

**Liberal Democrat Policy Consultation**

**Age Proofing the UK:  
Realising the Potential of an  
Ageing Society**

**Consultation Paper 116**



**Spring Conference 2014**

## Background

This consultation paper is presented as the first stage in the development of new Party policy in relation to realising the potential of an ageing society. It does not represent agreed Party policy. It is designed to stimulate debate and discussion within the Party and outside; based on the response generated and on the deliberations of the ageing society working group a full public services policy paper will be drawn up and presented to Conference for debate.

The paper has been drawn up by a working group appointed by the Federal Policy Committee and chaired by Paul Burstow. Members of the group are prepared to speak on the paper to outside bodies and to discussion meetings organised within the Party.

Comments on the paper, and requests for speakers, should be addressed to: Emily Smith, Ageing Society Working Group, Policy Unit, Liberal Democrats, 8 - 10 Great George Street, London, SW1P 3AE. Email: [smitheg@parliament.uk](mailto:smitheg@parliament.uk)

Comments should reach us as soon as possible and no later than Friday, 4 April, 2014.

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**Contents**

1. Understanding Ageing .....5

2. The Economics of Ageing .....9

    2.1 Labour Market ..... 11

    2.2 The Workplace and Carers ..... 13

    2.3 Pensions, Savings and Taxation..... 16

    2.4 Benefits ..... 20

    2.5 Intergenerational Fairness ..... 23

3. Housing ..... 28

4. Active Ageing ..... 33

    4.1 Promoting Wellbeing ..... 33

    4.2 Promoting Resilience..... 34

    4.3 Relationships and Social Connectedness..... 35

    4.4 Health and Care: Prevention and Co-ordination ..... 37

# 1. Understanding Ageing

1.0.1 The aim of this review is to set a new direction for ageing policy that catches public policy up with the truth about ageing: that is it not just about the old. The ambition is to put in place the elements on an age-proofing strategy for the UK that meets the challenges and maximises the opportunities of an ageing society.

1.0.2 The UK population is living longer. Today there are more people over the age of 65 in the UK than there are children under 15<sup>1</sup>. This shift in the age composition of the UK is not a recent phenomenon. In 1975 we broke the 'aged society' barrier with 14 percent of the population over 65 and on current forecasts we will become a 'super-aged society' by 2025 with 20 per cent of the population over 65. There has never been a society where so many people have lived such extended life spans.

1.0.3 The ethnic minority populations are, in general, younger than the majority White British population with the notable exceptions of the White Irish, Indian and Black Caribbean ethnic groups.<sup>2</sup>

1.0.4 A study by the Runnymede Trust and Centre for Policy on Ageing<sup>3</sup> estimates that there will be 2.4 million black and ethnic minority people aged 50 and over in 2016 in England and Wales; rising to 3.8 million by 2026 and 7.4 million by 2051.

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<sup>1</sup> ONS, National Population Projections, 2010-based reference volume: Series PP2

<sup>2</sup><http://www.cpa.org.uk/information/reviews/theageingoftheethnicminoritypopulationsofenglandandwales-findingsfromthe2011census.pdf>

<sup>3</sup><http://www.cpa.org.uk/information/reviews/thefutureageingoftheethnicminoritypopulationofenglandandwales.pdf>

## Ageing Society

1.0.5 About 19% of the working age population is made up of disabled people. Over 5 million disabled people are over the state pension age. The ageing population is not just about able-bodied people.

1.0.6 Lesbian, gay, transgender and bisexual (LGTB) people are not only young and active; older people are gay too. The lack of census figures regarding sexual orientation makes it difficult to be certain about the size of the older LGTB population. However, Stonewall estimates that 5 - 7 per cent of the population is gay or lesbian, and this estimate is accepted by government. Older lesbian and gay people therefore make up a sizeable minority community, yet their views are rarely sought as a distinct group.

1.0.7 For much of the 20<sup>th</sup> century the typical life journey led straight from retirement into old age. But increasing healthy life expectancy, improving pensions and growing national wealth have all helped to drive a wedge between retirement and old age. That disconnect between chronological and biological age has given rise to a third age.

1.0.8 Because longevity is now the main driver of population ageing, age is a poor measure of its 'burden'. Simply dividing the number of people who have reached the state pension age by the number of working age to produce a 'dependency ratio' is misleading, simplistic; some even argue it is pernicious. It fails to reflect the fact that rising life expectancy means most of these older people are 'younger' and healthier than earlier generations because they have longer remaining life expectancy and this, rather than chronological age, is crucial to behaviours and attitudes<sup>4</sup>.

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<sup>4</sup> BMJ 2013;347:f6598

1.0.9 The demographic ‘timebomb’ may not be ticking but almost every aspect of our lives will be affected by this age shift. How should education and training adapt to prepare people for longer working lives and support older workers to maintain and update their skills? How do we meet the demand for housing that can adapt as we age and help people make a planned move to a new home? As the economy recovers and grows how should we support older workers to remain in the workforce while juggling their roles as grandparents and carers? If people are working longer what impact will this have on civic society and formal volunteering? How does the NHS change to promote people’s wellbeing? How do we build on the pension and care reforms introduced by Liberal Democrat Ministers?

1.0.10 Responses to these changes in demography fall broadly into two camps. The first group view population ageing positively, as a mark of social and economic progress and the triumph of public health measures over the causes of premature death in earlier generations. The other sees ageing as an economic disaster and older people representing a burden on younger generations. The issue of intergenerational fairness is however more complex than this and deserves consideration.

1.0.11 The report *Ready for Ageing?*<sup>5</sup> recommends that “Government should set out their analysis of the issues and challenges, and their vision for public services in an ageing society”. The Committee went on to recommend that “the Government elected in 2015, within six months, establish two commissions based on cross party consultations: one to work with employers and financial service providers to examine how to improve pensions, savings and equity release, and one to analyse

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<sup>5</sup> Ready for Ageing, March 2013, Select Committee on Public Services and Demographic Change, HL Paper 140

how the health and social care system and its funding should be changed to serve the needs of our ageing population.”

1.0.12 We unreservedly see longer life spans as a cause for celebration. The challenge for society and policy-makers is how best to ensure that those added years are lived to the full and that ageing is not treated as a ‘them and us’ issue.

## Questions

1. *What steps, if any, should be taken to strengthen the Government’s approach to setting and delivering a strategic approach to demographic change?*
2. *Should we maintain our commitment to establish a statutory independent commissioner for older people?*
3. *What steps should Government take to increase awareness and understanding that we are all living longer and what the implications of this will be amongst business and civil society leaders, public services and the general public?*
4. *The Government is already promoting the idea of dementia friendly communities, should this approach be widened to embrace the World Health Organisation’s promotion of healthy communities<sup>6</sup>?*

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<sup>6</sup> [http://www.who.int/healthy\\_settings/types/cities/en/](http://www.who.int/healthy_settings/types/cities/en/)



## 2. The Economics of Ageing

2.0.1 Managing the economic implications of ageing society is about overall economic performance and not just about the circumstances of older people. The economics of ageing go much wider than the direct costs associated with specific groups, such as pensions and health care. As populations age, older people have a key role in the level of aggregate demand for goods and services.

