

# later life ambitions

## Later Life Ambitions Policy Positions



## ABOUT LATER LIFE AMBITIONS

Later Life Ambitions brings together the collective voices of over a quarter of a million pensioners through the National Federation of Occupational Pensioners, the Civil Service Pensioners' Alliance, and the National Association of Retired Police Officers.

Our members have ambitious aspirations for the next generation of pensioners.

From fair pensions to safe and sustainable care services, and from accessible housing to regular bus services to promote independence, we require bold and forward-looking action from our political leaders.

With your support, we want to change the terms of the debate – to focus on the ambitions of pensioners rather than the perceived 'costs' to the rest of society. So we urge you to join us in calling for an aspirational and ambitious future for those in later life.

## EXECUTIVE SUMMARY

Later Life Ambitions brings together the collective voices of over a quarter of a million pensioners through the National Federation of Occupational Pensioners, the Civil Service Pensioners' Alliance, and the National Association of Retired Police Officers.

By 2030, there will be almost 13 million people in later life aged 65 or over. Our members have ambitious aspirations for the next generation of pensioners.

From fair pensions to safe and sustainable care services, and from accessible housing to universal pensioner benefits, we require bold and forward-looking action from our political leaders.

### **Later Life Ambitions is calling for:**

#### **SOCIAL CARE**

- The establishment of a cross party consensus to agree a long-term sustainable plan for social care
- Closer working between health and social care services to relieve pressure on the NHS and improve hospital discharge rates
- Immediate introduction of the Dilnot recommendations in addition to urgent interim funding while the Government consults on a long-term sustainable solution for social care
- Government expenditure on adult social care should rise as a proportion of total public expenditure, with an urgent review of how to fund social care in the long term
- The role of Minister for Social Care to be elevated to the cabinet
- Assurances that any revenue raised to fund social care will be ring-fenced
- Government assurances over the ability of EU nationals working in adult social care to remain working in the UK post-Brexit

#### **PENSIONS**

- Maintenance of the state pension 'triple-lock'
- A review of the 'two-tier' system and for the Government to transfer existing pensioners to the new state pension on a no detriment basis
- Development of a Household Inflation Index (HII) to better reflect the inflation experiences of households
- Proper transitional arrangements so that the State Pension Age does not fully equalise until 2020 and targeted communications to those women who will be affected by state equalisation of the pensions age

- Measures to improve confidence in pensions savings and support for Defined Benefit schemes, including improved enforcement powers for The Pensions Regulator
- Increase in the minimum employer contributions for schemes under automatic enrolment, which will help to encourage a retirement savings culture in the UK, with greater involvement of NEST and more consolidation of schemes

### HOUSING

- Implementation of the measures set out in the Housing White Paper 2017
- The extension of the Lifetime Homes standard across the UK
- Exemptions from Stamp Duty Land Tax for those 'resizing' to other properties
- A recognition of the importance of housing for older people and a national strategy on encouraging specialised later life housing throughout the whole of the UK.
- Formal planning policy presumption in favour of retirement housing schemes
- The zoning of areas for later life housing, and for local authorities to be required to allocate specific sites for retirement housing in their Local Plans
- The 'backdoor bedroom tax' to be stopped in its tracks
- Funding to make up for any lost investment from the European Investment Bank for social housing projects

### UNIVERSAL BENEFITS

- A clear commitment to the continued retention of universal benefits
- A clear commitment not to means-test universal benefits
- Responsibility and funding of free TV-licenses to remain with the Government

### TRANSPORT

- Increased investment in local bus services
- Greater accessibility standards in all new bus and rail stock
- Adequate assistance for older people on trains and provisions for the assistance and protection of health and safety for older passengers
- A move from a locally administered free bus pass system to a nationally administered travel pass system

### SOCIAL CARE

Many of us will require some level of care when we get older. Whilst life expectancy is increasing, there are also a growing number of people spending their later lives unwell, and by 2030 the number of older disabled people is expected to double.

As the population aged over 65 grows from 8.5 million in 2010 to nearly 13 million by 2030, the need for better care in later life will become increasingly acute.

At the same time, social care is facing a crisis. The Local Government Association estimates that adult social care faces a funding gap of £2.6 billion by the end of the decade.

The difficulties faced by the care sector are often increased due to the gaps between health and social care, and closer working will support the NHS to operate more efficiently. However, the service also requires the Government to commit to increased levels of funding over the short, medium and long term.

