

Written evidence submitted by the Older People's commissioner for Wales (BSW0026)

The role of the Older People's Commissioner for Wales - an independent, statutory role established by the Welsh Government - is to protect and promote older people's rights and to stand up and speak out on their behalf so they can access the services and support they need, and ensure that those who may be vulnerable or at risk of harm are kept safe and protected.

The Commissioner welcomes the Committee's inquiry and considers that the delivery of the social security system in Wales is an area of public policy that deserves further scrutiny and attention.

Pension Credit

In Wales, relative income poverty amongst older people remains at the highest level of all the other nations of the UK¹ and the Commissioner has consistently called on both the UK and Welsh governments to do more to ensure that older people are encouraged and supported to claim what they are entitled to. It is estimated that up to £214m of Pension Credit went unclaimed in Wales in 2018/19.²

This under-claiming continues to undermine efforts to tackle poverty and socio-economic inequalities in Wales and the Commissioner continues to press for more to be done at both a UK and a Wales level to encourage the take-up of this entitlement and improve the lives of some of the most vulnerable and poorest older people in Wales.

Case Study 1: Increasing Take-up of Pension Credit

In October 2019, the Commissioner worked closely with Transport for Wales to include information about Pension Credit with all renewed concessionary bus passes that were being sent to everyone in Wales over the age of 60. This leaflet campaign, that the Welsh Government agreed to support financially, was delivered to over 500,000 older people in Wales, with 390,000 of these being delivered in October and November 2019.

Figures from the Department for Work and Pensions shows that during this period, the number of new claimants was 26% higher than the average per quarter over the last two years.³ This increase in the number of new claimants was estimated to be worth over **£10,000 a week** to older people throughout Wales, which would be an additional **£500,000 over a year** to support some of our poorest communities.⁴

Case Study 2: Income Maximisation and Benefit Take-up Working Group

The Welsh Government recently established an Income Maximisation and Benefit Take-up Working Group with cross-sector membership.

The Group launched a short Welfare Benefit Awareness Campaign across multiple channels which it calculated resulted in an additional **£651,504** of entitlements being claimed.

Two further targeted take-up campaigns have also been piloted, one focusing on BAME communities combining community-based access partners linking to advice partners and the other pilot through regional Citizens Advice services focussing on different target audiences which engaged with over 1440 people over the six-month pilot and calculated that it improved their income by **£2,468.052** across a range of entitlement claims.

Following recommendations from the Senedd's previous Equality, Local Government and Communities Committee inquiry into *Benefits in Wales: Options for Better Delivery*, the Working Group is developing a charter that will underpin the design and delivery of a Welsh benefits system.⁵

It is clear from these targeted interventions that older people can be reached and encouraged to take up financial entitlements if the messaging is clear and focussed and any future campaigns should be a blend of national messaging and local interventions.

Whilst claiming Pension Credit can undoubtedly play a significant part in improving the financial situation of older people whose income falls below the eligibility threshold for Pension Credit, it is likely that even with the award many will still find themselves trapped in relative income poverty and given that their income is fixed they are likely to remain in persistent relative income poverty for the rest of their lives. Women are at particular risk of being trapped in this way as research suggests that 30% of women do not possess any private pension plans and will rely solely on the State Pension upon retirement.⁶

The Committee may wish to consider whether work should be undertaken to test the levels at which Pension Credit is awarded to those whose only means of income is that of the State Pension against other measures such as the JRF Minimum Income Standard.⁷ A simple calculation based on that standard would suggest that a single older person would require an income of £12,772 to achieve a decent standard of living, which is significantly higher than the current annual income of someone claiming Pension Credit.*

Pension Credit can also act as a gateway benefit to other forms of support, including the free TV licence (for people over 75) and housing credits, as well as the Council Tax Reduction Scheme. Previous research undertaken by Independent Age found that maximising Pension Credit uptake and ensuring that everyone entitled to it receives it, could benefit roughly 450,000 older people.⁸

Impact of Covid-19 Pandemic

The Covid-19 pandemic has had a significant and disproportionate impact on many older people and some, particularly amongst the older workforce, will have seen significant

* The current level of Pension Credit is set at £177.10 per week for a single person, which would equate to £9,209.20 per annum

changes to their financial circumstances. Whilst the Coronavirus Job Retention Scheme meant that many older workers have been able to be furloughed for periods during the last 18 months, as the scheme is closed many will be facing redundancy and unemployment. The Commissioner has called on the Welsh Government to invest in specific targeted support for older job seekers to support them to remain part of the workforce given the specific challenges they face in finding work and accessing support that meets their specific needs.