2.0.2 At the most basic level, the more people there are with small and/or fixed incomes in a society, the fewer goods and services they will buy and the fewer jobs there will be for people of any age. That is why the power to earn and spend amongst those people is so important. It is also why older people need to be able to move in and out of the labour market as the demand for labour changes.

2.0.3 During the last recession, a man of over 50 who lost his job was more likely to die than to find a new job<sup>7</sup>. That is why as the economy recovers and grows access to training, both employer and government-funded; anti-discrimination policies from government; and positive age management by employers matter in terms of the wider economy. It also underlines the fallacy that there is a limited supply of jobs to go round which have to be 'shared out' – in fact, the more employment and greater earning there is, the more jobs are needed to meet the demand for spending.

2.0.4 Ageing populations pose challenges in terms of overall savings and therefore of investment within the economy. De-

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<sup>7</sup> The Age and Employment Network (TAEN)

## Ageing Society

cumulation (pension funds paying out more than they take in) is part of this, but the last 20 years has seen a significant shift in spending behaviours amongst older people as they choose to spend their money on themselves, their children and grandchildren now rather than put it off to their eventual inheritance. There are significant profits to be made from an intelligent and innovative approach to the demands of older consumers.

2.0.5 Financial security and savings relate to the development of financial services products, including in the areas of pension savings, insuring against long-term care needs, equity release for different levels of need, and inter-generational transfers. The problem for the savings, investment and insurance industry (and particularly for re-insurers) is that it is very difficult to proof products against longevity risk, adverse selection, long tail issues, and unacceptable levels of windfall profits. At the age of 60, for instance, a person might well have a better idea than an insurer of his or her likelihood of gaining from a product; or a housing or stock-market bubble might make profit levels seem morally unacceptable and a result of sharp practice.

2.0.6 Governments are rightly reluctant to get involved in the detailed management and oversight of products in financial services. Nevertheless, the Treasury needs to address the issues around badly-functioning markets and even market failure in these areas – ‘longevity bonds’ are one suggestion for a way in which government might be able to underpin market development<sup>8</sup>.

2.0.7 How countries address population ageing will affect the competitiveness of companies and sectors within their economies. For example, in India and Brazil, the massive growth of the so-

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<sup>8</sup> <http://www.actuaries.org.uk/research-and-resources/documents/longevity-bonds>

called new middle class is leading to significant increase in savings for later life and therefore capital for investment. Combined with investment in education and labour market reform, they could be the world's next economic powerhouses. Meanwhile, Japan's Ministry of Labour bemoans the country's lack of flexibility around immigration as a major downside factor in economic development. How any country faces the economic implications of greater longevity will affect the wider economic performance of firms and industries and the wellbeing of their whole populations.

2.0.8 Population ageing requires an open and honest debate about the long-term. Framing this debate in terms of 'inter-generational conflict' is foolish. This divisive caricature ignores the very wide-spread differences amongst older people and the fact that they are the beneficiaries of good luck, hard work and well-meaning promises rather than the architects of a deliberate conspiracy against their children and grand-children. Nonetheless, we need to foster a much greater understanding of the fact of increased lifespan and its implications. And we need a generation of economists who can address the breadth of issues around ageing societies.

## **2.1 Labour Market**

2.1.1 There are many myths about the impact of ageing on the economy. Yet many of the 'costs' of ageing are the result of actions and events earlier in life, for example a poor or insufficient education can lead to lower life time earnings and increased risk of poverty in later life or to lower health literacy and greater risk of long-term health problems.

2.1.2 Between 1965 and 2012 the UK saw a significant (-24%) drop in the number of men aged 55 and over participating in the labour market, over the same period there was a significant (+18%)

rise in the number of women aged 55 and over in the labour market. The employment rate amongst older workers (60/65) has been around 11 - 12% since 2006.

2.1.3 Non-sickness absenteeism decreases with age. However, people aged 50 - 64 are most likely of all age groups to suffer long term unemployment lasting a year or more<sup>9</sup>. Sickness absence rates increase with age. The Government is developing independent 'Health and Work Assessment and Advisory' services following the *Health at Work – an independent review of sickness absence* report<sup>10</sup>.

2.1.4 The extension of the age of retirement may not currently do enough to recognise differentials in the health and abilities required by different types of jobs – particularly manual labour which becomes more difficult as workers age biologically. However, there is also significant evidence that working into later life – in a range of roles and industries – can be good for mental and physical wellbeing. For example, research in Japan, found that retired women who worked, even for only a handful of hours a week, were much healthier than their counterparts<sup>11</sup>.

2.1.5 According to the UK Workplace Employment Relations Survey (2011) people over 50 report receiving less days of training than their younger counterparts. The National Institute for Adult and Continuing Education has proposed that people should be offered a skills health check<sup>12</sup> and that this should be linked to a learning entitlement at 50. Others have suggested the development of 'mid-career' reviews as a way of supporting older workers to remain in the workforce for longer.

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<sup>9</sup> Saga Quarterly Review, Feb 2010

<sup>10</sup> Sickness Absence in the Labour Market, April 2012, ONS

<sup>11</sup> <http://solidarityeconomy.web.fc2.com/en/seinjapan01-ooe.html>:

<sup>12</sup> Making a difference for adult learners, NIACE 2009

2.1.6 As well as supporting older workers to re-skill to enable them to remain in the labour market there is also the contribution that older workers make transferring skills and corporate memory. Some employers operate work-based mentoring schemes matching older workers with young people seeking employment or just starting out in employment to support this transfer and support older workers transitioning to retirement.

2.1.7 We proposed in our policy paper *Learning for Life* the establishment of Lifelong learning accounts with automatic enrolment for every adult on their 25<sup>th</sup> birthday. In Canada people are able to withdraw from their pension plan to enrol in full-time education until the age of 71. The Lifelong Learning Plan allows people to withdraw a set sum each year tax free towards education. They must repay their plan within 5 years of their graduation.

2.1.8 Thirty percent of people over 60 volunteer regularly through formal organisations, this has been valued at £4.9 billion a year. One of the consequences of longer working lives and increasing caring responsibilities for the fifty to seventy age group could be a reduction in the time available for formal volunteering.

## **2.2 The Workplace and Carers**

2.2.1 Labour market participation of older women has increased over the last three decades. Given the demographic trends the proportion of older women in the labour market will continue to increase and it will need to.

2.2.2 However, older women can find their access to the labour market restricted. Barriers include a lack of suitable skills or training opportunities, and inflexible working arrangements

## Ageing Society

making it harder to juggle caring and other responsibilities which often fall particularly to women. This gender gap in opportunities and pay has a long term impact on savings and pension income in later life.