#### **NHS sustainability**

Good, efficient social care services will help to reduce the current financial pressures on the NHS by reducing the length of a person's stay in hospital. Keeping older people in hospital longer than necessary increases bed shortages and diverts resources from patients requiring acute care. Longer stays in hospital can also have a negative impact on older patients' health as they quickly lose mobility and become at risk of social isolation.

The National Audit Office, Parliamentary Health Service Ombudsman and the Public Accounts Select Committee have all reported on the substantial cost of delayed discharges to the health service. The NAO estimated that the gross annual cost to the NHS of treating older patients in hospital who no longer need to receive acute clinical care is in the region of £820 million.

Workforce capacity issues in health and social care organisations are making it difficult to discharge older patients from hospital effectively. In addition, while hospitals are financially incentivised to reduce discharge delays, there is no similar incentive for community health and local authorities to speed up receiving patients discharged from hospital.

**Health and social care services should work more closely to relieve the financial burden on the NHS and ensure that patients receive the most appropriate care. In addition, social care services must be properly funded in order to increase places and reduce the number of older people kept in hospital unnecessarily.**

### Uncertainty

Millions of older people are uncertain or unaware as to how they will be cared for in old age. Almost one in four (24%) people in England are unaware that the Government does not fully fund social care for older people. The reality is that:

- 45% of people pay entirely for their own social care and support
- 48% pay for nursing home placements
- 20% are paying in full for home care support

The recent general election served to confuse the system further with the Conservative Party u-turning on initial proposals outlined in their manifesto, confirming ultimately that there will be an “absolute limit” on what people pay towards their social care. The Government will now hold a consultation on the future funding of social care. While this takes place, **Later Life Ambitions is calling for the immediate introduction of the Dilnot recommendations and the implementation of the care cap.**

### **Care Act 2014**

The Care Act 2014 has replaced nearly all the old legislation.

It sets out how people’s care and support needs should be met and introduces the right to an assessment for anyone, including carers and self-funders, in need of support.

The ambition of the Act is to enable people to have more control over their own lives. The Government (correctly) believes that support should be less about firefighting and more about prevention, with the ultimate goal of helping people stay independent.

Most of it came into force in England from April 2015. However in July 2015, the government decided not to introduce its signature proposal to *“introduce a cap on the costs that people will have to pay for care in their lifetime”* until 2020.

The Chancellor’s commitment in the Spring Budget 2017 to provide an additional £2bn for social care over the next three years is welcome, but falls short of the amount required to close the social care funding gap. **We agree with the Communities and**

**Local Government Select Committee that expenditure on adult social care needs to rise as a proportion of total public expenditure.**

**As such we welcome the Government's decision to bring forward a consultation on social care funding later this year.** We also welcome the creation of a cross-party working group to take the politics out of social care. **The group should set out a strategy for funding social care, and report to the Minister for Social Care, whose position should be elevated to a Cabinet role.**

### **Local authority precepts**

In 2016, councils with responsibility for social care were given the power to add a 2% precept to council tax bills to cover the rising cost of social care. This is set to rise to by a further 6% over the next two years. However, even this opportunity for future revenue falls short of what is needed. The policy also favours wealthier areas (where income from council tax bills tends to be higher and demand for social care is lower) and therefore leads to a postcode lottery of care provision.

**Whilst we want to see additional funding streams for social care this should not be solely the responsibility of the taxpayer.**

**Should the Government decide to raise revenues to fund social care, LLA would want public assurances that this money would be ring-fenced, like the social care precept for local authorities. Such an approach is vital to ensuring public support for such an increase in taxation.**

### **The private care market**

There are serious issues with the private care market. In March 2017 BBC Panorama reported that 69 home care companies had closed in just three months (between December 2016 and March 2017), and found that one in four of the UK's 2,500 home care companies is currently at risk of insolvency. **The Government needs to urgently set out provisions to deal with demand should care home companies continue to close at this rate.** In addition, more care firms are cancelling contracts with councils, citing the reason as an inability to deliver the necessary level of care for the councils' fee.

There are also concerns about the high cost that self-funders pay in care homes and how this is used to cross-subsidise those who rely on the local authority to cover the cost of their care. For example, a typical self-funding resident in a care home in England

is charged £754 a week while their local council pays only £511 for exactly the same provision.

