

Comprehensive Spending Review – Age UK’s response

In response to the Comprehensive Spending Review, Caroline Abrahams CBE, Charity Director at Age UK, said:

On the **Winter Fuel Payment**:

“We wish the Government had changed its July 2024 Winter Fuel Policy more quickly, or preferably not brought it in at all, but our overriding feeling now is one of relief that older people on low and modest incomes can look ahead to the coming winter with more confidence when it comes to paying their energy bills. From an older people’s welfare perspective, the Government’s change of approach was undoubtedly the right thing to do.”

On **Social Care**:

“The Government made a strategic choice in this spending review not to invest significantly in social care, something that sadly means many older people will continue to go without enough or, in some cases, any of the care and support they need to live well and with dignity. For older people especially, social care and the NHS are simply two sides of the same coin, and if one is struggling, the other is unlikely to thrive. By failing to act decisively on social care refinancing and reform the Government has therefore made the task of improving the performance of the NHS in this Parliament a lot harder.”

Key policy announcements

1. Health and social care

In the face of tough cuts to most other departments, Age UK cautiously welcomes the 3% for the NHS. However, we recognise that funding will still be extremely tight for the NHS, given cost pressures and high and rising demand. In addition, a real-terms cut over the next three years to the Ministry of Housing, Communities and Local Government, and only 1.1% more in the local authority grant, will be extremely challenging for councils, many of which are already struggling to deliver all the social care older people need. This is leading to deterioration that results in more older people than necessary arriving at the doors of the NHS, particularly over the difficult winter months.

We warmly welcome the Chancellor’s commitment to ‘back’ the fair pay agreement for social care workers, and we will hold her to her word. We support the ambition of the

Casey Commission to truly transform and improve social care and we will do everything we can to support Baroness Casey in her work. However, the reality is that many older people are struggling now and cannot wait the ten years anticipated to deliver major reform. With officials currently unable to provide any detail about what the funding for social care in the Spending Review is expected to cover, it appears that the spending review has under-delivered for social care.

We welcome the Government's commitment to recruit more GPs and make greater use of the Better Care Fund to join up services in the community. These are just two of the elements required to deliver better health and care services closer to older people's homes and we hope the NHS Ten Year Plan will outline a bold and deliverable plan for bringing a Neighbourhood Health Service into being. If executed well this has huge potential for older people and could also play a valuable role in preventing avoidable hospital admissions – but only if steps are taken to strengthen social care and ensure it is fully part of the plan.

Age UK would like:

- Quicker, bigger changes in social care so older people don't have to wait for care
- Care Workers should receive a pay rise before the Fair Pay Agreement to be concluded, probably in 2027
- NHS Ten Year Plan must outline a bold and deliverable plan for bringing a Neighbourhood Health Service into being

2. Energy and the Winter Fuel Payment

Age UK welcomes the announcement to restore the Winter Fuel Payment to 9 million pensioners - all but those on the highest incomes who should be able to pay their heating bills without it. Our primary concern was ensuring the 2.5 million older people on low incomes or who are otherwise vulnerable and at greatest risk of fuel poverty were protected, starting with the coming winter. The policy the Government has now announced achieves this and we believe it will bring some much-needed reassurance for older people and their families.

In April 2026, the Government's main energy support scheme, the Warm Home Discount, is due to end. The scheme provides vital, means-tested support to households of all ages. Energy prices remain hundreds of pounds higher than before the crisis, and many households are still paying back arrears accrued during the peak of the crisis.

- Age UK would like the Government to commit to extending the Warm Home Discount scheme, and to encourage the energy regulator, Ofgem, to bring forward a debt-relief scheme.

3. State Pension and benefits

The Spending Review allocates £842m per year (£1bn including Barnett impact) to reform crisis support. This means creating a new Crisis and Resilience Fund, to be administered by local authorities. It will include funding previously for the Household Support Fund (HSF) and Discretionary Housing Payments (DHPs).

Before the announcement, the HSF had been due to end in March 2026. It is welcome that this funding has been extended, as it provides emergency support – including cash, energy/food vouchers and white goods – to people of all ages in financial hardship. It is also very welcome that it will be set for multiple years – the first time this has happened and something councils have long called for to help them take a more strategic approach.

The £842m is for both the HSF and DHPs. The HSF funding for England in 2025/26 is £742m. The funding for DHPs for England and Wales in 2023/24 was £100m, so while it is hard to directly compare due to the data being for different geographies and years, it's possible the new announced funding will be slightly lower than before.

4. Employment

DWP funding for employment support services will rise to over £3.5bn by 2028/29. This includes £400m in support for helping sick and disabled people back into work in 2028/29, rising to £1bn (including Barnett impact) by 2029/30. The £1bn figure had already been set out in the DWP Pathways to Work green paper. We fear it will not be enough.

5. Housing

We welcome the £39bn investment in affordable housing, particularly given the number of older renters struggling with affordability and insecurity. However, it is crucial that these new homes are designed for all kinds of different households and different ages recognising the ageing population. Some of the funding should be invested in more supported housing for older people needing extra care, as well as in a wider range of affordable mainstream homes.

To make all new build homes suitable for an ageing population we have repeatedly called on governments to bring in Part M4 of the building regulations, which requires builders to include some modest age-friendly and age-adaptable features. Once again the Government chose not to do this, a wasted opportunity we find hard to understand.

We were pleased by the Government's commitment to deliver the Warm Home programme in full. We would like to see the funding structured to ensure lower bills (some net zero measures such as heat pumps sometimes lead to higher bills). In addition, some funding should be available to households to cope with the disruption experienced if their home is upgraded. This is particularly important for private sector tenants, who include a growing number of vulnerable older people.

Age UK would like to see:

- Some of the £39bn affordable housing investment in more supported housing for older people needing extra care
- Mainstream homes to be suitable for an ageing population by making all new housing stock Part M4(2) compatible. There should also be a push for more nuanced local authority plans to ensure that newly approved housing stock is appropriate for the needs of the local community.