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THE CENTRE FOR POLICY ON AGEING'S RESPONSE TO THE COALITION GOVERNMENT'S EMERGENCY BUDGET

In response to the Emergency Budget, Gillian Crosby, the Centre's Director said:

'There is some good news for older people as the government has given a 'triple guarantee' to raise¹ the basic state pension from April, restoring the link between the basic state pension and earnings. Also pension credit is protected – the standard minimum income guarantee in pension credit will increase in April 2011 by the cash rise in a full basic state pension.'

'The phasing out of the Default Retirement Age² will help older people who want to work longer. It makes no sense to force people into retirement who prefer to keep active and have valuable skills to contribute within the labour market.'

'However, on the negative side, tax increases and inflation will hit pensioners on low, fixed incomes already struggling within the current economic squeeze. If these are coupled with further cuts in social care spending in the autumn, vulnerable older people will continue to suffer unfair and disproportionate hardship. It is critical we engage now in radical thinking and join together across professions and sectors to reduce inequalities.'

'CPA's work focuses on the impacts of an ageing society and we look forward to feeding into the consultations to support councils managing tough decisions. The Centre has a wealth of information³ to help guide action both at national, regional and local levels. By making use of available evidence to ensure smarter ways of spending and making best use of limited resources, times of constraint need not necessarily equate to fewer, less effective services.'

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Notes

1. From April 2011, the state pension will rise by the increase in average earnings, or move in line with prices or by 2.5%, if either of those two is higher. After next April's rise the key figure used to measure price will be the Consumer Price Index (CPI) rather than the Retail Price Index (RPI). CPI tends to be much lower than RPI.
2. To ensure that those who wish to work beyond 65 are able to, the government will consult shortly on how it will quickly phase out the Default Retirement Age from April 2011.
3. The Centre aims to raise awareness of issues around all aspects of ageing and to promote good practice. A key element of this work is making knowledge on ageing issues widely accessible to share learning and underpin policy initiatives to support older people. The Centre's information service disseminates research evidence and good practice for users in all sectors through a unique group of customised services. CPA has built up a vital source of knowledge on ageing issues and it is currently the only organisation in the UK systematically collating this data. Reliable information is essential to sustain more effective ways of working. Access further details of CPA's information services at http://www.cpa.org.uk/information/information_services.html