### **Impact of Brexit on social care**

Many health and social care professionals currently working in the UK come from other EU countries. This includes 55,000 of the NHS's 1.3 million workforce and 80,000 of the 1.3 million workers in the adult social care sector. About 90% do not have British citizenship and while Brexit negotiations continue, their future immigration status remains uncertain.

**As such, Later Life Ambitions is delighted that the Government has pledged to allow the 3 million EU nationals living in the UK to stay permanently, with many of the rights that they currently enjoy.**

Later Life Ambitions is concerned that a system already suffering due to high demand and a funding shortfall may collapse entirely if it is suddenly hit by a worker retention and recruitment crisis.

### **LLA is calling for:**

- The establishment of a cross party consensus to agree a long-term sustainable plan for social care
- Closer working between health and social care services to relieve pressure on the NHS and improve hospital discharge rates
- Immediate introduction of the Dilnot recommendations in addition to urgent interim funding while the Government consults on a long-term sustainable solution for social care
- Government expenditure on adult social care should rise as a proportion of total public expenditure, with an urgent review of how to fund social care in the long term
- The role of Minister for Social Care to be elevated to the cabinet
- Assurances that any revenue raised to fund social care will be ring-fenced
- Government assurances over the ability of EU nationals working in adult social care to remain working in the UK post-Brexit

## PENSIONS

The last ten years have seen hugely significant changes in pension policy and provision. These will make a lasting impression on the UK pensions landscape, and more importantly on the pockets of current and future pensioners. But more needs to be done to make sure that future generations plan for the prosperous and fulfilling retirement that they rightly deserve.

### The State Pension

The first step is to increase public understanding of state entitlements and communicate a clear message to those approaching retirement. While the recent simplification of the system and the introduction of the New State Pension are to be welcomed, there is some concern that this has created a multi-tiered pensions system, with pensioners being treated differently depending on whether they are eligible for the full New State Pension or not.

Under the old system, pensioners receive a maximum of £122.30 per week, whereas under the new system pensioners will receive £159.55 per week<sup>1</sup>. While this is good news for those who retire after April 2016, **the Government needs to ensure that it continues to look out for those on the old scheme, and factors them in to any future policy decisions.**

### The triple-lock

**The 'triple-lock' on state pensions, which ensures that pensioners are not exposed to wider economic shocks and are able to safeguard their standards of living, must also be protected in the long term.**

### **What is the triple-lock?**

The triple-lock is a guarantee to increase the state pension every year by the higher of inflation, average earnings or a minimum of 2.5%. The lock ensures that pensioner income is not eroded by the gradual increase in the costs of living.

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<sup>1</sup> Figures from April 2017. The higher state pension is only available if a person has enough contributions. Sadly, the majority of those who were in 'contracted out' schemes will not have enough contributions to qualify for a higher state pension.

The triple-lock was introduced to make up for the many years in which the value of the state pension was eroded, which had left many pensioners struggling to cope with the cost of living. Only now after several years of the triple-lock are many pensioners provided with the means to live financially secure lives as they get older.

Removing the triple-lock risks un-doing all this good work by the Government. It may also cost the Treasury more money in the long run through rises in health and social care costs if pensioners are pushed further back into poverty. This is why we welcome the commitment made in the Conservative DUP deal to retain the triple lock.

However, the triple lock benefits some pensioners more than others because it only applies to selected parts of the State Pension. The basic and new State Pension benefit from the triple lock, but it does not apply to other pensions and pensioner benefits such as the State Second Pension, Earnings Related State Pension, disability benefits, war veterans and widows' benefits, and carers' benefits – the uplift on these benefits is only linked to price inflation. So pensioners on the new State Pension receive the triple guarantee, but pensioners on the old two-tier state pension will not receive the higher rate of increases on these extra pension benefits. **LLA is calling for a review of this 'two-tier' increase system and for the Government to transfer pensioners on the old State Pension to the new State Pension on a no detriment basis.**

### Indexation and uprating

Each year, the Government increases – or 'uprates' – the value of social-security benefits (including the State Pension) in line with a measurement of price inflation. Until 2010, this was the Retail Price Index (RPI), and it is now the Consumer Price Index (CPI).

### **What is the difference between RPI and CPI?**

Both the Consumer Prices Index (CPI) and the Retail Prices Index (RPI) measure inflation. Each aim to measure the changes in the cost of buying a 'basket' of products, but they cover different items and differences in formulae used to calculate the each rate mean that CPI is often lower than RPI.