2.2.3 Over the last twenty years Governments have intervened in the childcare market to increase both the choice and quality of provision, using subsidies, tax reliefs, and regulation. This has contributed to the increase in female participation in the labour market.

2.2.4 The Equalities and Human Rights Commission report that 17 per cent of unemployed women left their last job to care for someone, compared to only 1 per cent of men. Low-income older women stand out in these figures.

2.2.5 Many grandmothers are 'sandwich carers', who care for their children and grand-children as well as their parents. Women who belong to this 'sandwich generation' are more likely than men to leave work due to multiple caring responsibilities.

2.2.6 According to a study for Carers UK, 40% of carers say the trigger for them quitting work was a lack of reliable, quality, affordable household services. Help with gardening, cleaning, and housekeeping can be the difference between someone feeling able to juggle work and caring responsibilities and not.

In Germany a family caring time scheme was introduced in 2012 which allows some employees to reduce their working hours to a minimum of 15 hours a week for up to two years. Employees are paid a lower income, although the reduction is less than the reduction in hours. When they return to full-time working they continue to receive reduced earnings until they have repaid the difference. Pension contributions also continue to be paid.

In Belgium employees aged over 55 who have a 25 year employment record have the right to reduce their working hours either by one-fifth or to half-time. This reduced working pattern must be adhered to for at least 3 - 6 months, but there is no maximum limit on the length of time for which it can run.

2.2.7 Flexible working and leave policies provide critical support to those balancing work and care responsibilities and opportunities for people to extend their working lives, which is increasingly important as the state pension age rises. In our *A Balanced Working Life* policy paper we called for up to 6 months care leave entitlement for people dealing with crisis caring funded through the benefit system on the existing carers allowance but encouraging employers who could to provide top up payments.

2.2.8 Rather like the proposal in *A Balanced Working Life* employees in Belgium are paid a low flat-rate payment which is funded through the national social security system, with contributions from employers and employees. The right is restricted to 5 per cent of a company's workforce at any one time to protect the company's ability to function. In a labour market where people change job more frequently an employee could accrue time credits throughout their working life which could be drawn down when needed.

2.2.9 Supporting carers to stay in work makes financial sense for employers. As Employers for Carers highlight, stress-related absence has been reduced by 26% through flexible working alone, while the cost of 2 - 3 days emergency leave pales in comparison to the significant costs of recruitment. The LSE has estimated that the hidden cost to the economy of carers having to give up work puts the cost at £1.3 billion a year in lost tax revenues and Carer's Allowance costs.

2.2.10 Thirty percent of over-60's volunteer regularly through formal organisations, valued at £4.9 billion annually. One of the consequences of longer working lives and increasing caring responsibilities for the 50 - 70 age group could be a fall in the time available for formal volunteering.

### **2.3 Pensions, Savings and Taxation**

2.3.1 State spending on pensions and other benefits for pensioners accounted for 6 per cent of GDP in 2006/7 and is forecast to rise to 6.8 per cent by 2035/36 based on planned reforms to the pension system. In 2010 the basic state pension was worth 16.3 per cent of national average weekly earnings, this is forecast to rise to 18.5 per cent by 2035.

2.3.2 Thirty years ago pensioner incomes were on average only about half those of the working age population. Pensioners were concentrated in the bottom end of the income distribution and pensioner poverty rates were much higher than for rest of the population.

2.3.3 Median pensioner incomes are now similar to those of the working age population. Pensioners are now least likely to be in bottom 20 per cent of income. Furthermore the current generation



of pensioners are less likely to be poor than the working age population.

2.3.4 The current generation of pensioners have been protected under the Coalition. Their incomes have continued to grow since 2008, in contrast to those of other age groups. Our 'Triple lock' manifesto policy has protected the value of the pension and there have been no cuts to means-tested benefits.

2.3.5 However, sustained low interest rates have eroded the value of savings of some pensioners. One way Government and pension providers could help people is to ensure they get value for money when they turn their pension pot into an 'annuity'. This could include: making 'shopping around' for the best annuity the default; personalised annuity products that include higher rates for those with poorer health and care needs; and greater flexibility for people with small pension pots to take the whole sum in cash.

2.3.6 While today's pensioners may have been protected relative to other groups the future may not be as rosy. An IFS study of the economic circumstances of individuals born between the 1940s and 1970s, concluded "When compared with those born a decade earlier at the same age, these cohorts have no higher take-home income; have saved no more previous take-home income; are less likely to own a home; are likely to have lower private pension wealth; and will tend to find that their state pensions replace a smaller proportion of prior earnings." A survey for HSBC found 40 per cent of 30 - 60 year olds had made financial plans for their retirement, reflecting the UK's low savings ratio.

2.3.7 By reducing the cost and uncertainty around longevity risk one of the aims of the Dilnot reforms<sup>13</sup> is to create the conditions for the financial services industry to offer a range of products to meet care and other costs up to the 'cap'. However, there are other supporting steps Government could take to facilitate the development of new financial savings products. For example, the UK International Longevity Centre (ILC-UK) and Cass Business School published proposals<sup>14</sup> for Personal Care Savings Bonds (PCSBs). Similar to the Premium Bond, PCSBs could be bought by any adult at a nominal value of £1. Unlike premiums bonds they would accumulate interest as well as pay monthly prizes and could only be cashable when the owner passes a social care assessment or upon death. The research shows that once fully mature the fund could be worth as much as £80bn and make an annual contribution to the UK care economy of over £2.5bn annually. Annual prize money would be worth around £700m.

2.3.8 The introduction of auto-enrolment by Liberal Democrat Ministers will increase the number of lower earners saving into pension schemes, but the tax relief paid will still benefit higher earners more than basic rate taxpayers. The reforms to the pension system are expected to reduce the number of people facing inadequate retirement incomes by 1 million; increase the incomes of 73% of those facing inadequate retirement income, bringing them closer to their target incomes; and halve the proportion of future pensioners who will retire with no private income at all from

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<sup>13</sup> Fairer Care Funding, The Report of the Commission on Funding Care and Support, July 2011

<http://webarchive.nationalarchives.gov.uk/20130221130239/https://www.wp.dh.gov.uk/carecommission/files/2011/07/Fairer-Care-Funding-Report.pdf>

<sup>14</sup> Personal Care Savings Bonds - a new way of saving towards social care in later life, by Les Mayhew and David Smith, June 2013, Cass Business School, University of London and ILC-UK

[http://www.ilcuk.org.uk/index.php/publications/publication\\_details/personal\\_care\\_savings\\_bonds\\_a\\_new\\_way\\_of\\_saving\\_towards\\_social\\_care\\_in\\_late](http://www.ilcuk.org.uk/index.php/publications/publication_details/personal_care_savings_bonds_a_new_way_of_saving_towards_social_care_in_late)

27% to 12% in 2050<sup>15</sup>. Further measures may be needed to ensure more people can retire with a decent standard of living. For example, there remains a need to boost pension contributions beyond the current statutory minimum level of 8%.

