

September 2000

Response to the Age Shift consultation document

The Joseph Rowntree Foundation welcomes the opportunity to respond to the Department for Trade and Industry's Foresight's Panel on Ageing. The Foundation, as the UK's largest social policy research and development charity has a keen interest in the effects of demographic change on society as a whole, and particularly those who are in the bottom 20 per cent of income distribution and may be socially excluded.

Important Issues

The Foundation welcomes the focus of the work of the Panel considering the effects of the UK's ageing population. The Foundation has been undertaking its own consideration of the key issues which will affect society in the future - Inquiry into incomes and inequalities in 2021.

Our analysis endorses the importance of twin themes running through the consultation document: firstly, the interaction between demography, which may well have the effect of making us "poorer" in that, given the current retirement age, more people would not be in the labour force; and technology, which may well make us "richer" by delivering 2-3 per cent productivity growth on current estimates. In addition, technology may bring us health improvements to give us more years of healthy life. The degree to which reductions in the pensioner to worker ratios and the degree to which productivity gains due to technological improvement will offset this is unknown.

Our own considerations have highlighted the need to consider measures which encourage the reversal of the trend and indeed expectation of early retirement in the light of our rapidly ageing population. We would also endorse the Foresight Panel's focus on the need to build human capital through teaching the appropriate skills and lifelong learning opportunities.

The other area touched on by the report that we would like to warmly endorse, is comments about development of Smart Homes. The Foundation has pioneered the building and use of Smart Home technology in our own housing stock in York. The key underlying principle of Smart Home technology as we see it is that it extends the scope of individuals to exercise choice and control over their own lives.

Gaps

The gaps we have identified fall into three areas and are principally concerned with the emphasis the Panel has put on particular issues.

First, there is a lack of consideration of social care issues in relation to an ageing population.

Although health care is covered, social care is only discussed in terms of its relationship to carers. The Joseph Rowntree Foundation conducted an Inquiry into Meeting the Costs of Continuing Care in 1996. Within our 18 month review of the issues, we found a useful definition of continuing or long-term care to be:

"... all forms of continuing, personal or nursing care and associated domestic services for people who are unable to look after themselves without some degree of support, whether provided in their own homes, at a day centre, or in an NHS or care home setting."

As our report notes, this implies a continuing commitment to the provision of access to a range of different kinds of care, with nursing and other kinds of health care arranged by the health service and provided free at the point of delivery, together with personal assistance and domestic health arranged by other services. Although many of the key drivers identified in the health care and the older person section, and hold true for social care, there are much broader considerations regarding the available mechanisms for funding continuing care in a population with a high proportion of older people.

Our Inquiry undertook a detailed analysis of mechanisms for meeting the costs of continuing care, which was published in 1996. A summary of the recommendations is available on our website. ([Foundations 1](#))

The second gap relates to the emphasis given throughout the document on assisting carers in their caring role, rather than providing new thinking about how we can provide better care to individuals who need it to ensure that partners and children do not take on more of a caring role than is desirable or feasible.

This caused us some concern as we have undertaken some research on young carers' transitions into adulthood (June 2000 [Findings 630](#)) alongside additional work on Independent Living and the administration of Direct Payments. Our research indicates that there is evidence that there is a wish amongst those needing personal/intimate care that they do not wish to rely on informal carers for this. Personal assistance is a means by which disabled people and older people can lead an independent life without relying on relatives and friends.

The central point is that relying on informal carers as a mechanism for providing the bulk of care should not be an assumption on which financial or other models are predicated. The Foresight Panel should include in its considerations that it is likely that there will be an increased demand for services to provide care, irrespective of the increase or decline in the numbers of informal carers.

The third area of difference, or 'gap' in the panel's analysis , that we have identified is in

relation to finance. The central principle on which this section is based is on a diminishing state involvement in providing support for the ageing population. Although the Panel has clearly taken the view that the State will have a diminishing role, this role could be a broader one than simply “insurer of last resort”. Work we have undertaken on financial planning by Karen Rowlingson of the University of Bath ([Findings 570](#)) indicates that there are central difficulties in current policies designed to shift the risk from the State to the individual through private pension.

The problem relates to difficulties which people find in effectively planning for the future. The Rowlingson research and our work on continuing care suggest a new role for the State as an agent for supporting people in planning through the new role for compulsory saving schemes. Karen Rowlingson’s work indicates that although there is some resistance to compulsory schemes at the outset, in the long run people found enforced savings (in this case, through occupational pension schemes) useful and helpful. Our Inquiry recommended the creation of a compulsory funded insurance scheme to meet care costs, the contribution to which is required of the working population. The central concern is to ensure that there is adequate funding thrown forward through time to meet what are obviously rising costs.

Involvement in the consultation

In terms of who should be included in the consultation exercise, it seems clear that research funders are a key audience to ensure that these issues are taken fully on board. On page 19, the Panel’s report raises the need for researchers to take into account the many issues raised, these messages need to be relayed to research councils, government funded and charitable trusts. As a funder ourselves, we are aware that the parameters of research projects are as much set by funders as by those proposing to take forward the research.

Issues for immediate action

In terms of priorities for immediate action, urgent consideration of the impacts and funding of long term care appears to us to be paramount. In our estimation, the government’s response to the Royal Commission on Long Term Care only partially addresses the issues of funding. We would urge the Foresight Panel to look closely at these issues to ensure that the population in 2020 has some chance of having an equitable level of provision regardless of assets, income and the availability of family willing and able to care for them. We would challenge any assumption that social polarisation is an inevitable feature of Britain 20 years hence.