

The Tories offer pensioners nothing but insecurity – Debbie Abrahams

Labour is today (Tuesday 23 May) challenging the Tories to come clean on their plans for older people, after they caused confusion with their failed attempt to 'clarify' their social care policy.

Labour is calling on Theresa May to guarantee pensioners won't be hit with further cuts to universal benefits or further hits to their incomes.

The challenge comes as Labour warns that, having broken their promise on social care already and announced plans to means test Winter Fuel Payments, hitting up to ten million pensioners, the Tories could next come for other benefits, including free bus passes and TV licences.

Debbie Abrahams, Labour's Shadow Work and Pensions Secretary, said:

"The Tories have plunged pensioners into insecurity. Their manifesto promised to take away winter fuel allowances; it ditched the security of the triple lock; and proposed making people pay for essential care with their homes.

"Yesterday, they attempted to back away from their plans, but only raised more questions about what they were going to do instead. They could offer no reassurance to worried pensioners.

"Given the gaping hole in the Tory plans, and the dumping of their existing promises, the risk is now that the Tories could have other nasty surprises for pensioners up their sleeves. There's a real possibility that other hard earned benefits like bus passes and free TV licenses could be next."

"The promises in the Tory manifesto are clearly no longer worth the paper they're written on. So we are today calling for Theresa May to come clean, set out what exactly she's planning and rule out definitively further attacks on pensioners' living standards.

"You can't trust the Tories to protect pensioners. They offer only insecurity."

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Background:

“Nothing has changed” – the Tories promise insecurity for pensioners

We have a crisis in social care under the Tories:

- o The Tories have starved the system of money, taking £4.6 billion out of social care between 2010 and 2015.
- o The number of people receiving state funded social care fell by over a quarter under the Tories.
- o This year care firms have ended contracts with 95 councils, warning they are unable to deliver services on the amount they are being paid^[i].
- o There are now 1.2 million older people (1 in 8) with unmet care needs in England.
- o There is a currently a funding gap of £600 million for 2017/18, which will rise to £2.1bn by 2019/20.^[ii]

To help address the Tory social care crisis, Labour has promised to invest £8bn into social care in the next parliament, including an immediate £1bn.

“Our first urgent task will be to address the immediate funding crisis. We will increase the social care budgets by a further £8 billion over the lifetime of the next Parliament, including an additional £1 billion for the first year.”

The Labour Party Manifesto 2017

The Tories haven't promised to match this funding. Instead they came forward with a plan which originally said that they would cap care costs and would help pay for it by means testing Winter Fuel Payments.

“So we will means test Winter Fuel Payments, focusing assistance on the least well-off pensioners, who are most at risk of fuel poverty. The money released will be transferred directly to health and social care, helping to provide dignity and care to the most vulnerable pensioners and reassurance to their families.”

The Conservative Party Manifesto 2017

“we will introduce a single capital floor, set at £100,000, more than four times the current means test threshold.

This will ensure that, no matter how large the cost of care turns out to be, people will always retain at least £100,000 of their savings and assets, including value in the family home.”

The Conservative Party Manifesto 2017

· They explicitly rejected the policy of having a cap as proposed by Andrew Dilnot.

Jeremy Hunt: At the moment if you end up going into a care home, you could get down to £23,000 and now we’re quadrupling that amount. And what is the alternative? I think this is the important thing because I know you had Sir Andrew Dilnot on earlier. If you have that cap that was his proposal...

Nick Robinson: Excuse me, it was your proposal in your last manifesto. You promised to implement it; you passed a law to implement it. You then said let’s delay it a few years. So let’s not slop it off to Sir Andrew Dilnot, this was a Tory manifesto promise.

JH:
Yes, and we couldn’t be being clearer.

NR:
You’re dropping it.

JH:
Yes, and not only are we dropping it but we are dropping it ahead of a general election and we’re being completely explicit in our manifesto that we’re dropping it. We’re dropping it because we’ve looked again at this proposal and we don’t think it’s fair.

BBC Radio Four: Today, 18 May 2017

· Despite a chorus of disapproval in response to their plans, Theresa May herself defended the policy just this weekend.

“You have a situation where two widows are living side by side in homes of the same value. One of them [has] saved up all their life and has over £23,000 in savings, now finds that they need care in a home and has to pay for that because they are above the current threshold.

Then there is [the widow] next door who has perhaps lived the good life and doesn't have those savings and gets in for free. And I think we are equalising home and residential calculations and setting the threshold four times higher at £100,000.

'We are being fair to those who have saved over time.'

Theresa

May, The Times, 20 May 2017

· Now they've changed their minds, but they can't provide detail about what their plan will mean. And they have announced no extra money for social care.

· This is not just a chaotic change of direction, it's a repeat of a broken promise. In their 2015 Manifesto, the Tories promised to introduce a cap on charges.

"We will cap charges for residential social care from April 2016 and also allow deferred

payment agreements, so no one has to sell their home."

Conservative Party Manifesto 2015, Page 65

· Only weeks after the 2015 general election, they broke their promise and announced that the cap on charges for residential social care would be delayed until 2020.

