terms of



## HOUSE OF COMMONS

advice services. We spend our days trying to respond to problems that people have. What we do not do enough of, because we do not have the resources to, is pushing information to them that might stop those problems arriving and might tell them where to go in the first place. That is the real area where investment would pay huge dividends in business cases: making people more aware, getting there before the problem comes up, and advising them in advance of what might happen next year or the year after when they reach pension age and stop working.

**Daphne Hall:** I used to work in a local authority. We did a take-up campaign every single year and there are just not the resources now. All advice services have been cut and that used to be a big part of it. It is more firefighting now rather than doing that good, preventive take-up work. We used to raise huge amounts. Did you have the same experience, Gary?

**Gary Vaux:** Yes. In my authority—and I know others are doing the same—we are looking at the links with public health. For example, there is a strong public health correlation between the work we would do in advising people and the outcome that that could have. Again, we heard from the previous panel about hospital admissions. Reductions in GP visits is also something that you can measure. If you give people an adequate income, the savings to the NHS through public health are measurable, if we really put our minds to it.

**Gareth Morgan:** Poverty causes ill health. Ill health causes poverty. You must break that somehow.

**Frank McNally:** Thank you all very much. I am conscious that you have touched on some of the areas I was going to explore further, so I will hand back to the Chair.

**Chair:** Thank you so much. I will hand over to Danny Kruger.

Q159 **Danny Kruger:** I have two questions. I will ask both, but we can come back to the second. You do not all need to speak to both. My first is on this take-up question. There is obviously an essential conflict in Government. DWP and all of us might want to ensure 100% take-up of pension credit but that would cost billions of pounds. The Treasury is banking on the failure of universal take-up of pension credit. They do not want 800,000 people to suddenly be claiming it. I am not sure what the solution to that challenge is.

It is not appropriate that every single person does claim it. There might be good reasons why some people are not, even if they were fully aware of their entitlement. Some people should be getting it who are not, and we have this challenge with take-up. I recognise all the points you have been making about the relational approach—face-to-face is best. Are there ways to automate the process and use data more intelligently to identify the people who are the most in need or the ones who are simply not claiming who could? That is my first question.



## HOUSE OF COMMONS

My second one is to Daphne's point particularly about women in midlife who are squeezed between caring responsibilities for older parents and their own grandchildren. Those people are saving the taxpayer a fortune. They are doing it sacrificially. They are sacrificing their own income to do so. Is there more that we can do to reflect caring responsibilities both in the tax system and in the benefit system? Do you think as a society we could be doing more to acknowledge the contribution those people are making through tax and benefits? Those are my two questions. The first one about using data better. Who wants to take that?

**Gareth Morgan:** I will take the one on data if I may. Yes, there is an awful lot that you can do with data in terms of identifying potential claims and help that is needed for people. What I do not think you can do, for many reasons, is automate the entire process of then awarding the benefit. The real problem comes from, once you have identified where you think there might be a potential for take-up, how you then approach those people. It is back to the fact that an envelope dropping through the door is not going to do the job. You need to find a way of getting it, as Gary says, face to face. You are using that data to target the people, but then you have to have the resources to get to them or to approach them.

**Daphne Hall:** Take-up saves money. I know on the DWP budget there will be some more money, but we have said it and we heard it in the other panel as well: there will be less on the healthcare and on the social care, because the more that people have, the more they can eat properly and heat their house, the fewer problems there will be.

**Danny Kruger:** Yes, okay, but it is not a cashable saving for the budget holders—that NHS bed will just be filled by somebody else. Yes, somebody might be costing the state less money themselves, but the state does not save.

**Daphne Hall:** I am not good enough at arguments like that, but you are going to have shorter waiting lists, are you not? If there is a shorter waiting list, then there will be less ill health in the population. One of the reasons for the rising sickness is because there are big waiting lists in the health service. People are sick for longer and cannot get back to work. The trouble is that it is one huge, great big circle.

