

# HOW THE CUTS WILL IMPACT ON OLDER PEOPLE

By Dot Gibson, General Secretary National Pensioners Convention

## Introduction

At the end of WWII the majority voted against the prospect of a continuation of the unequal society of the 1930s in which millions were denied health and social care, adequate housing and education because they couldn't afford them. Millions wanted a society to be responsible, caring, co-operative and democratic.

The welfare state legislated by the Labour government was a big step towards these principles of collective responsibility:

- Publicly owned services;
- Rights not charity (universal benefits – an end to means-testing);
- Taxes and National Insurance collected according to income;
- Good public services, including health and care delivered equally.

These principles are the yardstick against which to measure a progressive society. But instead of developing and improving the welfare state, successive governments have undermined it and now the coalition government's plans are set to destroy it.

- The privately owned "public sector" market is already worth £100bn;
- Means-testing is rampant;
- Students are paying for their education;
- Frail elderly and disabled people are paying for their care;
- Taxation is unfair and there is £120bn of tax fraud by the rich;

How long will it be before parents are told they must pay for their children's education?

It is therefore really important that the anti-cuts campaign unites all the generations and so I welcome the chance to explain how the cuts will impact on older people as part of the discussion on what we all face.

## Background – the demographic debate

In July 2009 the Labour government issued a consultation paper: "Building a Society for All Ages". This sought to deal with "the scale and complexity of the demographic challenges" posed by an ageing population. Some have described this challenge as being as significant as global warming, claiming that it will place an intolerable financial burden on the working population.

Much of the information that surrounds the debate tends to use data and statistics to support – either implicitly or explicitly – the case for rationing and cutting public spending, rather than as a justification for improving services.

There is almost unconditional belief that everyone is living longer, healthier lives and that life expectancy is increasing, and will always continue to increase. (I attended a meeting soon after the general election at which Ministers said that our grandchildren would no doubt live to 110 years!) Such claims are based on false figures, which are being used to justify plans to raise the state retirement age, weaken the pension indexation arrangements, ration care services and introduce means-testing to universal benefits.

In fact the government's own Office of National Statistics gives the lie to these claims. Published on 19 October 2010 the ONS report states that:

- For those born in 2007-2009, life expectancy is 77.9 years for a man and 83.3 years for a woman living in the SE and SW of England, and in Scotland it is 75.4 years for a man and 80.1 years for a woman.

And the ONS is more concrete:

- Those in the top social class group can expect to live 4.2 years longer than those in the bottom social class group;
- People in the poorest neighbourhoods will on average die seven years earlier than those in the richest neighbourhoods;
- And the average difference in disability-free life expectancy is 17 years;
- DWP figures show that 47% of retired people have a disability, including those with a limiting long standing illness and 23% are permanently sick or disabled.

### Existing poverty and government spending cuts:

The Coalition government claims that its cuts distribute the pain across the whole of society, and sections of the media have reported that pensioners will come off lightly in the government's spending cuts. These are lies!

The Institute of Fiscal Studies says that the brunt of the cuts will be borne by those on the lowest income and we know from hard experience that as far as pensioners are concerned, the cuts must be seen against the background of already existing poverty, which is one of the reasons for stress and ill-health in old age. . .

- 3.5m pensioners are living in fuel poverty;
- Nine pensioners died every day during last winter of cold related illnesses;
- The government will give no guarantee that the Winter Fuel Allowance will not be cut in 2011;
- Since the link of the state pension to national average earnings was removed in 1980 by the Thatcher government, the basic state pension (currently £97.65) has declined from about 20% to about 15% of average earnings;
- 2.5m pensioners are living below the OECD poverty level of £170;
- 90% of these are persistent poor;
- Over 50% of pensioner households are on means-tested benefits;
- Pensioners are up to £710 a year worse off than other households as a result of the rising cost of living according to the commercial arm of Age UK;

Government cuts mean that:

- From 2011 the increase to the state second pension (SERPS) – if based on prices – will be linked to the Consumer Price Index (CPI) instead of the Retail Price Index (RPI) meaning a lower increase of between 1 and 2%;
- From 2012 this change will also apply to the basic state pension;
- The switch to CPI also applies to many public and private occupational pension schemes, wiping billions off expected increases;
- Pension savings credit will be frozen for four years from 2011 so that about 1.7m pensioner households will lose an average of £3.20 a week;
- 25% of pensioner households living in rented property will be affected by the cuts in housing benefits;
- The mobility part of the Disability Living Allowance is to end for those living in a care home;
- Although the pensioners' bus pass still remains, a 20% cut in the bus services grant means cuts in staff and services; this will particularly affect country areas leaving many isolated.

### Devastating local government cuts

Cuts in government grants to local councils will have a devastating effect on frail elderly and disabled people and their families as vital services are cut... sheltered housing and sheltered housing wardens, meals on wheels, home care, long-term care in residential and nursing homes, day centres, luncheon clubs, library services.

Social care budgets are at least £4bn short to keep pace with inflation. The government says that an extra £2bn will be available for social care services, but this will not be ring-fenced. Thus Councils can put this money into the general pot and then “overcome” the care problem by increasing the criteria for assessing need (and so cutting the numbers to receive care) and increasing the charges for those who are deemed eligible for care.