RPI is the headline rate of inflation. It is calculated by taking the average price of more than 650 goods and services on which we typically spend our money – including groceries, the price of alcohol served in pubs, petrol and housing costs.

Like RPI, the CPI looks at the prices of items we spend money on, but excludes housing costs and mortgage interest payments. And unlike RPI, CPI is calculated on a formula

that takes into account that when prices rise, some people will switch to lower priced alternatives.

However, at a time of low wage growth and high housing costs there have been concerns that CPI does not accurately reflect households' experience of price changes. It also cannot be overlooked that CPI typically returns a lower inflation reading than RPI.

Our view is that any price index used for uprating purposes must reflect, as far as possible, the actual experience of households and the pressures on their budgets. **This is why LLA favours the development of a Household Inflation Index (HII) to better reflect the inflation experiences of households.**

**Ultimately though, LLA believes the Government should accept the expert views of the UK statistical authority on the best inflation measurement to use.**

### **Equalisation of the State Pension Age**

In 1940 the State Pension Age was set at 60 for women and 65 for men. In 1995 the then Conservative Government took the decision to equalise the state pension age for men and women. The timetable set out in the Pensions Act 1995 stated that pension equalisation would happen progressively between 2010 and 2020. At the time, women were told that from April 2020 any women born in April 1955 or later would get their state pension at 65. In 2007 the then Labour Government announced that the State Pension Age for both men and women would rise to 66 between April 2024 and April 2026.

In 2011 the Chancellor of the Exchequer, George Osborne announced that the rise in state pension to 65 for women would happen between 2016 and 2018, equalising two years earlier than planned. He also announced that the pension age for both sexes will rise to 66 by 2020. This did not provide adequate warning for those affected.

Whilst we understand the reasons behind the equalisation of the State Pension Age, women in their fifties and early sixties will be unfairly disadvantaged with some seeing their State Pension Age rise by eighteen months with less than two years warning. They will experience a considerable impact on their retirement income and plans.

**We urge the Government to introduce proper transitional arrangements so that the State Pension Age does not fully equalise until 2020 as promised. We are calling on the Department for Work and Pensions to send out more targeted**

**communications to women likely to be affected by these changes which should explain clearly what steps women can take to mitigate this such as making Voluntary National Insurance contributions.**

### **Private pensions**

Three quarters of people born in the 1950s and two thirds of people born in the 1960s have a private or occupational pension. However, that figure drops to less than half for today's under 30s. 43% of young people aged 20 to 29 have no savings at all other than through their state pension. There are many reasons for this decline, including the rapid retreat of employer schemes, student debt, high property prices and poorly paid graduate jobs. The current pension settlement is a poor deal for young people, particularly given closures of good final salary schemes.

In 1997, Defined Benefit pension schemes (known as 'final salary' plans), which typically offer more generous retirement incomes than alternative Defined Contribution schemes, made up nearly three-quarters of all private sector pensions but by 2011 this figure had fallen to less than a third.

We have welcomed the introduction of auto-enrolment but the incoming Government needs to go further to make savings count and encourage younger people to make provisions for their future. This means action to reduce the further closures of Defined Benefit schemes and a commitment to explore 'shared risk' alternatives such as Defined Ambition schemes.

**We look forward to reviewing the outcome of the Government's Green Paper on Defined Benefit Pensions. It is crucial that the Government's response to the consultation includes policies to improve confidence in occupational pensions and protects the interests of pensioners who have invested in these schemes. We also support any attempts made to improve the enforcement powers of The Pensions Regulator who must intervene, earlier and better, to enforce legally-binding requirements and support pensioner representation as Trustees of pension schemes.**

### **Auto-enrolment and NEST**

Currently, millions of people are not saving enough to have the income they are likely to want in retirement. Life expectancy in the UK is increasing and at the same time people are putting less into their pensions. Under the Pensions Act 2008, every employer in the UK must now put certain staff into a pension scheme and contribute

towards it. This is called 'automatic enrolment'. Between 2012 and 2018, up to 11 million workers will be automatically enrolled into a workplace pension. To facilitate this the Government established the National Employment Savings Trust (NEST), a low-cost defined contribution workplace pension scheme which has an obligation to accept any employer who wants to use it for their employees.

**We support the introduction and roll-out of automatic enrolment, which will help to encourage a retirement savings culture in the UK.** Auto-enrolment makes joining a workplace pension scheme easier, and makes saving into a pension more financially attractive by making it compulsory for employers to pay into eligible workers' pension schemes.