It is hard to identify those savings. It is the whole domino effect that goes round and round. There are savings. Also, it is better to have a healthier population. If those people have enough money to live and to eat, and they socialise better because they can get their taxi to their local club that they go to or whatever it is, then those are all improvements. You cannot quantify them in the same way, but that happiness thing—we could be like Finland if we do that.

**Gareth Morgan:** It is commercial as well. Your £1 extra in benefit expenditure is not £1 extra out of the public budget. If you give £1 to somebody wealthy, they may spend it in the Seychelles or they may save it. Give it to somebody on benefits, and they are going to spend it





## HOUSE OF COMMONS

straightaway. They will spend it much more locally than better off people. That money goes into the local shops, supports local jobs and it pays VAT. It comes back and it goes through NI. A lot of that money comes back to the Government. It is not £1 out, nothing back in. It is £1 out, quite a lot of it back in.

**Daphne Hall:** That is the basis of any take-up campaign. It brings a whole lot more money into the local economy.

**Danny Kruger:** Okay, great. Can we come back to the automation point?

**Gary Vaux:** It would be lovely if we could do that. Where would we get the data? In order to calculate means-tested benefits, it would need access to people's bank accounts, rents and details of their non-dependants—the people living with them. It would need a level of data that would deter many people from coming forward rather than encourage them to.

Gareth alluded to the complexity of the information that we would need to automatically say, "We have done all the work, and you are entitled to £17.23 a week pension credit". It would be lovely, but I cannot see that people would give consent to that level of intervention into their personal and private affairs. It is one of the reasons people are reluctant to contact the DWP. They have greater trust in their local authority, thankfully, with housing benefit than they do with the DWP in terms of security of data.

Q160 **Danny Kruger:** A powerful point—thank you. What about my second question on how we can reflect the household economy and caring responsibilities better in the tax and benefit system?

**Gary Vaux:** There are some issues there that we can promote more heavily. There is the carer's credit that is available for national insurance—to boost people's national insurance record, which would boost their income in retirement. There is the one I forget the name of. It is the childcare credit that you get if you are a grandparent who is caring—for kinship carers. We could be looking at the criteria for carer's allowance itself—35 hours a week—yet we award carer's credit at 25 hours a week. Is there scope for looking at that so that we make it easier for people to qualify for carer's allowance? Of course, the income rule for carer's allowance is thankfully changing from April, but it could go a lot further.

**Daphne Hall:** I would promote removing the earnings limit in carer's allowance. Carer's allowance is a small payment. It saves the Government a huge amount in care homes. If somebody wants to work a little bit and can fit it in around their care work, that might be their respite—to get out and go to work. Why is there an earnings limit in carer's allowance? There is just no need for it, and it has caused all this distress with the overpayments. It should not be there. That is my view.

Q161 **Amanda Hack:** We have talked already about the power of face-to-face



## HOUSE OF COMMONS

support over other types of support. To what extent do you think the provision that we have meets the demands of what we need on face to face?

**Daphne Hall:** There are huge deserts. Some areas have a much better advice, but the National Association of Welfare Rights Advisers sees it all the time: places are going down to one or two people in an office and trying to manage it, and then they are having to resort more to phone or online because of that.

There is nothing better than face to face. Well, for some people, that is not true; some people prefer phone or online. I would not want to take that away, but face to face is so important and the provision just is not there. I go back to my earlier point: it saves money. Funding advice workers bring so much more money into the community and that gets spent locally. They will argue it better than me.

**Gary Vaux:** It is interesting that my own authority, Hertfordshire, is a wealthy county, but the county council has put priority into funding advice services because they have seen what we do. We bring in about £25 million a year in extra benefit income. That is cumulative, so it builds up over time, but we bring in £25 million extra each year. Our local authorities put resources into that. Unfortunately, I would say a lot of local authorities that are as wealthy as Hertfordshire do not see the need, and those authorities that do see the need do not have the money. That is where we have this imbalance.

