

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2025-26](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2025-26](#).

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Welsh Government Draft Budget 2025-2026

Consultation response

29th November 2024

1. What, in your opinion, has been the impact of the Welsh Government's 2024-2025 Budget?

Bus services

Cuts to bus services and less frequent and/or unreliable services impact on older people's ability to access services and communities. In our 2024 [What Matters to You?](#) survey with over 1300 older people across Wales, 24% of respondents told us that transport has been a challenge in the last 12 months, which is an increase of 6% from last year. Transport challenges were mostly related to public transport, with the majority focusing on public buses, although poor public train services were also cited. Issues with transport were recorded across all local authorities in Wales, impacting both rural and urban areas. A lack of bus services in the evenings impacted on people's ability to join in social activities.

A number of survey respondents said how much they valued their bus pass. Many people told us that they would like to use bus services more often if services were more regular and reliable. For many survey respondents a car was essential as it was the only available form of transport as no viable public transport options were available. A respondent told us:

“The bus service is infrequent and it would be very difficult to access medical appointments, services and shops without a car.”

Fuel poverty – the new Warm Homes Programme (Nest)

We welcomed further investment in the new Warm Homes Programme (Nest) and were supportive of the new Programme having some flexibility ‘to support the most vulnerable in society in exceptional circumstances [...] For example, when moving from fossil fuels to an electric heating system that would cause a significant increase in running costs [...] the priority could be the repair of energy-efficient gas boilers’.¹

¹ [outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf \(gov.wales\)](#)

Feedback we've received from Age Cymru Advice, however, is that older people that have applied for Nest are being offered Air Source Heat Pumps seemingly as the only option. We've heard that people are concerned about the potential cost of running a heat pump, and are worried about how to use such technology.

Since changes to the Nest scheme in Wales, we're hearing that there's a lot of confusion and concern around what support people may be able to access should their boiler stop working. The support people received in the previous Nest scheme was always highly spoken of. Many have shared that they've been informed they can only access a heat pump, however, as they live in older properties or do not have the space for a heat pump, they're unable to get one installed. Age Cymru Advice recently spoke to a lady who was quite frustrated because the only thing Nest could offer was a heat pump and that wasn't suitable for her property. She needed a new boiler and they couldn't help.

Heat pumps aren't suitable for all homes.² We noted in the Welsh Government's Heat Strategy for Wales consultation document that 'the upfront costs of heat pumps are still beyond the means of many people [...]' and 'The operational costs of heat pumps compared to gas boilers are one of the major barriers to the transition [...]'.

We believe that Welsh Government should undertake equality impact assessments to ensure that low income and vulnerable households are not disproportionately affected financially by the decarbonisation of the existing housing stock, to ensure a fair transition for older consumers in the move towards net zero.

Whilst we note that 'Long-term investment in fossil fuel heating systems will be permitted only exceptionally under the new Warm Homes Programme',³ we have concerns about those households where, for example, the gas boiler is not repairable, and which would be unable to meet the upfront and/or running costs of a heat pump.

Welsh Government recently proposed a 'Nest Crisis Boiler Repair/Replacement' route to enable eligible Nest applicants who meet additional eligibility criteria to access boiler repairs (or replacements in exceptional circumstances), i.e. 'If a household does not have an operational heating and hot water system'.

We welcome that Welsh Government has agreed to amend the eligibility criteria for those households in crisis for all Nest eligible customers to receive a boiler repair or replacement if they have no heating or hot water. However, we understand that this route will be operating until March 2025, at which point it will be reviewed and reassessed. It's important that Nest assessors are aware of this route when carrying out assessments on homes to ensure that people are not being left without support, and we understand that a guidance leaflet will be developed.

2. How financially prepared is your organisation for the 2025-26 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

² [Heat pumps 'not suitable' for half of UK homes - Utility Week](#)

³ [outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf \(gov.wales\)](#)

Like other third sector organisations we will be impacted by the national insurance rises, and are concerned about how these rises are going to affect the sector and the delivery of services.

3. What action should the Welsh Government take to: – help households cope with inflation and cost of living issues; – address the needs of people living in urban, post-industrial and rural communities, including building affordable housing and in supporting economies within those communities?

4. Have Welsh Government business support policies been effective, given the economic outlook for 2025-26?

5. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

- **Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?**

Whilst some improvements have been made during the past two decades, poverty amongst older people is now rising with around 1 in 5 older people (18%) in Wales living in relative income poverty. Older people are also disproportionately affected by fuel poverty as they spend more time in their homes and are more likely to feel the cold. We know that dementia, illnesses associated with falls such as arthritis and osteoarthritis, and respiratory conditions are exacerbated by the cold. In addition, those on low incomes are less likely to afford a healthy diet which can result in poorer health.