2.3.9 In our policy paper *Fairer Taxes* (Policy Paper No. 111) we set out the steps Liberal Democrats have taken to reduce the excessively generous tax relief granted by Labour and set out our proposal to restrict the lifetime allowance limit to £1m. We also acknowledged the merits, in principle, of moving to a single rate of relief.<sup>16</sup> Although the Party set its tax policy in September 2013 we would welcome views on the generosity of the current reliefs, whether they provide value for money and whether they support the goal of reducing the number of people facing inadequate retirement incomes.

2.3.10 National insurance contributions (NICs) cease to be paid on reaching state pension age. The Mirrlees Review of the UK tax system made a number of proposals concerning NICs.<sup>17</sup> It observed that “Tax and pension incentives have been shown to be a key determinant of employment at older ages<sup>18</sup> and may be expected to continue to be important in the longer run.”<sup>19</sup> The review modelled a number of changes to NICs and Working Tax

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<sup>15</sup> Automatic Enrolment Evaluation Report, Nov 2013, Department of Work and Pensions [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/261672/rr ep854.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261672/rr ep854.pdf)

<sup>16</sup> Pensions Commission, *A New Pension Settlement for the Twenty-First Century*, p319, Nov 2005, <http://www.webarchive.org.uk/wayback/archive/20070802120000/http://www.pensionscommission.org.uk/publications/2005/annrep/main-report.pdf>

<sup>17</sup> *Tax by Design*, Mirrlees Review: Reforming the tax system for the 21<sup>st</sup> Century, Institute for Fiscal Studies, Sept 2011

<sup>18</sup> Blundell, Meghir, and Smith, 2004; Gruber and Wise, 2004.

<sup>19</sup> *Tax by Design*, Mirrlees Review: Reforming the tax system for the 21<sup>st</sup> Century, Institute for Fiscal Studies, Sept 2011 <http://www.ifs.org.uk/mirrleesreview/design/ch3.pdf>

Credit for those aged 55 to increase work incentives. It concluded that as “a broad direction for reform, we do think that the changes in tax and benefit rates that take effect as people enter their later years could take better account of what we know about people’s responsiveness around retirement age.”<sup>20</sup>

2.3.11 The cost of the triple lock guarantee has already been factored into public expenditure planning until 2020 and is sustainable because of the changes already announced to the mechanism for setting pension ages. The working group would like to see the triple lock become a permanent feature of the pension upgrading system, because this would help ensure that those receiving a contributory state pension who had contributed for 35 years received more than the basic means-tested level; and it protects pensioner living standards.

## 2.4 Benefits

2.4.1 The Mirrlees Review<sup>21</sup> had this to say about labour market participation in later life, “Broadly speaking, the poor are more likely to move onto disability benefits, while the rich are more likely to retire early and live on private pension income. Those in the middle are more likely to remain in paid work.”<sup>22</sup> “Given how many of those who stop working before state pension age move onto disability benefits rather than retiring, the design of these benefits is another area worthy of attention.”<sup>23</sup>

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<sup>20</sup> Tax by Design, Mirrlees Review: Reforming the tax system for the 21<sup>st</sup> Century, Institute for Fiscal Studies, Sept 2011 <http://www.ifs.org.uk/mirrleesreview/design/ch4.pdf>

<sup>21</sup> Tax by Design, Mirrlees Review: Reforming the tax system for the 21<sup>st</sup> Century, Institute for Fiscal Studies, Sept 2011

<sup>22</sup> Tax by Design, Mirrlees Review: Reforming the tax system for the 21<sup>st</sup> Century, Institute for Fiscal Studies, Sept 2011 <http://www.ifs.org.uk/mirrleesreview/design/ch3.pdf>

<sup>23</sup> Tax by Design, Mirrlees Review: Reforming the tax system for the 21<sup>st</sup> Century, Institute for Fiscal Studies, Sept 2011 <http://www.ifs.org.uk/mirrleesreview/design/ch4.pdf>

2.4.2 Disability benefits such as Disability Living Allowance/Personal Independent Payments (DLA/PiP) are predominantly claimed by those in 55 - 65 age groups and can be ongoing past retirement/pensioner age (for existing claimants), as well as Carer's Allowance. There may be a case for achieving greater coherence between disability related benefits like Employment and Support Allowance (ESA) and DLA/PiP, with strictly age related benefits, especially given changes to the state pension age.

2.4.3 Currently, even with the streamlining effect of Universal Credit, different age and disability benefits have different components (eg mobility components, contributory components etc). Older claimants both pre and post retirement ages can find themselves having to go through multiple assessment processes, so a single gateway approach might be more efficient and reduce stress for claimants.

2.4.4 This would mean looking again at some of the age-related assumptions behind means-tested benefits – whilst age should not be a proxy for disability, the same goes for disability not being a proxy for age. Further, the simple tripartite classification of different benefit entitlements used by DWP as between children, working age and pensioner may not be the best way to age proof benefits policy in the future.

2.4.5 A study<sup>24</sup> of Attendance Allowance (AA) found low take-up of AA among those with significant levels of disability. It also found that there is only a small overlap between those receiving AA and adult social care. This may be due to AA supporting informal care arrangements or possible stigma in claiming. Just as with winter

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<sup>24</sup> Independence Allowance, June 2013, Independent Age  
<http://www.strategicsociety.org/wp-content/uploads/2013/06/Attendance-Allowance-in-England.pdf>

fuel allowance AA effectively acts as a form of income support for some over 65s with the money spent on non-disability related expenditure, including energy costs, transport and 'thanking' informal carers.

2.4.6 The report proposed increasing the 'signposting' across AA and social care systems, including directing local authorities to guide individuals to AA applications and enabling AA data sharing between local authorities, clinical commissioning groups and health and wellbeing boards, to help identify unmet need and forecast demand in local areas. Finally, AA could help to foster independent behaviours by supporting people to think about what they can do to remain independent.

2.4.7 A review of benefits cannot overlook the universal age related benefits, the Winter Fuel Payment (WFP) and Free TV licence at 75. The WFP is an anomaly in our welfare system, costing over £2bn a year and paid to around 12 million people. It targets many who do not need financial assistance to heat their homes and it fails to properly help those who do<sup>25</sup>. Research has shown that only 12% of the money distributed by WFP is actually spent on fuel<sup>26</sup>. Furthermore, there are as many recipients of WFP in the top income decile as there are in the bottom. There are over 100,000 households with an income above £100,000 that receive this payment.<sup>27</sup>

2.4.8 In 2010 - 11 there were 3,929,753 free TV licenses were issued<sup>28</sup> to people aged 75 or older costing the taxpayer £570 million.

