



Peer Review in Social Protection and Social Inclusion and Assessment in Social Inclusion

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United Kingdom 2011

Peer Review: A good place to grow older

Short Report



On behalf of the
European Commission
DG Employment, Social Affairs and Inclusion



Held in London (United Kingdom) on 18-19 January 2011, the Peer Review was hosted by the UK Department for Work and Pensions. In addition to the host country, six peer countries were represented: Cyprus, Denmark, Finland, Hungary, Romania and Spain. The stakeholder representatives were the European Social Network (ESN) and AGE Platform Europe. Taking part for the European Commission were representatives of DG Employment, Social Affairs and Equal Opportunities and DG SANCO (Health and Consumer Policy).

1. The policy under review

As in many European countries, British life expectancy at age 65 is now rising fast. Some 10 million people currently alive in the UK (more than 1 in 6) are likely to reach the age of 100. This is seen first and foremost as a cause for celebration. Positive policies on issues ranging from transport and housing to health can help citizens to “age well”. In turn, older people can be active contributors to society. However, there are also some important challenges. The years of good health after age 65 are increasing, but so are the years spent in poor health. The OBR warned in November 2010 that the public expenditure costs of our ageing population will, if unaddressed, cancel out the progress of the deficit reduction programme. Without a radical shift in the way individuals, communities and government respond to our ageing population, there will be intense pressure on public finances in the coming decades, Funding these pressures through taxation would place a huge burden on younger generations - equivalent to 17p on the basic rate of income tax. So reforms are considered essential.

Some progress is being made on *pension reform*. From 2011 onwards, the basic state pension will increase each year by whichever of three factors is the greatest: the growth in average earnings, the growth in prices, or 2.5%. Further measures to ensure people have a decent income in retirement are currently under discussion. From 2012 all employers will be required to automatically enrol eligible jobholders into a qualifying workplace pension scheme. Employers will be able to choose the pension scheme(s) they want to use to fulfil their new duties provided the scheme(s) meet certain quality criteria. Where the employer chooses to provide a money purchase arrangement, he will have to make a minimum contribution. Those jobholders not wishing to save will be able to opt-out. *Reforms to health and social care* will include a strong emphasis on prevention. The UK’s National Health Service (NHS) is free of charge to the end-user, so there is little scope for directly reducing the public cost of health care for older people. However, the NHS is putting money into social care as a way of boosting prevention and creating a new focus on public health. New structures will include Health and Wellbeing Boards, which will oversee the local commissioning of health and social care services.

The “*Big Society*” is now a major, though controversial, policy focus in the UK. Its elements include encouraging more participation in social action within communities, creating more opportunities for organisations within communities to make a difference, and making public institutions more responsive to local people and their needs. A new emphasis on *wellbeing* is also emerging, and could have positive implications for policy on the quality of later life. The *principles behind the UK reforms* include:

- “*Nudging*” – changing attitudes and behaviours not through mandatory measures but rather by encouraging *personal responsibility for ageing* (savings, public health etc.) and *active and productive lives* (working longer or volunteering).
- *Community-based responses*. There is a strong current emphasis on “localism” – letting communities decide their own responses in line with their own needs.

- *Partnerships between government and the voluntary and community sector.*
- *Co-production with older people:* getting them involved in the design and delivery of services.
- *A focus on outcomes* by community services, rather than tying them to prescribed activities.
- *Innovative financing*, which will also be more outcome-based. The planned Big Society Bank will, for example, lend money for preventive activities that can show a social return on investment.

2. Lessons learned

Among the main points to emerge from the Peer Review:

- **Some aspects of the UK policy might be transferable to other countries.** These include:
 - The *wide variety of programmes*, combined with *scientific evaluation* and a *value-for-money approach*.
 - The emphasis on *long-term strategies*.
 - The idea of *seeking older people's perspectives first* and creating *institutions that guarantee the involvement of older people in policy-making*.
 - The *importance of outreaching practices in day-to-day implementation of social care, regarding elderly people, especially for those experiencing isolation*.
 - The focus on the *empowerment of communities and older people* – for instance, through the concept of the Big Society and the Age-Friendly Cities Programme. In that respect, such programmes as "Tower Hamlets" could be seen as an interesting practice.
- **Older people are a significant resource.** We are sometimes not ambitious enough in what we ask of older citizens and in how we use the economic and social capital that they represent. **Older people are also important consumers.** For example, a successful scheme in Spain enables hotels to provide senior citizens with low-season holidays, so also helping to maintain employment in major tourism areas at low cost or price cost for the elderly. Health care and long-term care already constitute about 10% of the employment in the EU, and services to older people will be a major source of jobs in future.
- **Volunteering** is an important means both of enhancing services to older people and of enabling them to contribute to the community. Higher education organisations could get involved in supporting the development of volunteering, particularly through training and evaluation. Denmark has a new civil society strategy to increase volunteering: organisers can apply for funds to launch projects that engage volunteers.
- **Active ageing** and the **extension of working life** have become an economic necessity in many European countries. But they also correspond to many older people's wish to remain in work. A number of EU Member States that had already intended to raise the **pension age**, for demographic reasons, may do so more rapidly in response to the economic crisis.

- It may be helpful to think more in terms of a **life course perspective**. An example of this is supporting younger people's capacity to plan for life, for instance in terms of pension planning. This whole-life approach would help to demonstrate that ageing is not something that happens suddenly.
- Easier **access to information** by older people and their relatives could help to solve a number of age-related problems. Advice desks would be one way of achieving this. On the other hand, older people come into contact with many professionals: medical services, care services, banks, public administrations etc. These professionals might be provided with simple **diagnostic tools** as a basis for giving advice to their older clients.
- **Forums** of NGOs and senior citizens, either with or without government participation, could help to find **novel, pioneering approaches** and help to ensure that these ideas are not lost. "**Free money**" (top-slicing of government budgets to guarantee a small fund for social innovation) may also serve to promote fresh thinking.
- **Strategies are needed for scaling up age-related pilot projects**. How can the lessons learned from these projects, or from international exchanges of experience such as Peer Reviews, be translated into national policy?
- The **European Year for Active Ageing and Intergenerational Solidarity** will take place in **2012**, the year in which the EU's working-age population will start shrinking. While social policy remains the competence of Member States, both the European Parliament and the European Commission are taking a strong interest in age-related issues – notably dignified, active ageing and the quality of long-term care.