We also know that the majority of older people in Wales will be living on a fixed income, with the State Pension being the main source of income for many. Even for those in work, we have increasingly heard from people that they have had to reduce their hours or move to more flexible jobs on lower wages so they can care for someone.

Support such as Pension Credit is vital for many older people, however, we know that in Wales it is estimated that 56,000 householdsⁱ who are eligible are not claiming

this support. This means that thousands of older people in Wales are missing out on crucial financial support. It's worth noting however, that Pension Credit has a hard cut off leaving large numbers of people in need of financial support just over the threshold for help.

In Age Cymru's recent 'What matters to you?' annual survey of people aged 50 or over, funded by Welsh Government, 48% of older people told us that the cost of living was a challenge in the last 12 months.

Older people in our survey also told us that the increased cost of living was a common cause of poor mental health over the last year.

One person commented: I am very stressed about my finances and I cannot afford things I need. I rely on my children to be with me as I am afraid to be on my own.

Other older people reported anxiety around the cost of living impact on fuel prices, food prices, the cost of public services and the value of pensions and savings. One older person commented:

I worry about prices rising, council tax increases and cuts to public services. I worry about all the public toilets being shut. How can you go out for a day if there are no public toilets?

In our survey older people told us that they are worried that they'll not be able to budget and are already doing everything they can to save money, with some people telling us that they are choosing between eating and heating. Others have told us how they are cutting back on their social activities not even being able to afford a cup of tea with friends, at a time when social interaction and re-connecting with friends, family, and communities after the isolation of the pandemic is so crucial.

Some have also told us of their issues affording petrol or diesel, which in rural areas where there is poor public transport, could lead to people becoming even more lonely and isolated. We have also heard from an increasing number of older people about issues with keeping their house in a state of repair. Costs which are only going to increase, and poorly repaired houses will exacerbate poor health.

Many older people who weren't already struggling were on the cusp of falling into severe financial difficulties and told us how worried they are about meeting the rises in bills with and any increase in pensions getting swallowed by outgoings.

However, our annual survey report was produced before the UK Government's announcement to means test the Winter Fuel Payments, so we are even more concerned that these older people who are already struggling on or cusp, are going to be in severe difficulties.

Since the announcement people from across Wales have been reaching out to us to tell us that they'll really struggle without the Winter Fuel Payment – with people cutting down on food, heating, hot water. We are hearing from people with long term health conditions who must have a warm home, so have told us that they will have to cut back on food. Age Cymru's advice line has also seen a 24% increase in

enquiries about money matters which includes the Winter Fuel Payment since 30 June 2024.

Older people are also contacting us to tell us how disappointed they are in the decision. One person told us:

I am upset and appalled by the announcement by Rachel Reeves, Chancellor of the Exchequer, that Winter Fuel Payments are to be scrapped for pensioners except for those on benefits.

As a pensioner who worked all my life and saved money for my retirement, I am not entitled to any means funded benefits. However, in past years the WFP has been a lifeline in helping me to pay for even the minimum amount of heat (three hours a day at 15°). I live in a rural area and so my home is dependent upon LPG fuel which is very expensive.

Life is becoming increasingly unaffordable for so many older households on low and modest incomes, and the Winter Fuel Payment announcement is another blow. We're finding that the cost-of-living crisis is infiltrating all parts of people lives from not being able to avoid repairs in their home, to not being able to afford food to keep them healthy, or to socialise after the isolation of lockdown. All of which have implications for the short and long term physical and mental wellbeing of older people across Wales.

We understand that the decision to means test Winter Fuel Payments was one made by UK Government, however, we want to see more focus on financial support in the Welsh Government budget for those older people missing out on the Winter Fuel Payment and cannot afford to do so. We welcome the extra funding for the Household Support Fund and look forward to seeing how this translates into financial support for older people in Wales. We encourage any financial support for older people not to be administered through the Discretionary Assistance Fund as we are concerned that the narrow eligibility criteria would mean those older people who have missed out on the Winter Fuel Payment and need support would be unlikely to be able to access it.

We also want an ongoing focus on targeted support for people to access pension credit who are eligible for it, including for off-line engagement for those who are digitally excluded.

- How could the budget further address gender inequality in areas such as healthcare, skills and employment?
- **Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).**

We are concerned that spending pressures on local authorities and health services mean that insufficient resources are being allocated to prevention.