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<sup>25</sup> <http://www.if.org.uk/archives/1590/the-winter-fuel-allowance-why-young-people-should-get-hot-under-the-collar>

<sup>26</sup> [http://www.reform.co.uk/resources/0000/0282/Old\\_and\\_broke\\_final.pdf](http://www.reform.co.uk/resources/0000/0282/Old_and_broke_final.pdf)

<sup>27</sup> Policy Exchange, *Cold Comfort: Fuel Poverty and the Winter Fuel Payment*, p.16, March 2010

<sup>28</sup> House of Commons Debate 8 Nov 2011 C194W

## 2.5 Intergenerational Fairness

2.5.1 From the standpoint of both social connectedness, discussed later in this paper, and social cohesion, the issue of inter-generational fairness is becoming extremely important.

2.5.2 On the one hand, many people from the 'baby-boomer' and older generations feel that they are justly entitled to the proceeds of a social welfare system that they paid into throughout their working lives. Young people benefit from the increasingly affluent society that the previous generation helped to create, and can now build their own future as their parents did.

2.5.3 At the same time, many young people feel as though the baby-boomer generation grew up in a time with better employment prospects, better pensions and ever increasing housing prices leading to asset accumulation never imagined in previous generations. These younger members of the work force sometimes feel as though they are subsidising the older generation's retirement while being denied the opportunity to invest in their own future due to debt accumulated in higher education, poor job prospects, very high housing costs and the general cost of living squeeze.

2.5.4 There is truth and fiction on both sides of the debate surrounding inter-generational fairness. However, today's policies need to take inter-generational fairness seriously. First and foremost, this means ensuring that older citizens continue to benefit from the programmes that they paid into during their working years. But it also means ensuring that the costs of an ageing population are not shunted onto a younger generation that is already dealing with a historically tight job market and high cost of living. In particular, it will be important to ensure an

effective equity release market in order to unlock the assets held by older people.

## Questions

5. *Staged increases in the State Pension age will be insufficient on their own to increase participation in the labour market by older people, what other measures should we consider?*
6. *What changes to training and education should be made to support increased labour market participation by older people?*
7. *How could we fund lifelong learning accounts, what incentives would be needed to encourage employees and employers to contribute to the accounts? Could the Canadian model described in this paper be adapted for the UK?*
8. *What contribution could Further Education and Higher Education make to create the conditions for lifelong learning to be a reality? For example, could FE colleges act as hubs for learning exchange and support employers undertaking skills health checks?*
9. *How can employers be supported to adapt their workforce recruitment and staff professional development activities to support older employees? For example, what contribution could job sharing play where a younger worker job shares with an older worker or older workers mentor or train younger workers as part of a flexible way of transferring skills and transitioning into retirement?*
10. *What steps could be taken to spread the adoption of the best practice of some companies in supporting volunteering by their employees, particularly as part of a pre-retirement preparation programme?*



11. *Should national insurance (NICs) contributions be reduced at 55 to increase incentives to work? Are there any other changes to NICs we should consider?*
12. *What more can be done to help smaller employers provide occupational health and rehabilitation services to their employees?*
13. *What steps should be taken to ensure that the requirement to work for longer does not increase inequalities between income groups and skilled and unskilled workers?*
14. *What measures should be taken to encourage and support employers to create healthier workplaces for all age groups?*
15. *What steps could Government take to stimulate growth in the personal and household services sector to support families juggling work and caring responsibilities?*
16. *How can we encourage the adoption of inclusive design principles among product suppliers?*
17. *How should a statutory entitlement to care leave be implemented?*
18. *How could the current arrangements for parental leave be adapted to support sharing of leave entitlements to create greater flexibility across generations and genders?*
19. *Should the winter fuel payment and free TV licence be better targeted to support pensioners at the bottom end of income distribution? For example, should entitlement to these benefits be withdrawn from those paying the upper income tax rate?*

20. *How can auto-enrolment and changes to the basic state pension be used to increase private pension saving for retirement?*
21. *What does an ageing society imply for the inheritance / capital transfer tax regime?*
22. *According to estimates by the ILC-UK<sup>29</sup> the practice of 'inheritance skipping', where grandchildren rather than children inherit, already accounts for more than £4 billion of legacies and the trend is increasing. What role could this play in promoting intergenerational fairness, should it have a different tax treatment?*
23. *What should be included in a 'Second Half' MOT offered at 50, for example, a skills check, financial health, and housing?*
24. *What should be the relationship between age and disability related benefits? Is there a case for looking at integrating any particular age and disability related benefits, and if so how?*
25. *Welfare reform has involved re-assessment of claimants' entitlements, can this be made less stressful for older people, especially with disability benefits?*
26. *Should local authorities administer a reformed Attendance Allowance to help align it with the preventative goal of the social care system?*
27. *How do we ensure that older people receive the health, social care and pensions they deserve, while also ensuring that young people*

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<sup>29</sup> ILC-UK/Future Foundation, *The Giving Age – Inheritance in the Context of an Ageing Population*, 2002.

*are not subject to an unfair constraint on their ability to invest in their own future?*

28. *How do we correct for the fact that the market disproportionately transfers wealth to older homeowners as opposed to younger people, who are much less likely to be asset-rich?*
29. *How do we ensure that any increases in public spending over the next two decades as a result of the ageing population are funded in a way that is inter-generationally fair?*

## 3. Housing

3.0.1 Housing has a critical part to play in promoting wellbeing across the whole population and particularly amongst older people. Older households spend £121 billion pa and are major consumers of goods and services<sup>30</sup>. There is an estimated £250 billion of equity in older people's housing, however, this equity is very unevenly spread geographically<sup>31</sup>. The fastest growing pressure for housing over the next 20 years is amongst the over 85s and the young old (65 - 74).

3.0.2 Projections suggest that 60% of household growth will be amongst the over-65s.<sup>32</sup> Yet the focus of public policy and house builders is on stimulating the market for first time buyers.<sup>33</sup> It has been suggested that a significant amount of the housing stock built in the past thirty years is not easily adaptable to meet future needs; despite past forecasts of housing need, a market or policy failure.

3.0.3 The age shift means house-building must shift too. The goal should be to increase the supply of adaptable general housing so that people can remain in the same home and a full range of purpose built accommodation so people have positive alternatives.

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<sup>30</sup> Family Spending Report, 2012, Table A11, ONS

<sup>31</sup> Analysis from the Pensions Policy Institute

<sup>32</sup> DCLG (2013). Available online at: <https://www.gov.uk/government/policies/providing-housing-support-for-older-and-vulnerable-people>  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/190229/St  
ats\\_Release\\_2011FINALDRAFTv3.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190229/Stats_Release_2011FINALDRAFTv3.pdf)

<sup>33</sup> Dept for Communities and Local Government website for series of initiatives and noting the last Housing Strategy for England, '*Laying the Foundations*' (2011)

3.0.4 Being able to stay warm, safe and mobile in your home is crucial to wellbeing. Getting housing right for older people is about preventing and postponing dependency. For example, one in three people over 65 fall yearly<sup>34</sup>, often in their own homes. This costs the NHS £600 million pa. Adapted, specialist and supported housing can postpone entry into residential care saving £26,000 pa<sup>35</sup>.