As Daphne says, it creates deserts. Some of the poorest boroughs in the country do not have a local authority welfare rights service anymore. That is certainly something that, through NAWRA and other organisations, we should be very conscious of.

**Daphne Hall:** NAWRA is pushing in its 50th birthday year for a statutory advice duty this year.

**Gareth Morgan:** I should declare I am on the NAWRA committee as well.

**Gary Vaux:** I am not.

**Daphne Hall:** You are a NAWRA member.

**Gary Vaux:** Oh, yes.

**Gareth Morgan:** As with so many areas, the problem we have is that local authorities and other budget holders look at this year's spend. They do not look at being able to invest to save, as it used to be called. Spending money on benefits advice now solves quite a lot of problems immediately for people, but it does not save you as much money this year as it will save you, the health service and the education service—everything—year after year after year, but for sad reasons local authority budget holders look at this year.



## HOUSE OF COMMONS

**Gary Vaux:** We may come to the household support fund. We are now on to household support fund 7, which shows how entrenched it has become in local authority support. It has done some wonderful things. However, the priority we have always been given in the allocation has been: "Do not spend it on advice work. Spend it on direct support". As a result, we have given out millions of pounds in vouchers.

In my authority, our target when we are doing advice work is for every £1 we spend on advice work, we bring in £15 in additional income for people in poverty. Now, we can give out £100,000-worth of vouchers and that will cost £100,000, and people get £100,000—zero sum. Give the advice sector in my authority £100,000 and we will bring in £1.5 million. That has been the fault, and it is an example of how short-sighted some of the information and guidance has been around household support fund.

**Daphne Hall:** It is given for such a short space of time, and you cannot plan ahead. People need to have budgets to be able to recruit and retain people. Getting people into the advice sector is another thing, because there are no permanent jobs and there is no security, and people need that. People want to do it, but it is not particularly well paid, and it is not very secure. I say that having been in it all my life.

**Gareth Morgan:** I will point out there the difference in approach that the Welsh Government have to advice work. They have set up a national advice network and regional advice networks. Next week or the week after, the next round of their single advice funding comes in. That is set for three years, which is an enormous difference for people who are supported by it—to have that confidence and that ability to plan a little bit in advance.

Q162 **Amanda Hack:** I have a quick question on the help to claim scheme. We have the help to claim scheme on universal credit. Is there something to introduce along similar lines for pension credit?

**Daphne Hall:** Yes, there could be, but with face to face. Help to claim started with face to face, and the service is not the same as it was. That is no disrespect to the people doing it, but you cannot give the same level of support online and over the phone, and it was a much better service—a much more holistic service—that met the needs of more people when it included face to face. It took away the local knowledge as well when that went, because now if you do it, you speak to somebody who could be anywhere in the country, whereas even when it was local and it was by phone, it was people who knew the services locally. If you needed more than help to claim gave, they could do direct referrals and things like that. It is coming back to that local knowledge and face to face over and over again.

**Gareth Morgan:** Pension credit is not as complex as universal credit. It does not need the same level of support. What it does not have is that integration with other sorts of advice about retirement income. If Pension



Wise, for example, was to take in pension credit as well and talk about an integrated view of income in retirement, that would be a big advantage.

Q163 **Damien Egan:** The clock is ticking, so we must move on to the next question. I will focus on attendance allowance and the household support fund. Just before I do—this is the worst thing; I hate politicians making assumptions based on speaking to limited people—based on two people, including my nan, am I right that there is a group of people you come across who, although they know they would be entitled to benefits, maybe feel proud of the fact that they have not claimed in their life, so it is quite a leap to have that on their mental record?

**Gareth Morgan:** It is a real reason, but all the research shows it is a tiny, tiny way down the list of reasons that people do not claim. People do not claim because they do not know the benefit is there in the first place, or they do not think they are entitled to it. That is the real worry. I do not think the pride bit is so important. What is important is the scroungers bit—the tabloid media campaigns that have said that claiming a benefit is scrounging. That frightens people away and worries them socially.