**However, we would like to see further steps taken to improve contribution and benefit levels. For example, any increases in salary should result in an automatic increase in pension contributions from both the employer and individual.**

### **LLA is calling for:**

- Maintenance of the state pension 'triple-lock'
- A review of the 'two-tier' system and for the Government to transfer existing pensioners to the new state pension on a no detriment basis
- Development of a Household Inflation Index (HII) to better reflect the inflation experiences of households
- Proper transitional arrangements so that the State Pension Age does not fully equalise until 2020 and targeted communications to those women who will be affected by state equalisation of the pensions age
- Measures to improve confidence in pensions savings and support for Defined Benefit schemes, including improved enforcement powers for The Pensions Regulator
- Increase in the minimum employer contributions for schemes under automatic enrolment, which will help to encourage a retirement savings culture in the UK, with greater involvement of NEST and more consolidation of schemes

## HOUSING

Whatever your age, where you live matters. The UK is facing a crisis of housing availability with many struggling to get their foot on the first step of the housing ladder. But there is also pressure at the top of the ladder. It is time that we reimagine the future for housing in later life.

The number of people aged 85 and over is expected to more than double between 2014 and 2033, from 1.5m to 3.5m, and those aged 65 and over are expected to increase by more than 50%, from 11.4m to 17.2m. Government projections from the Department for Communities and Local Government state that 74% of all household growth to 2039 will be by those in later life.

### **A lack of suitable housing**

While we welcome the measures set out in the Housing White Paper 2017, there remains a lack of currently available housing in the UK, and there is a desperate shortage of suitable housing for those in later life. This means that older people are in accommodation no longer suitable for their needs, which not only impacts on their quality of life but has a knock-on effect on their children and grandchildren who can't access the family homes they need. According to Shelter, if just 20% of older homeowners moved into retirement housing, 840,000 family sized homes would be released on to the market.

At the same time, many older people would like to stay in their own homes. But often these homes are just not fit for purpose. All new homes should be 'Lifetime Homes', thoughtfully designed to provide better living environments for everyone, from new mums with buggies, to those coping with illness, or dealing with reduced mobility in later life. **The 'Lifetime Homes' standard is already a reality in London, but we want this extended across the rest of the UK.**

### **Incentives to move and 'resize'**

There are estimated to be over 4 million older people living in 'under-occupying' households. At a time when young people are struggling to get on the housing ladder, this is fuelling a sense of intergenerational unfairness. Older people are increasingly not downsizing, but resizing to a property more suitable to their needs.

We need a cultural shift around what retirement housing means and the benefits that it brings. This needs to be kick-started by financial and tax incentives for those looking to re-size. In a survey carried out among Later Life Ambitions members, Stamp Duty was cited by 3 in 10 as the biggest barrier to resizing. This was selected over the cost of moving home (26%), a lack of small homes on the market (25%) and a lack of suitable housing for their health needs (11%). More importantly, research suggests this would lead to an increase in revenue for the Treasury. Older people moving from under-occupied homes creates a chain reaction that could raise an additional £739 million per year.

**A first step towards this would be the exemption from Stamp Duty Land Tax (SDLT) for pensioners looking to 'resize' to another property which would help stimulate the market and free up valuable family-sized homes.**

### **Better planning policy**

Specific housing for those in later life has suffered from a clear lack of direction from central Government. Just 2,500 specialist homes for older homeowners are built each year, out of a total of around 125,000 new properties. There are currently no national targets for homes for older people.

This needs to change. **We need a national strategy on encouraging specialised later life housing throughout the whole of the UK.**

Secondly, we need to make it easier for local authorities to sign off planning applications. Planning guidelines do not support private later life housing; it is treated in exactly the same way as other residential properties.

For example, the Community Infrastructure Levy, a tax on all new development based on square footage, does not account for the fact that up to 40% of a development for later life housing is shared space, such as communal lounges and therefore 'unsellable'. This drives up costs, prevents new schemes from being developed and discourages developers. **Housing for later living should not be treated the same as traditional developments. Instead we need a formal planning policy presumption in favour of retirement housing schemes.**

Later life housing delivers the most benefits when it is at the heart of the community, near to shops, community centres and transport and health hubs. However, these prime sites face stiff competition and are often lost to other developers, including

supermarket chains and other retailers. As a result, developers are discouraged from building, making it incredibly hard for anyone looking to re-size.