"we have taken the difficult decision to delay the introduction of the cap on care costs system until April 2020."

Written Statement: Care Costs, Lord Prior of Brampton, 17 July 2015

The Tories have broken their promise before, how can they be trusted not to do so again?

What will the Tories do to fill the gap?

The Tory reversal leaves a substantial black hole in the Tory manifesto. To date there is no detail on how the cap will operate, at what level it will be set, who it will apply to and, crucially, how the Tories will deal with the funding gap in social care which must be filled to give the system the stability it needs.

- The Tories also have a £2bn black hole in their plans caused by their reversal on NICs earlier this year.

- After the U-turn on NICs Hammond said that he would address the £2bn black hole in the forthcoming Autumn Budget which would be 'broadly fiscally neutral'. The £2bn would come from either higher taxes or more cuts elsewhere.

As a result of the decision I have announced today, the spring Budget is no longer broadly fiscally neutral, but I am committed to addressing that issue in the autumn. The intention remains to balance the measures that we are delivering between spending and taxation.

*Philip
Hammond, 15 March 2017*

<https://hansard.parliament.uk/Commons/2017-03-15/debates/8C87BBE6-1F11-44F8-A01E-1D99ECBD0ACA/Class4NationalInsuranceContributions?highlight=broadly%20fiscally%20neutral#contribution-A24CFA97-B0EC-4B6D-8C7F-DC88B51F6250>

- Today's U-turn, and Hammond's commitment to a 'broadly fiscally neutral' Autumn Budget, means we can expect either post-election tax rises or further cuts to vital public services under a Tory government.

- The Tories already pose a threat to pensioners with their plans to cut Winter Fuel Payments for up to 10 million pensioners.

- o Scrap the Triple Lock on state pensions after 2020.

- o Cut Winter Fuel Payments for up to 10 million pensioners.

- o Raise the State Pension age for up to 34 million workers.

- **That threat could now get even greater, as the Tories may look to**

means-test other pensioner benefits such as free bus passes and free TV licences.

- The Tory Manifesto's wording only commits Theresa May to maintaining the existence of current benefits throughout the duration of the parliament.

"We will maintain all other pensioner benefits, including free bus passes, eye tests, prescriptions and TV licences, for the duration of this parliament."

Conservative Party Manifesto, 2017

- This potentially leaves the door open to the introduction of new means-testing and plans to phase out, reduce, or end benefits after that parliament.

- More than 4 million over 75s receive a free TV licences and 9 million pensioners receive a free bus pass in England alone.

- Theresa May has refused to rule out cutting other universal pensioner benefits. Just two days before the publication of the Conservative Manifesto, Theresa May refused to give a straight answer when asked to commit to keeping free bus passes.

Robert Peston: Thomas is concerned you might take away bus passes from pensioners and the disabled?

Theresa May: Well, again, there may be a number of questions that will come in which are issues that will be addressed when we publish our manifesto later this week. I'd rather wait until we publish that package in the manifesto for people to see what we're going to do.

ITV News Facebook Live, 15 May 2017

Other senior Tories have in the past opposed universal pensioner benefits

- The Secretary of State for Work and Pensions Damian Green has described free bus passes as a "bribe" saying they "take the prize for sheer

all-encompassing pointlessness”.

“Many Chancellors have indulged in pre-election bribes, some effective, some ineffective and some straightforwardly cynical, but to offer free off-peak bus passes for pensioners takes the prize for sheer all-encompassing pointlessness in the large areas of the country where there will be no one to receive the bribe that the Chancellor is trying to give them.”

Damian

Green, House of Commons debate, Hansard, 22 March 2005, Column 810

<https://www.publications.parliament.uk/pa/cm200405/cmhansrd/vo050322/debtext/50322-27.htm>

· Senior Ministers Sajid Javid, Matthew Hancock and Liz Truss have supported the Free Enterprise Group which has previously called for free bus passes and free TV licences to be means-tested.

“Pensioners with incomes of more than £50,000 should lose their free TV licences, bus passes and winter fuel allowances to help cut the deficit, senior Tory MPs have said [...] The Free Enterprise Group numbers 39 Conservative MPs among its supporters, including the Treasury minister Sajid Javid, the skills minister Matthew Hancock, and the childcare minister Elizabeth Truss”

Telegraph, 22 November 2012,

<http://www.telegraph.co.uk/news/uknews/9694503/Wealthy-pensioners-should-lose-free-bus-pass-MPs-suggest.html>

· Former Culture Secretary John Whittingdale has previously spoken of the case for means-testing TV licences.

“I can see a case for means-testing on the same grounds of why should a rich retired person get a winter fuel payment, so why should they get a free TV licence? [...]“But these are matters for the BBC to consider. They could get rid of the free TV licence altogether if they chose to do so but they could not do it until 2020.”

John

Whittingdale, reported in The Times, ‘Free TV licences could be means tested for over 75s’, 21 May 2017

<https://www.thetimes.co.uk/article/free-tv-licences-could-be-means-tested-for-over-75s-8ktzgbn9t>