

# Implications of the Referendum Vote

## Briefing Paper June 2016



Following the decision by the Electorate on 23 June to leave the EU by 52% to 48%, and the subsequent issues surrounding the leadership of the Conservative Party, Labour Party and indeed even the prospect of a general election prior to 2020, there will be a number of issues that have implications for both older people generally, and the NPC in particular. These are considered in this briefing paper, based on the information currently available.

### 1. Intergenerational fallout

Whilst it is impossible to say how each individual voted, a YouGov poll (based on a sample of the electorate) has been widely circulated on social media showing the age break down of referendum voters. The results show how the majority of those under 50 voted to Remain, whilst most of those over 50, and in particular over 65, voted to Leave:

18-24: 75% Remain  
25-49: 56% Remain  
50-64: 44% Remain  
65+: 39% Remain

There have already been comments that older people – some of whom will not have to live with the longer-term consequences of this decision – have adversely affected the lives of younger generations. This has given rise to some very negative anti-pensioner sentiment, that may trigger a further backlash against universal benefits, the triple lock etc. The need to bridge that divide by uniting the generations to improve younger people's prospects is therefore even more vital now than it was before. Finding those key issues on which we can campaign together under the Generations United banner will be crucial. It's also worth noting that the under 65s account for 41m voters, compared to 11m pensioners, and other factors such as educational attainment, social class and geography were also very significant factors in the way in which people voted. Any argument that older people therefore determined the outcome of the referendum is factually incorrect.

### 2. EU money

During the campaign, the Leave team made a clear statement that every week the UK was giving £350m to the EU, and that instead the money could be spent on the NHS. UKIP leader, Nigel Farage has already said this was a mistake to make such a claim and did not see that it would now happen. However, once the re-negotiations have taken place over the next two years, it will be up to campaigners to argue for any extra money to be spent on specific items such as higher state pensions, improved social care and the NHS.

### 3. VAT on fuel bills

One immediate and obvious area where a campaign could be launched would be related to fuel. Under EU rules, VAT has to be added to energy bills, and after a NPC-led campaign the figure was reduced to 5%. However, under a new

arrangement, this requirement would no longer be justified. This demand could therefore be part of our ongoing anti-fuel poverty campaign.

#### **4. Triple Lock**

During the referendum campaign, the Prime Minister said the triple lock for state pensions would be threatened by a UK exit, on the basis that this would lead to a slump in the economy and a decline in revenue. Of course, any decision to remove the triple lock would be up to a future government, but it is something we would have to monitor over the next few years.

#### **5. Human Rights protection**

Many of the Leave campaigners made it clear that leaving the EU would also mean withdrawing from legislation on Human Rights; which includes age discrimination and other equality laws. Government proposals in this area will therefore need very careful scrutiny over the coming months to ensure existing rights are not watered down in the name of UK sovereignty.

#### **6. Frozen pensions**

Whether an expat's pension is frozen or not depends entirely on where they move to, and whether or not the government has struck individual deals with that country. Currently those living in EU countries, the US, Jamaica, Israel and the Philippines get their state pensions updated, but there are 150 countries in which pensions are frozen at the level they were when the individual left the UK. Currency specialist HiFX estimates that more than one million UK pensioners overseas could face a potential loss of £944million a year from Britain leaving the EU if new deals are not done with the 27 remaining countries.

#### **7. The position of UK citizens living in Europe**

For those who have moved to other EU countries, it will take some time to renegotiate their status and agree new arrangements for paying pensions, access to social services and so on. Expats living anywhere will also be affected if the pound doesn't recover its immediate losses, because any income they receive from the UK will lose value. The worst case scenario is probably that many expats would return to the UK against their own wishes - either under their own steam for financial reasons, or because they were ousted from other EU countries should no deal be struck allowing them to stay. For example, the EU might force the UK to continue to allow free movement of people - a contentious issue in the EU debate - as a condition of allowing its expats to remain in places like Spain.

#### **8. New ministers**

Given David Cameron's decision to step down as leader of the Conservative Party, it is highly likely that the new leader (expected around the autumn) will appoint a new team in the various government departments. Both the minister for pensions (Ros Altmann) and the care minister (Alistair Burt) were in the Remain camp, and so may see themselves replaced. This means we will need to open up fresh attempts to meet them and discuss our concerns. Equally, should the Labour party embark on a new leadership campaign, in which Jeremy Corbyn is replaced, we will have to start to re-build relationships with the new shadow pensions and care teams. Such a move would also raise serious questions about the prospects of Labour having an Older People's Commission.