**Daphne Hall:** Going back to when I did direct advice a bit more, I did see that. You would have to sit down with someone say, “No, this is your right. You have paid into the insurance system all your life. This is your entitlement”. It is about getting that across. With attendance allowance particularly, it is always, “Oh, I manage”. How do they manage? They come in with this long story about how long it took them to get out of bed and how they fell sometimes and everything else, and you say to them, “Well, you are managing very well, but I think you are entitled”—to whatever it might be.

Then there is also the fear of thinking that if they got attendance allowance, they would have to have someone come in and help them—that if they said they needed help with their bath needs or their toilet needs, somebody was going to come and help them. No—you can spend the money on getting your net curtains cleaned if you want. That is fine. It is your choice. It is your money. That is not understood. If people are putting in personal care issues, then they are worried somebody is going to come help them and they do not want that. They want to do it on their own.

**Gary Vaux:** I would take it one stage further. Some people would then be worried that they will be taken away and put into a residential home, not just that there are carers coming in, but that they will be taken out of the situation that they are comfortable with, even if they are struggling. You had your nan; I had my former mother-in-law. Eventually I persuaded her to claim attendance allowance, because when you talked to her about getting dressed, she would say, “Oh, I manage”. She managed by dressing like a 14-year-old. She wore tracksuit bottoms, a hoodie and a pair of trainers because that was all she could put on.



Q164 **Damien Egan:** Attendance allowance—the name itself comes up a lot. Any ideas of what you think it could be called?

**Daphne Hall:** They think they are the carer if they are getting attendance allowance. There is the name, the questions and the fear it does that it is charity. It is not; it is your right. All those things need to be changed. That is why the personal touch helped. I used to visit people in their own homes. We were lucky that we had a well-resourced advice service in the council, and we did home visits. That is much nicer than them having to go out somewhere. You can sit and have a cup of tea with them, take your time and go through it, and then they trust you—you build that trust and then you could take it further. You have to get through that barrier.

**Gary Vaux:** That is especially true when you are asking very personal questions. You are going in and asking somebody, “Can you wash yourself? Can you dress yourself? Can you go to the toilet by yourself? Can you bathe yourself?” Those are very personal questions, and you need to have built up some degree of relationship with the person before you can get on with it.

Q165 **Damien Egan:** We have two minutes left. With the household support fund, how easy is it for us to compare what different councils are doing? What confidence can we have that they are doing that performance monitoring and getting the best outcomes from that money?

**Gary Vaux:** In two minutes? It has been a very good sticking plaster over the cost of living crisis, but it has been a very big sticking plaster. It has been very worthwhile, so I am not going to knock the principle behind the household support fund—even the amounts, despite there being 12.5% less this year. I had to mention that, or my treasurer would never forgive me. What we have seen is short term.

My own local authority was told two weeks ago what money it was going to get from 1 April. You cannot plan when you are given that lead-in period. It has enabled local authorities to dodge a bullet, frankly, and there is a great deal of concern about what happens next. Each time we have been told the same thing. After HSF 3, we were told, “There will not be an HSF 4.” After HSF 4, it was, “There will not be an HSF 5.” After HSF 6, they said, “There will not be an HSF 7.” Well, here we are. Will there be an HSF 8 next year, in April 2026? We do not know. If there is not, where do we go with the demand that is now almost built in? We have almost created an assumption that certain support will now be provided, not only for pensioners, but also the provision of meals during school holidays using that money. Parents now expect that to come from their local authority, because they have had it for nearly five years. What happens when we cannot?

**Gareth Morgan:** I will point out very quickly that in Wales, it is the discretionary assistance fund, which is set up to be a much more long-



# HOUSE OF COMMONS

term arrangement. That manages to avoid the postcode lottery that different local authorities in England will be facing.

**Gary Vaux:** Maybe we should move to Wales instead of Finland?

**Gill German:** I second that!

**Chair:** Thank you so much. This concludes our oral evidence session.