3.0.5 A YouGov survey<sup>36</sup> for Shelter found that one in three older people interested in the idea of purpose built accommodation now or in the future.<sup>37</sup> Far better that people are enabled to move in a planned way, to secure a better life, rather than as a result of a crisis triggered by deteriorating health, bereavement or other events. One reason for not moving is the task itself. Demand for last time housing could be stimulated by an offer that included, for example, help with removals, negotiating with energy suppliers, redirecting mail, selling unwanted goods, dealing with administrative and legal issues and post-move support. This could take much of the stress away from older people considering a move, particularly those who do not have any family support. Some independent firms are already offering these kinds of services for a fee.<sup>38</sup> Some local authorities offer this type of support too, for example, Dorset help older householders to plan their move.<sup>39</sup>

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<sup>34</sup> Falls: measuring the impact on older people, 2012  
[http://www.royalvoluntaryservice.org.uk/Uploads/Documents/Reports%20and%20Reviews/Falls%20report\\_web\\_v2.pdf](http://www.royalvoluntaryservice.org.uk/Uploads/Documents/Reports%20and%20Reviews/Falls%20report_web_v2.pdf)

<sup>35</sup> Heywood and Turner, Better Outcomes, Lower Costs ODI

<sup>36</sup> Results from the YouGov survey were grossed up to the GB population aged 55 and over (17.2m) using the ONS Mid Year Population Estimates 2010.

<sup>37</sup> A better fit? Creating housing choices for an ageing population, April 2012,  
[http://england.shelter.org.uk/\\_\\_data/assets/pdf\\_file/0005/427730/Policy\\_report\\_A\\_better\\_fit.pdf](http://england.shelter.org.uk/__data/assets/pdf_file/0005/427730/Policy_report_A_better_fit.pdf)

<sup>38</sup> Seamless Relocation: [www.seamlessrelocation.com](http://www.seamlessrelocation.com)

<sup>39</sup> <http://www.dorsetforyou.com/396140>

3.0.6 Another obstacle to expanding the private provision of specialist accommodation is the uncertainty for both the builder/operator and the individual purchaser. The operator faces the uncertainty of longevity risk which the market will not insure; the purchaser faces the uncertainty of long term affordability of their leasehold.

3.0.7 Taking household projections up to 2033, just to maintain a similar share of both public and private purpose built accommodation for older people, as now requires around 10,000 new homes built yearly<sup>40</sup>. If the same proportion of old people who move to purpose built housing yearly as now the annual demand would be 86,000 homes yearly an increase in annual demand of 70 per cent<sup>41</sup> just to stand still.

3.0.8 It is estimated that if 20 per cent of the under-occupied older households were to move this would free up 840,000 family sized homes.<sup>42</sup> Concentrating on building new more suitable purpose-built housing for older people could be a more cost-effective way of freeing up the housing market and creating more family housing. Government could promote this through changes to planning policy (such as lifetime housing standards), by making better use of surplus government land, by pump-priming investment and by incentives like cutting stamp duty.

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<sup>40</sup> New Policy Institute, Market Assessment of Housing Options for Older People, 2012.

<sup>41</sup> England. Around 50,000 households move into specialist accommodation each year. Data from CORE (the Continuous Recording of Lettings and Sales in Social Housing in England) shows that among households headed by someone aged 55–84, around 0.6% move into specialist accommodation each year. For those with a household reference person aged 85+ it is around 1.1%. Applying these proportions to the projected number of households in each age group, in 2033, this would amount to an annual demand of around 86,000 units of specialist accommodation. This is an increase of 70%. New Policy Institute, Market Assessment of Housing Options for Older People, 2012.

<sup>42</sup> Shelter, A better fit?

3.0.9 The provision of excellent impartial advice about housing options whether moving or staying is urgently needed. This could include information about other housing options such as shared lives where an older person living in a larger property shares their home or co-housing where a group of people buy or build on a mutual basis to meet their housing needs. Stimulating a 'last-time buyers' market would be good for the whole housing market and growth.

3.0.10 However, taking a longer term view, it will be necessary for Government to consider the circumstances of the generations born after the baby boom period. The findings of the IFS reported in earlier highlight the need to reconsider the role of social housing too.

3.0.11 The Dilnot reforms will mean that for the first time in England there will be some taxpayer support to address the catastrophic care costs that some families face. The 'cap' on care costs, increase in the means test threshold and a deferred payment scheme will mitigate some of this longevity risk, but families will still face the possibility of significant lifetime care costs. The financial services industry has a part to play in helping families plan and meet these costs. Research by the PSSRU suggests up to 40 per cent of people funding their own care would benefit from an existing financial product, with one in four self-funders falling back onto public funds to meet their costs there is an opportunity to benefit both taxpayer and families.

## Questions

30. *What measures should Government take to stimulate a last time buyers' market?*

31. *Should Government set an explicit goal of using a portion of surplus land for purpose built housing?*
32. *Should the Government use financial incentives to stimulate the market to provide and encourage people to buy, for example should stamp duty be reduced or could changes to inheritance tax/council tax rebates act as an incentive?*
33. *Who should lead on developing and providing an information and advice service to support planning for later life, and how should it be financed?*
34. *How could take-up of schemes such as shared lives and co-housing be increased?*
35. *How could planning policy contribute to increasing the provision of housing for older people? For example, the building of single storey accommodation?*
36. *In some parts of the country home improvement agencies have been integrated into adult social care and housing departments to provide a seamless service, could this model be spread elsewhere?*
37. *London planning policy mandates lifetime standards for all new builds, should the Government make this a requirement across England to ensure that the housing stock is future-proofed?*
38. *How can we ensure that the implementation of the Dilnot reforms enable families to make better use of their housing wealth?*



## 4. Active Ageing

4.0.1 The idea of promoting active ageing is common currency in policy circles. However, it has tended to be cast in narrow terms as longer working lives. There is a 'structural lag' between demographic change, public policy and institutional responses. This is reflected in the over use of chronological age as a proxy for biological age.

4.0.2 A comprehensive response to ageing attempts to join-up all policy domains, especially health, education and employment. Rather than focusing exclusively on later life a policy agenda for an ageing society must look across all stages of life.

4.0.3 Promoting a comprehensive approach to active ageing should form part of a Government strategy to age-proofing.

### 4.1 Promoting Wellbeing

4.1.1 Almost 50 years ago, the Seebohm report<sup>43</sup> into social care recognised the need to break the vicious circle of crisis care and argued against a 'symptom-based approach'. This vision of wellbeing and community involvement was restated in the 1982 Barclay report<sup>44</sup> which argued that social work should be a balance between casework and community work.