Social care services play a vital role in reducing demand on health care. In our 2024 [report on delays in access to social care for older people](#), we highlighted how social care leads across Wales have major concerns that they are unable to meet the projected increased need for social care and how difficult they are finding it to support and resource earlier intervention and prevention services. We also highlight how necessary changes to meet the needs of unpaid carers have stalled in some areas due to a lack of longer term, sustainable funding.

Time and again we heard how the immediate and increasing demand means that local authorities struggle to get financial sign off across the authority to address the need for preventative services. We were told that in the face of demands for services for families in crisis, preventative services can't meet their statutory duties of care without additional, dedicated resourcing.

Without an increased focus on preventative services, older people's health and wellbeing will decline, their quality of life will reduce and this will result in a higher need for support. Funding for preventative services and support should be ringfenced to ensure that this duty is able to be met by public bodies.

We are concerned that budget pressures are causing the erosion of vital preventative services in health care. In our 2024 [What Matters to You?](#) survey with over 1300 older people across Wales, physical health was the highest reported challenge for all older people (51%). We heard from many older people unable to access the preventative health care they needed to keep themselves healthy. We heard how cuts to services such as podiatry for those living with diabetes is leading to more older people on low incomes either going without this vital service, or paying for care that was previously free that they are unable to afford.

In our survey, one in twenty older people reported being concerned about falling. Falls are a common, but often overlooked, cause of injury. Around one in three adults aged over 65 and half of people aged over 80 will have at least one fall a year.

A good example of multi-agency preventions work can be found in the work of the Falls Prevention Taskforce Wales. The Falls Taskforce is an alliance focused on falls prevention for older people in Wales including Age Cymru, Age Connects Wales, Care & Repair Cymru, and St John's Ambulance Cymru alongside representatives from all seven health boards, national and local government, public, private and other third sector organisations. Since 2018, this has helped more than 41,000 people. As few care workers or family members are trained to support people after a fall, such interventions saved an ambulance from attending a falls incident on more than 23,900 occasions.

Care & Repair Cymru and Swansea University recently undertook a joint study investigating the impact of the charity's installation of modifications around the home on hospital admissions caused by a fall. It found that its interventions reduced the likelihood of a hospital admission from a fall by 17% in people aged 60+.

We would like to see initiatives and ongoing good practice that contributes to prevention having longer term funding to continue what works, as well as dedicated space and time to develop newer initiatives that meet the changing needs of the Welsh population.

- How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?
- How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?
- **How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?**

The additional funding for 2024-25 has not been sufficient to reduce waiting lists for diagnosis and treatment. Older people are more likely to be waiting for treatment for more than one condition.

In our 2024 [What Matters to You?](#) survey with over 1300 older people across Wales, the frustrations many older people feel with delays and how it affects their ability to recover was summed up by one survey respondent:

“I’m waiting for two knee replacements [...] I know I don’t have the ice-cube’s proverbial chance in hell of getting them done for years, as there will always be a more ‘critical’ case pushing me down the taxi-rank system. This is incredibly short-sighted on the NHS’s behalf as I will cost more and more the worse the issues get: it would be far more cost-effective in the long term to fix me now when I’ve got the health to get through the rehab and benefit from the improvements.” (Unpaid carer currently with manageable pain levels, still in employment.)

We heard from others whose pain levels have increased and quality of life has reduced to such an extent that they have been forced to pay for private treatment as they simply cannot wait to arrive at the top of an NHS waiting list. We are concerned that this widens inequalities to health care between those who can and cannot afford to pay for the health care they need.

- Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.
- Has there been adequate investment from the Welsh Government in basic public sector infrastructure.
- How should the Budget support young people?
- **How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?**

Particularly for social care services, we are concerned that current data collection methods mask the volume of resourcing needed to deliver positive outcomes for older people. As such resources are being wasted that could be better directed towards frontline care and support.

Current data reporting methods largely rely on output reporting as opposed to recoding of positive outcomes for those needing social care services. In our 2024 [report](#) on delays in access to social care for older people, we highlight local authority concerns that data reporting does not allow comparison in each of the 22 Welsh counties because of the differences in data collection systems and differences in care pathways across Wales. The reduced health of the Welsh population post-pandemic is increasing demand on care services. We heard how increased levels of ill health mean those approaching social care for help now have higher needs for care and support, and wider needs.

This means that the work that social care departments undertake is greater for many people needing their services, which also comes at a time where investment and attention on early intervention and prevention services and support is difficult, due to urgent pressures for those for whom preventative services are no longer an option. This inevitably means that current data reporting cannot capture the work and resourcing needed to provide a good social care response that produces positive outcomes for older people.