Some older people who have already lost their jobs or been made redundant as a result of the pandemic will have started to claim for entitlements for the very first time. In April 2021, there were 17,832 people over the age of 60 in receipt of Universal Credit in Wales, an increase in excess of 100% on figures in March 2020.⁹

Covid-19 has also seen a significant increase in applications to the Welsh Government's Discretionary Assistance Fund - a grant to help pay for essential costs for those who are experiencing extreme financial hardship. In 2018/19, there were 95,072 applications for the Emergency Assistance Payment (EAP)¹⁰ which has increased to 254,243 applications (up until May 2021), 82% of which were Covid-19 related.¹¹

Reforms and further devolution

It is encouraging that both the Welsh Government and the Welsh Affairs Committee are both looking at how the benefit system is developed and delivered in Wales. As already outlined in this response, there are aspects of the system that must be reformed if we are going to meaningfully tackle poverty and socio-economic inequalities in Wales.

There is an opportunity to start a national conversation about how the social security system could be reformed and re-imagined into a system that everyone can be proud of and operates as a safety net for all. Any reform needs to tackle the stigma that often surrounds the framing of the system in terms of 'welfare' and 'benefits' and that anyone 'caught' in the system is somehow to blame for their circumstances. Any reform should seek to ensure that people are enabled and encouraged to access the support and entitlements they need to flourish as citizens.

A similar conversation was held in Scotland where the underlying principles that emerged were ones of dignity, respect and human rights and a statement of common ownership of the system captured in a charter.¹²

Should that conversation also highlight the potential of devolving more powers over the system to Wales then careful, meaningful preparatory work must also be undertaken. Calculating both the future demand and administration costs of any transfer of powers must not be done in such a way that leaves the citizens of Wales at a disadvantage or undermines the effective delivery of the social security system.

¹ Welsh Government. (2020). *Relative income poverty: April 2018 to March 2019*. Available at: <https://gov.wales/relative-income-poverty-april-2018-march-2019>

² Independent Age. (2020). *Pension Credit: a closer look*. Available at: <https://www.independentage.org/pension-credit-a-closer-look>

³ Department for Work and Pensions. (2021). *Pension Credit*. Available at: www.stat-xplore.dwp.gov.uk

⁴ Department for Work and Pensions. (2021). *Pension Credit*. Available at: www.stat-xplore.dwp.gov.uk

⁵ National Assembly for Wales. (2019). *Benefits in Wales: options for better delivery*. Equality, Local Government and Communities Committee. October 2019. Available at: <https://senedd.wales/media/2vhkfst/cr-ld12832-e.pdf>

⁶ The Actuary. (2021) *Women set to suffer most if pensions triple lock is scrapped*. Available at: <https://www.theactuary.com/news/2021/07/14/women-set-suffer-most-if-pensions-triple-lock-scrapped>

⁷ Joseph Rowntree Foundation. (2021). *A Minimum Income Standard for the United Kingdom in 2021*. Available at: <https://www.jrf.org.uk/report/minimum-income-standard-uk-2021>

⁸ Independent Age. (2020) *Pension Credit take-up costing health, social care systems an extra £4 billion per year*. Available at: <https://www.independentage.org/news-media/press-releases/pensioncredit-take-up-costing-social-care-systems>

⁹ Department of Work and Pensions. (2021). *Universal Credit*. Available at: www.stat-xplore.dwp.gov.uk

¹⁰ Welsh Government. (2021). *Discretionary Assistance Fund (DAF): financial summary 2018 to 2019*. Available at: <https://gov.wales/sites/default/files/pdf-versions/2021/3/2/1614696277/discretionary-assistance-fund-daf-financial-summary-2018-2019.pdf>

¹¹ Welsh Government. (2021). *Summary data about coronavirus (COVID-19) and the response to it: 26 May 2021*. Available at: <https://gov.wales/summary-data-about-coronavirus-covid-19-and-response-it-26-may-2021-html>

¹² Social Security Scotland. (2021). *Our Charter*. Available at: <https://www.socialsecurity.gov.scot/about/our-charter>

The Older People's Commissioner for Wales

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

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

The Commissioner wants Wales to be the best place in the world to grow older.

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