**We are calling for the zoning of areas for later life housing, and for local authorities to be required to allocate specific sites for retirement housing in their Local Plans. These zones should be at the heart of the communities in towns and city centres – not separated from the community in isolated developments in more rural areas.**

### Social housing

A large number of older people live in socially rented accommodation. From 2018, housing benefit entitlement for tenants in social rented homes will be limited to the Local Housing Allowance (LHA) rate which is calculated on the basis of household size rather than the size of the property occupied. This means that for an older single person or a couple living in a two-bedroom home, such as a bungalow, their housing benefit will be capped at the one bed LHA rate. Recent National Housing Federation research has shown that this is unlikely to cover the full rent in extensive parts of England.

As the policy rolls out over time to new tenants and those who transfer, around one third of those affected are likely to be aged 65 and over. Over time more and more pensioners will become affected by the cap. Whilst for some there may be an option to move to a smaller property, there is not an adequate supply to enable this to happen, and many are unsuitable for older people. **We are concerned that this represents the 'bedroom tax' via the 'backdoor' and urge the Government to exempt those of pensionable age from the cap, or to amend the criteria to base the cap on the size of property occupied.**

### Impact of Brexit on housing

The European Investment Bank provides funding for a range of projects in the UK, including social housing.

We are concerned that leaving the EU will mean some essential social housing projects may now never start, which will have severe effects on pensioners and families across the UK who depend on affordable housing.

**Later Life Ambitions calls on the Government to commit the levels of funding required to make up for any lost investment from the European Investment Bank for social housing projects.**

**LLA is calling for:**

- Implementation of proposals in the Housing White Paper
- The extension of the Lifetime Homes standard across the UK
- Exemptions from Stamp Duty Land Tax for those 'resizing' to other properties
- A recognition of the importance of housing for older people and a national strategy on encouraging specialised later life housing throughout the whole of the UK
- Formal planning policy presumption in favour of retirement housing schemes
- The zoning of areas for later life housing, and for local authorities to be required to allocate specific sites for retirement housing in their Local Plans
- The 'backdoor bedroom tax' to be stopped in its tracks
- Funding to make up for any lost investment from the European Investment Bank for social housing projects

## UNIVERSAL BENEFITS

There are 1.6 million pensioners living in poverty and a further 1.1 million have incomes just above the poverty line. The typical income in the first year of retirement is around £11,000 – less than the new national living wage. Over half of all pensioners do not receive enough income to pay income tax and only 4% pay higher or additional rate of tax.

Age-related benefits, which are available to all pensioners, such as free prescriptions, concessionary bus passes and free TV licences therefore play a vital role in reducing pensioner poverty and ensuring that older people are able to play an active part in society. Indeed some universal benefits, such as the Winter Fuel Payment, were introduced because the State Pension did not provide adequate income to keep pensioners from poverty.

There are very few specific state benefits linked to age, of which the most significant is the State Pension. The qualification for the State Pension is by age and the number of years' national insurance contributions. The main age-related payments are the winter fuel payment, concessions on local buses (assuming there are services to use and people are able to get on and off buses), a free TV licence at age 75 and (like other groups including children and people with certain medical conditions) free prescriptions and eye tests. Overall, universal benefits comprise only a tiny proportion of the Department for Work and Pensions' budget – just 1.5%.

Many universal benefits have a positive impact on the UK economy as a whole, as well as local economies. For example, concessionary bus passes boost the local economy by enabling older people to access, and spend money in, town centres and other shopping areas.

Pensioners understand more than most that times are tight, and that we all have to make sacrifices for the good of our country. However, our members strongly oppose means-testing.

All the available evidence demonstrates that means-testing fails to provide the poorest pensioners with the support they need and are entitled to, whether that is because pensioners are not aware of their entitlements, assume they are not eligible or are simply too proud to make a claim. 65% of our members think that wealthier pensioners should still be entitled to all age-related benefits.

In addition, making these benefits conditional on income or physical need has the potential to promote greater inequality and foster divisions both within the older population and between generations. Research has suggested that the public associates conditional benefits, such as universal credit or personal independence payments, with vulnerability – whereas universal benefits such as free travel and fuel subsidies are seen as a form of respect from the state for hard work and resilience over a lifetime as a UK citizen.