We also heard how one case management system is no longer being continued, which means that local authorities need to dedicate a great deal of time and resources to replace that system.

Given the data reporting requirements on social care departments across Wales, it is important that changes in case management systems and their development are able to more easily report on positive outcomes for older people, rather than outputs. Such development requires dedicated resourcing for the change period.

– **Is the support provided by the Welsh Government for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and the pandemic, sufficient?**

We are concerned that pressures on public services mean that despite the added value of third sector services to complement public services, financial pressures on public services are causing knee-jerk reactions through real life reductions in third sector resourcing. We appreciate the difficulties that public bodies are facing in balancing budgets, but without longer term funding and funding increases, third sector services will reduce or disappear.

This year's [Advocacy Counts](#) report details how

- The number of older people able to be supported through advocacy services fell in the last year (13% reduction);
- The total of all people supported through advocacy fell by 35%, and
- how there are fewer full time advocacy posts.

This is despite an increase in need for the services. The report finds that reductions in provision are because of real terms funding reductions that have resulted from the continued lack of funding for commissioning independent professional advocacy

(IPA), in contrast to the funding provided to commission the other statutory forms of advocacy, and restrictions to the budgets offered by statutory commissioners. Often, funding is uncertain and short-term, with one year funding extensions offered at the last minute.

Recent feedback from Age Cymru's Dementia Advocacy services is that the complexity of needs coming through means case work is more detailed and takes longer, so fewer can be supported. Some of the reduction relates to a lack of uplift in contract values and some relate to the short term nature of funding available for advocacy services. Often, funding is uncertain and short-term, with one year funding extensions offered at the last minute.

In this year's [report on delays in access to social care for older people](#), we heard from some social care leads how they have not been able to provide any uplift in third sector grants in 2024 due to financial pressures, despite the value they see in funding those services. We heard how changes in earlier intervention services, availability of respite care and day service changes are struggling to progress, with social care leads concerned that though they know any reduction is likely to drive an increase in future demand, they simply cannot provide everything as envisaged and required under the Social Services and Wellbeing Act (Wales) 2014.

Often funding for third sector services is short term in nature, which causes issues in delayed set up, recruitment, retention and continued service improvement. Though there has been some movement on this particularly through the latest iteration of Regional Integration Funding, we heard from social care leads for our [report on delays in access to social care for older people](#), that some are no longer applying for short term funding as they cannot realise any positive outcomes for older people when projects don't have sufficient time to get up and running. We heard how differences in eligibility and criteria increase the burden of reporting. Longer term funding has to be made available to reverse this decline in third sector stability.

Without increased support for the third sector, current services may disappear if third sector services can no longer continue to provide much needed support with dwindling resourcing.

- **What are the key opportunities for the Welsh Government to invest in supporting an economy and public services that better deliver against the well-being goals in the Well being of Future Generations (Wales) Act 2015?**

Climate change

The [Wellbeing of Future Generations Act](#) lists climate change as one of the key challenges currently facing Wales. A more extreme and unpredictable climate poses significant risks to personal health, access to services, infrastructure, food and medicine supplies and building integrity. To build a country that is, as the Act's Wellbeing Goals state, 'Resilient', 'Healthier' and 'Prosperous', it's necessary for the

Welsh Government to make significant investments in building the resilience of public services to climate change.

We are pleased that the 2024-25 budget makes some reference to the ‘ever-increasingly visible signs of the nature and climate emergencies’, highlighting the importance of electric vehicle charging infrastructure, tree-planting, peatland restoration and biodiversity. However, the budget contains little acknowledgement of the social impacts of climate change, and it is disheartening to see that several environmental policy areas will receive reduced funding for 2024-24 (pp. 38-39).

Age Cymru recognises that older people are among [the most vulnerable people in society](#) to the impacts of climate change. Greater health and social care needs mean that they are more likely to be affected by heat-related illness, vector-borne diseases and interruptions to public services and infrastructure – all of which are predicted to become more frequent in coming years. Older people are also more likely to live in isolated rural or coastal locations, placing them at greater risk of extreme weather events (e.g., flooding, landslips and wildfires) and being cut off from services.

Age Cymru’s 2024 [annual survey](#) also shows that older people are becoming increasingly concerned by the effects of climate change. This matches independent [research undertaken at King’s College London](#), which showed that most older people were alarmed by climate change and supportive of climate activism.