4.1.2 One of the reasons past attempts at shifting the focus onto wellbeing and community have failed is that when resources are under pressure, practice defaults to the minimum requirements of

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<sup>43</sup> *Report of the Committee on Local Authority and Allied Personal Services*, July 1968, Cmnd. 3703.

<sup>44</sup> *Social workers: their role and tasks* (the Barclay Report), Barclay, P. (1982) London, Bedford Square Press.

the 1948 National Assistance Act. The Care Bill establishes a new mission for social care: the promotion of individual wellbeing.

4.1.3 To ensure that relationships, reciprocity and resilience are at the heart of our health and care system it is not sufficient to give social care the mission to promote individual wellbeing, it must be the mission of the NHS too.

4.1.4 The *integration pioneer programme* initiative by Liberal Democrat Ministers breaks the cycle of piloting which has seen little or no spread of best practice. The programme is about using early adopters to lead the way for whole system change through the £3.8 billion integration transformation (better care) fund which every Health and Wellbeing Board and Clinical Commissioning Group has to participate in.

4.1.5 The better care fund marks an important milestone in achieving co-ordinated care. However, as longstanding advocates of integration Liberal Democrats want to accelerate the pace at which health and social care come together. To effect change Health and Wellbeing Boards should be given the mandate to commission at scale to make smarter use of this public money.

## **4.2 Promoting Resilience**

4.2.1 Approaching ageing as the sum total of our life choices and chances breaks the link with chronological ageing and moves the focus to root causes. Ageing is malleable and public policy should be directed to that end.

4.2.2 Programmes tailored to support parental nurturing and child development and nutrition can have a big impact on educational attainment and behaviour. These benefits impact on later life too. Greater health literacy and healthy behaviours

support healthy ageing and reduce the impact of genetic and environmental risk factors.

4.2.3 The goal should be to support the building of social and mental capital, maintain independence and prevent loss of physical and mental function.

4.2.4 Poorer people are more likely to have poorer health and age faster than wealthier people. There are significant social and geographical disparities in life expectancy and healthy life expectancy based on social class and income.

4.2.5 The success of an active ageing policy will hinge on the extent to which all people, not just older people, feel engaged and in control of their health. The spread of health literacy and the adoption of healthy behaviours must be encouraged and supported over the whole lifespan. To be effective it requires approaches that empower people, promote community development and active citizenship.

4.2.6 Overall a comprehensive active ageing strategy should maximise participation and wellbeing as people age. It should operate at the individual, organisational and societal levels and throughout life.

### **4.3 Relationships and Social Connectedness**

4.3.1 Close relationships are health assets. A meta-analysis of 148 studies of social relationships and mortality showed that having weak social connections carries a health risk equivalent to smoking 15 cigarettes a day, being an alcoholic, not exercising, and more harmful than obesity<sup>45</sup>.

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<sup>45</sup> BoltonM (2012), *Loneliness – the state we’re in*, Age UK in Oxfordshire

4.3.2 Relationships are a central pillar of a good later life that has been undervalued by policymakers<sup>46</sup>. The relationships of future generations of older people will differ from those previously. Divorce amongst the over-60s is increasing, according to ONS data and there is evidence of more single person households, co-habitation and re-partnering than in their parents' generation.

4.3.3 According to Relate less than 1% of the 100,000 people they support each year are aged 70+. Relationship support should embed into local services so that older people can access support at existing public services they already use such as GP surgeries.

4.3.4 An assessment of befriending services which cost about £80 per year estimated that the monetary value could be as much as £300 per person per year. The economic benefits of community navigator services were calculated as even greater<sup>47</sup>. Further studies have shown that the total cost of health service use was less for older individuals involved in group activities<sup>48</sup>.

4.3.5 Health and Wellbeing Boards should include social inclusiveness in their community planning with particular emphasis on Wayfinder or Navigator initiatives, befriending and other interactive services organised within GP surgeries following models developed by Age UK and others, together with projects which develop and make use of the skills and knowledge of active older people in the community<sup>49</sup>.

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<sup>46</sup> Relate and NPC report *When I'm 64*, June 2013

<sup>47</sup> KnappM, BauerB, PerkinsM, SnellIT (2010), *Building Community Capacity: making an economic case*, PSSRU Discussion Paper 2772, London.

<sup>48</sup> Pitkala KH (2009), *Effects of psychosocial group rehabilitation on health, etc.*, *Journal of Gerontology*:

Medical Sciences, 64A(7) etc.

<sup>49</sup> BoltonM (2012)

4.3.6 However, in order to tackle loneliness, environmental and personal health resources (physical and mental) also need to be taken into account – increasing social interaction or social participation will not necessarily alleviate loneliness<sup>50</sup>.

#### **4.4 Health and Care: Prevention and Co-ordination**

4.4.1 People in their 50s report their quality of life as improving as they age and not peaking until their late 60s.<sup>51</sup> However, we still know too little and assume too much about ageing. Little research has been undertaken to measure the capabilities of the oldest old, the over-85s.

4.4.2 Research by the Biomedical Research Centre on Ageing at Newcastle University has offered important insights that challenge societal preconceptions of ageing. Eight out of ten of a representative group of the UK's 85+ population need little care and rate their life either as good or excellent<sup>52</sup>.

4.4.3 For this large and independent group of over-85s the challenge is how to ensure that their encounters with formal health and care services enhance, maintain or restore their independence. Community development approaches that nurture and grow social infrastructure that is based on mutual and self-help organisations are essential to increasing personal and community resilience.

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<sup>50</sup> Prof. Vanessa Burholt. Presentation to ASWG (Dec.2013)

<sup>51</sup> Measuring national well-being, ONS, 2013  
[http://www.ons.gov.uk/ons/dcp171766\\_310300.pdf](http://www.ons.gov.uk/ons/dcp171766_310300.pdf)

<sup>52</sup> <http://www.guardian.co.uk/society/2012/may/29/tom-kirkwood-research-dispels-myths-ageing>

## Ageing Society

4.4.4 Seventy pence of every pound spent across health and social care is spent on people with long term health problems<sup>53</sup>. It is the rise of co-morbid non-communicable disease and death itself that are the biggest drivers of healthcare costs, not chronological age.

4.4.5 By proactively identifying the subset of people at higher risk of hospital or care admissions due to chronic disease, disability or other factors, we can pre-emptively improve their quality of life and reduce the health and social services impact.

4.4.6 Individuals with multiple conditions can end up struggling with large number of clinic visits to different specialists who do not communicate directly with one another, with advice on multiple lifestyle interventions, and poly-pharmacy prescribed by multiple specialists. The training of medical staff needs to ensure they are alert to the dynamic relationship between 'old' and 'age' as life expectancy continues to rise.

For example, the Stay Well 75+ scheme seeks to find those at higher than average risk of institutional admissions and deliver early interventions. GP Practices in Leeds have similarly employed a risk stratification tool developed by John Hopkins University to identify those likely to need hospitalisation or long-term care in the following year. These individuals are then targeted with early intensive support and multidisciplinary-led reviews of their personal care/health and social plans.