Furthermore, introducing means-testing to remove benefits from wealthier pensioners may also cost more than it saves. For example, an average new Pensions Credit application costs £351 to administer in comparison to £14 for the state pension.

**Universal benefits must therefore be protected and we welcome the commitment in the Conservative DUP deal to retain the winter fuel payment for all pensioners. If, in the future, the Government reaches a decision to reduce spending on pensioners, the taxation of universal benefits may be the fairest way to ensure that the poorest pensioners get the support they deserve.**

One upcoming change within the universal benefits system is the planned transfer of responsibility for free TV-licenses for over 75s to the BBC from 2018. Around four million pensioners receive free TV-licenses. For this to continue, it would cost the BBC £1.35bn to fund in the first three years, then £750m a year thereafter.

We oppose the Government's transfer responsibility for the policy to the BBC from 2018. We fear the BBC will find its cost unaffordable and will gradually fade out this policy in the medium to long term.

### **LLA is calling for:**

- A clear commitment to retain universal benefits
- A clear commitment not to means-test universal benefits
- Responsibility and funding of free TV-licenses to remain with the Government

### TRANSPORT

Decent and affordable public transport is a vital line of support for older people, enabling them to retain their independence, providing health and economic benefits.

Evidence from the Campaign for Better Transport suggests that the average concessionary bus pass is used over 100 times a year. For every £1 of public money spent on the scheme £1.50 of economic activity is generated. Bus passes contribute to local economy by keeping older people connected and in 25% of cases bus passes are used to undertake voluntary work or unpaid caring.

Measures contained in the Buses Act 2017 aim to improve the way that local bus services are delivered, such as by introducing smart ticketing in more areas and real-time information. Where public transport is comfortable, reliable and affordable, it is possible to create a virtuous circle whereby increased passenger numbers make delivering services more profitable and encourage the expansion of the network, as has happened in London. However, in too many parts of the country the quality of service is inadequate, without any provision of assistance for older people.

Ensuring a positive user experience on local transport is almost as important for older people as having the service available. **We welcome measures contained in the Buses Act to improve services, however we also want to see buses made more accessible to all.** We support the Guide Dogs campaign to make audio-visual announcements on new buses compulsory. **All local authorities should have a statutory requirement to provide and maintain minimum standards of accessibility for older people to a supported bus network.** Accessibility of train services is also an issue, with, for example, many stations having large gaps between platform and train carriage. **Later Life Ambitions would therefore like to see adequate assistance for older people on trains and provisions for the assistance and protection of health and safety for older passengers.**

Simplicity and ease of use is a key consideration for older people. Currently the concessionary bus pass can only be used on local buses in the country of issue with limited concessions allowing travel to locations across borders. In contrast the bus passes issued in Northern Ireland allow full access to public transport in Northern Ireland and the Republic of Ireland. **We want a transition from a locally administered bus pass system to a nationally administered travel pass system for pensioners, which can be used on all forms of public transport – buses, coaches, rail and tram.** However, we are concerned at proposals to introduce non-paper

ticketing for train travel, such as only being able to use smartphones, oyster cards and electronic debit cards to travel, as this can make the price of paper tickets, where they are still available, more expensive as a result. Older people who are not able to use these technologies should not be disadvantaged in terms of price.

These policies would incentivise older people to make longer journeys for tourism and leisure purposes, which would be of benefit to the UK economy. In 2012, the Government conducted a pilot that allowed senior and disabled concessionary bus pass holders to receive discounted rail fares on selected routes, without a railcard. Whilst this was a success, the scheme was not extended. The Senior Railcard is very important to older people and must be protected, although we would support removing the £30 per year fee, which does not encourage older people to use the railways.

### **Impact of Brexit on transport**

Many older people choose to enjoy their retirement by going on holiday in Europe. The European Health Insurance Card (EHIC), which provides necessary medical treatment either free or at a reduced cost, is a key enabler of this travel as it gives older people the confidence that any urgent health needs will be affordable. Later Life Ambitions welcomes the Government confirming it will seek to secure a continuation of the EHIC after Brexit.

### **LLA is calling for:**

- Increased investment in local bus services
- Greater accessibility standards in all new bus and rail stock
- Adequate assistance for older people on trains and provisions for the assistance and protection of health and safety for older passengers
- A move from a locally administered free bus pass system to a nationally administered travel pass system

# Later Life Ambitions Policy Positions



## NOTES



For more information and to get in touch with the campaign, please contact:

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