With these factors in mind, we advise that the Welsh Government direct investment towards:

- **Climate-resilient health and social care**
 - Maintaining a well-functioning, resilient health and social care system will be vital as we move towards a more uncertain future. This is especially true for older people, whose [greater vulnerability](#) to climate-related health conditions (heat-related illness, vector-borne diseases, conditions caused by extreme weather events, etc) means that they will require increased use of services. The Welsh Government should therefore look to invest in building climate resilience into health and social care, both in terms of care infrastructure and the capacity to take on more patients experiencing climate-related illnesses.
- **Housing retrofit**
 - Housing in Wales is notoriously energy inefficient, with [23% of stock having been built before 1900](#) and [over half holding an EPC rating of D or lower](#). Energy inefficient homes risk becoming dangerously hot or cold in cases of extreme weather and are expensive to maintain at a safe temperature. We therefore urge the Welsh Government to consider offering more funding towards the retrofitting of older homes in Wales with adequate insulation and heating equipment.
- **Infrastructure and supply lines**
 - Climate change poses a [risk to infrastructure networks](#), including transport, energy, water and internet. This includes extreme weather events and increased temperature interrupting production (especially agriculture), [disrupting transport networks](#) and damaging power lines.

Instances like these can reduce the supply of food, medicine and other essential goods, while also affecting public services. These all pose a significant risk to the health and wellbeing of older people. We therefore recommend greater investment in building supply line resilience across the board while bringing production closer to home.

- **Public transport**

- Public transport is vital for accessing services and combatting social isolation. It also plays an important role in the transition to Net Zero, as acknowledged by the Welsh Government in the [2021 Llwybr Newydd strategy](#). However, public transport (both bus and train) in Wales remains extremely limited outside of urban centres. The Welsh Government must work to expand the public transport network across Wales, thereby providing a meaningful alternative to car travel while also making it easier for people to access vital services.

- **Public spaces**

- Public spaces play an important role in maintaining older people's health, breaking down social isolation and improving community cohesion. However, as the weather becomes hotter and less predictable, outdoor spaces can become inhospitable for older people. As such, we recommend that greater investment is channelled into adapting public spaces to a changing climate, such as providing adequate drainage, shaded spaces, benches and water fountains.

These represent only some of the areas that will require further investment if the Welsh Government is to tackle the social effects of climate change, particularly those that will impact upon more vulnerable populations, like older people. Adequate investment in these areas will build societal resilience to climate change while also working towards meeting the Wellbeing Goals of the 2015 Act.

Ring-fencing of funding for public toilets

The [Wellbeing of Future Generations Act](#) National Well-being Indicators Framework includes 'A Wales of cohesive communities' and lists an Indicator 'Satisfaction with access to facilities and services'.

Welsh Government's Strategy for an Ageing Society highlights that the availability of public toilets is a constant concern for many older people.⁴ Poor toilet provision and access disproportionately affects some groups including older people and disabled people.⁵

Public toilets are essential to making communities cohesive and age friendly and a lack of them can have a debilitating effect on older people, preventing them from accessing key services and increasing loneliness and isolation. Poor public toilet

⁴ [Age friendly Wales: our strategy for an ageing society \[HTML\] | GOV.WALES](#)

⁵ Welsh Government (2014) Welsh Government White Paper. Listening to you: Your health matters. Consultation on proposal for a Public Health Bill. Number WG20703. <http://wales.gov.uk/consultations/healthsocialcare/white-paper/?lang=en>

provision impacts upon many older people as it reduces their ability to remain active and restricts how often, and for how long, they are able to leave their homes. Sufficient toilet provision in communities is vital to enable older people to maintain their dignity and participate in community life.

Despite the importance of these facilities, public toilets are disappearing from our communities and we believe that assertive action is needed to halt this decline. Information shared by older people suggests that public toilets continue to close across Wales as local authorities seek to manage the cost of living crisis, while other venues that allowed public access to toilets such as leisure centres, pubs and cafes continue to close or reduce hours.⁶

Public toilets in Wales are funded by local authorities using the Revenue Support Grant. However, local authority budgets face significant pressures due to inflation and the cost-of-living crisis, which could further restrict people's access to public toilets despite their vital importance in enabling older people and other citizens to get out and about, undertake everyday activities and play a full role in community life.⁷

We believe that Welsh Government should ring-fence funds allocated to local authorities for public toilets to ensure the stability of provision and maintenance of these vital services.

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⁶ [Public Toilets in Wales \(olderpeople.wales\)](https://www.olderpeople.wales)

⁷ Ibid.