4.4.7 Age onset hearing loss affects 10 million people in the UK, and untreated can lead to isolation, depression, poor clinical care

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<sup>53</sup> Department of Health LCT Strategy

[http://webarchive.nationalarchives.gov.uk/+www.dh.gov.uk/en/healthcare/LondTermConditions/DH\\_064569](http://webarchive.nationalarchives.gov.uk/+www.dh.gov.uk/en/healthcare/LondTermConditions/DH_064569)

and even dementia. A screening programme for people at the age of 65 would ensure that effective treatment be offered before people lose the skills and drive for it to work, which could save the NHS up to £2bn. The National Screening Committee has announced a consultation on hearing screening. We believe the next step would be a government funded randomised controlled trial.

4.4.8 Dementia is the most feared disease amongst people over 50<sup>54</sup>. There are over 820,000 people in the UK living with a dementia today and the number is expected to rise significantly<sup>55</sup>. Dementias are not a normal part of ageing. While the disease mechanisms are still poorly understood the evidence for preventative lifestyle changes is strong. The Government is delivering the Liberal Democrat 2010 manifesto commitment to double dementia research spending to £66 million by 2015.

4.4.9 Such is the scale of dementia; it has the capacity to overwhelm the health and social services. Avoiding this requires an approach that cuts across all government departments – as identified by the Coalition Government’s dementia challenge. The objective should be the adoption of ‘dementia friendly communities’ as part of a wider approach to creating age friendly communities.

4.4.10 The ethnic minority populations of England and Wales are, on average, younger than the majority White British population. They therefore tend to make less use of health and care services other than maternity services. For example, on the assumption that the prevalence of dementia is dependent only on age and

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<sup>54</sup> *YouGov survey results* (Cambridge: Alzheimer’s Research Trust; London: YouGov): respondents aged 55 and above said they feared dementia more than cancer, stroke and heart disease. Among younger people, however, cancer was still feared more than dementia.

<sup>55</sup> <http://www.alzheimersresearchuk.org/dementia-statistics/>

gender but not ethnicity we can estimate that, in 2011, only 7% of dementia cases in England and Wales occurred in the ethnic minority populations. This situation will however change significantly as these populations age.

4.4.11 As greater numbers from the ethnic minority populations of England and Wales reach older age their needs will have to be provided for. Care home provision will need to be 'culturally competent' and special provision may be needed as cases of dementia increase. The work of Jewish Care<sup>56</sup> and the Policy Research Institute on Ageing and Ethnicity offers a guide to good practice<sup>57</sup>.

4.4.12 For LGBTB people there are also difficulties surrounding access to appropriate care through retirement homes. For example some may not be equipped or willing to support same sex partners. Many elderly lesbian and gay people can be worried about going into care home and finding themselves back in a situation where they do not disclose their sexual orientation. Those who require home care can encounter difficulties with care workers, who may refuse to recognise extended 'families' within the gay community, or may even prevent a person spending 'social time' in a gay venue. These issues have an impact on the wellbeing of the individual. A thorough needs assessment is necessary to establish the exact needs of older gay people.

4.4.13 Research for Skills for Care has estimated the direct and indirect economic contribution of adult social care sector in England to be £43.2 billion including supporting 2.8 million jobs<sup>58</sup>.

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<sup>56</sup> <http://www.jewishcare.org/home>

<sup>57</sup> <http://www.priae.org/index.php>

<sup>58</sup> The economic value of the adult social care sector in England – Final Report, Feb 2013, ICF GHK for Skills for Care



Low pay, zero hours contracting and high staff turnover are hallmarks of much of the sector.

## **Questions**

39. *How should the wellbeing principle best be applied to the NHS?*
40. *How do we ensure that the many assets, strengths and resources of older people with high support needs are engaged to create opportunities for them to both give and receive support?*
41. *How can we make a sustainable shift from cure to prevention? What changes in law, funding and practice are needed to embed such a shift?*
42. *Should resources for health and care spending be allocated to reflect the levels of morbidity rather than on age or mortality grounds?*
43. *What contribution should schools and employers make to supporting physical and mental health literacy and activating health behaviours?*
44. *How can Health and Wellbeing Boards and Clinical Commissioning Groups reflect the contribution of relationships and social connectedness into their decisions?*
45. *What obligations should be placed on local authorities, health bodies and other public bodies to build social connectedness into the design and delivery of services?*
46. *How can the NHS better recognise the links between social connectedness and poor physical and mental health amongst older people and do more to address this issue?*

47. *Which organisations or teams of professionals should be responsible for screening the aging population to find out who is at higher risk of developing healthcare needs/social care needs, so that these risks can be mitigated?*
48. *When should preventative screening occur? How often in a lifetime should people be assessed for whether they fall into higher risk groups?*
49. *How can we better help individuals (and their families) to be more aware of the health, social care, and financial services they may need at different stages as they age, so that they are well-equipped for the future life they expect?*
50. *For the minority of over-75's with multiple health conditions/disabilities, what changes can we make to how care is managed between the different healthcare professionals they see?*
51. *Should any particular professionals or teams of professionals assume responsibility for helping individuals with multiple conditions handle the complexity that results from this? For example could this be done by community geriatricians or occupational therapists? What role should GP's and pharmacists play? Should Multi Disciplinary Teams be led at primary/secondary/tertiary care level?*
52. *What initiatives are local Health and Wellbeing Boards taking that fit in with the themes outlined in this paper and could be rolled out elsewhere?*
53. *Spending on dementia research relative to the burden of disease is considerably lower than the research spending on cancer.*

*Should we set an ambition for the UK to be the global leaders on dementia research, with the goal of doubling the research spend to £132 mn by 2020?*

- 54. What should be included in a successor to the National Dementia Strategy when it ends in 2014? Should we set an ambition to match the best on Europe on dementia care?*
- 55. What steps should central Government take to improve the pay and conditions of care workers, what further action should be taken to address poor commissioning practices such as contracting by the minute?*
- 56. How do we ensure that ethnic, cultural and sexual identities are reflected in the commissioning and provision of health, care and support services?*
- 57. Should the size and scope of the better care fund be increased during the course of the next Parliament? What other areas of public spending could be included?*
- 58. By comparison to the EU average spending on social care in England (indeed the whole UK) as a proportion of GDP is low, should Government seek to rebalance spending away from health toward social care, or leave levels as they are or take some other course?*
- 59. Primary care is currently commissioned by NHS England, should they be required to delegate this task to Health and Wellbeing Boards to ensure that primary, community and social care are commissioned in a holistic way?*

This Consultation Paper is designed to stimulate debate about an Ageing Society and suggestions for distinctly Liberal Democrat policy in this area. The Working Group has identified key questions it would like to discuss but we also welcome thoughts and suggestions on any other important issues not covered in this paper.