The Labour government and now the Coalition government tell us that the existing care and support system is not sustainable because of the impact of changing demographics (we are living longer) and because of expectations in our society (younger generations have higher expectations). Their answer is so-called personalisation of care. But this is not care tailored to a persons need, it is a direct payment or personal budget.

Under this scheme a person's needs (their care) in terms of hours, is converted into the £s required to deliver it, and this is converted into a Personal Budget and given to the individual to spend as they choose. In other words the local authority hands over responsibility to the individual who becomes an employer taking part in the commissioning process. They can enter into contracts with various private agencies or charities (“third sector”) which have won government contracts, to get management advice and guidance as well as services.

This is an attack on democracy. For unlike local councils private companies delivering health and public services are not open to their clients' scrutiny and their directors are not elected by local people. If we request that their books are opened to the public, we are told that “business arrangements” are protected by legislation. As far as the “third sector” is concerned, their trustees or directors are not accountable to the local electorate either.

The Coalition government continues to urge people with care needs to have a Personal Budget even though they are cutting the grants to local councils. The result could be disastrous as people take on responsibility for their own care with less in their budget whilst the various agencies, private and third sector, increase their charges to offset government cuts.

### NHS changes : unacceptable risks to older people

Successive governments have brought privatisation into the NHS, and now we are facing its complete destruction. For the Coalition government's White Paper represents the biggest change to the NHS since its foundation and constitutes a move to an entirely different model of healthcare that carries significant and unacceptable risks for older patients, staff and for society as a whole.

With further privatisation there is a serious risk that care will be diverted to those people who are most profitable to treat rather than those who need it most. Older patients often have complicated, ongoing and expensive care needs which a health system based on profit will not be willing to address.

There is particular concern for those suffering from dementia and Alzheimer's disease. In 1998 the Royal Commission on Long Term Care recommended that care should be provided free. The Labour government rejected this and decided to have two kinds of care: *free* health care provided by the NHS and *charged* personal care provided by the care services. Under this legislation dementia is not recognised as an illness.

The British Geriatric Society points out that as a result of this legislation training for the treatment of dementia has fallen by the wayside. But people suffering from dementia are likely to have accidents, e.g. broken limbs through falls, or scalds (simply trying to make a cup of tea); they end up in hospital for the treatment of these problems but their dementia is not recognised and they are often simply labeled as having "acopia", i.e. an inability to cope (because they are old) and so little is offered by way of treatment. This often leads to their fast-track removal from hospital into nursing homes, or critical care is provided at home where they can spend a long and stressful period at the end of their lives at higher cost.

Further cuts in care services will therefore mean that dementia sufferers and their relatives face an extremely frightening and stressful situation, rendered even worse by further privatisation in the NHS where profit is the driving force.

### The "big society" versus the welfare state

Paul Burstow, the Care Minister, says that "The Big Society" is not a policy but a vision. Are we to assume that there is no connection between the government's vision and its policies?

The Coalition government is hell-bent on a privatisation and cuts programme, destroying the welfare state. It is no accident that local authorities and government are making

professional trained staff “redundant” on the one hand and on the other hand are telling families, friends, neighbours and local community associations that they must learn how to be good volunteers. (This is especially a damned cheek when the state is already being saved £85bn a year by volunteer family carers, most of whom are over 50 years old).

Once the welfare state came into being, charities played a diminishing role in delivering relief to the poor. Who would receive assistance and what conditions would be imposed were decided by the charities’ sponsors and trustees. Although no longer a major factor in social care provision, the charities nevertheless continued to provide additional benefits, spiritual and material.

However, the role of many of the big charities has been changing as they take more and more responsibility for welfare and its administration and by submitting bids for government and local authority contracts. This process has been escalating for some years as the Labour government’s vision included the transfer of services from central and local government to the charities (“third sector”) aimed at saving costs.

Some charities have been attracted to accept contracts for the provision of services as these promised a means of extended and secure funding. They have therefore become partners with government, bidding for and accepting contracts for social care and advice services, thus changing their role and relationship with the state. Now the Coalition government aims to increase that role as a way of maintaining services on the cheap. This will impact particularly on older people.

Sheltered housing wardens and trained care workers are already being given notice to quit their jobs, and at the same time contracts are being offered to the “third sector” to organise volunteer workers to deliver care, and others, like the Women’s Institute, are urged to find volunteers to help frail vulnerable people with dementia.

“The Big Society” is the opposite of the Welfare State.

### Build the anti-cuts campaign

On 10 April 2010 the National Pensioners Convention, the Trades Union Congress, individual trade unions, the British Medical Association and many campaigns marched, 10,000-strong in central London in defence of the Welfare State and Public Services giving notice to politicians of all parties standing in the general election that we would strenuously oppose cuts and further privatisation.

The Coalition government is now doing exactly that, and It’s time to base our opposition on the guiding principles of the Welfare State: rights not charity, universalism against means-testing, public ownership against private profit, appropriate taxation according to income and services delivered equally to all.

The students have pointed the way. Now let’s unite all the generations and build a rolling anti-cuts campaign throughout the country for a million-strong TUC demonstration on 26<sup>th</sup> March 2011 as the basis for a movement to defeat the Coalition government’s attacks.