



From the
Secretary of State

DG EMPL - CAD A/ 24420
Date: 25-10-2005 DWP
CF: E
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Work and Pensions

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DG EMPL / E.1 "ARRIVEE"
24-10-2005 A/ 9988
Attrib.: JOB

*original
see CAD
for info*

14 October 2005

Dear Commissioner,

I am pleased to send you the UK response to the Green Paper "Confronting Demographic Change". The ageing society is indeed a key strategic challenge for Member States and the EU as a whole. This discussion is therefore of central importance to us all.

I see the Commission's Green paper as playing a crucial role in setting the challenges we face under the Lisbon agenda squarely in the context of the ageing society. Clearly, if we are to deliver on the key priorities of jobs and growth we need to adapt our thinking and policy responses to these new, and unavoidable, realities.

It is therefore essential that we in the EU can identify how the ageing society can be presented and perceived as an opportunity - an opportunity for individuals to enjoy longer and more active lives and for society as a whole to benefit - rather than a threat or an insoluble problem.



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In addition we need to:

- Develop a shared understanding of the trends which will affect the EU, and as far as possible the extent to which they impact across different policy areas.
- Ensure that these demographic trends are taken account of in EU policy discussion.
- Embed this approach as a particular priority in economic and social policy.

As a contribution to this process I now submit the UK's responses to the specific questions set out in the Green Paper. We have also prepared a position paper setting out how the UK is responding to the challenge of the ageing society. Our underlying policy direction is to help people to make the most of longer active lives so preventing future poverty. By increasing employment, we can help people provide for themselves, their families and their future retirement.

I look forward to working with you on this issue.

Best wishes,

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DAVID BLUNKETT

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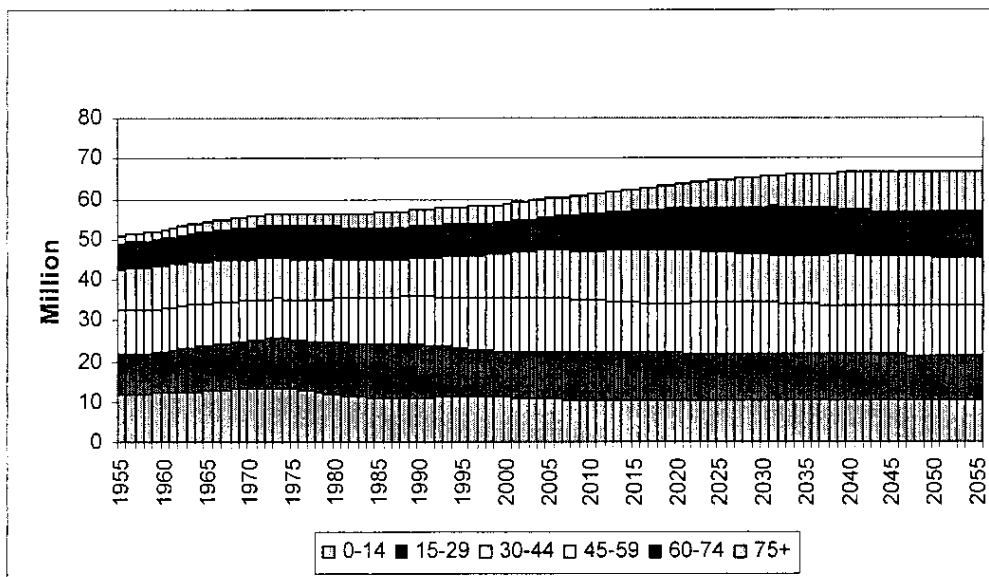
DAVID BLUNKETT

UK POSITION PAPER ON THE AGEING SOCIETY

Background

1. The demographic structure of UK society is changing. Figure 1 shows how the age profile of the UK population will change over the next 50 years:

Figure 1: UK Age Distribution, 1955 – 2055

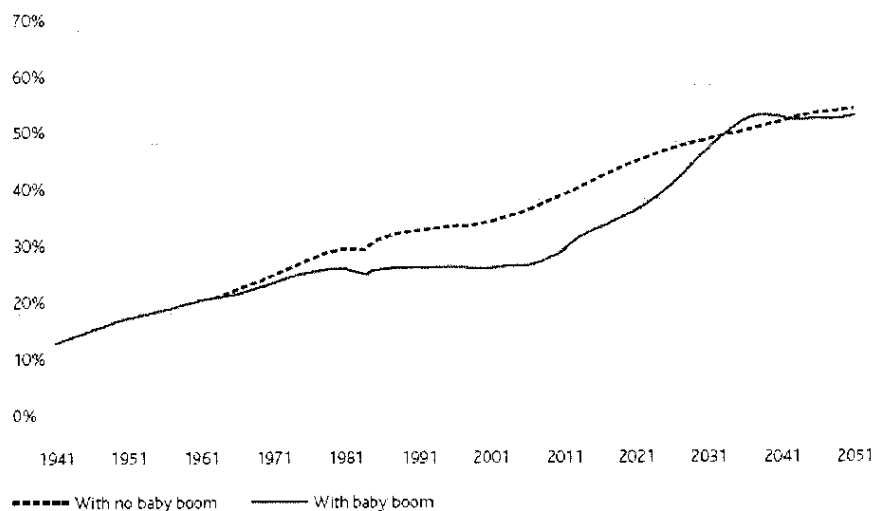


2. The ageing society is one of the principal challenges facing British society. The Government Actuary's Department estimates that the number of people aged 65 and over will rise from 16 per cent of the population in 2005 to 25 per cent in 2041. Over the same period, the proportion of the population aged 16-64 will fall from 65 per cent to 58 per cent. There will be more pensioners and more older pensioners. By 2025, more than half of pensioners will be aged 75 or over.
3. The increase in the dependency ratio arises from three sources:
 - An increase in longevity;
 - A one-off effect as the large "baby boom" cohort makes its way through the working age population into retirement.
 - A long-term trend for people to have fewer children or no children.

Splitting the challenge posed by "the ageing society" into these components is helpful because it draws attention to the possibility that different policies might be needed to address the issues of longevity and the baby "boom". For example,

- the challenge of increasing longevity might be seen as an issue best tackled by influencing the working and savings behaviour of individuals and families within generations;
- the challenge posed by the ageing of the large baby boom generation may be an issue best tackled by policies that focus attention on fairness between generations

Figure 2 shows that the baby boom generation has meant long-run changes in the old-age dependency ratio have been delayed, but this means future changes in the dependency ratio will be more severe.



Source: Pensions Commission analysis based on a synthetic model of the England and Wales population

The UK Approach

4. The UK needs to recognise the demographic changes of an ageing society as profoundly good news. It is good that people are living longer, more active lives. The Government needs to help individuals to develop their potential to secure the best outcomes for themselves. The foundations the Government builds will widen economic opportunity, support improvements in productivity and prosperity, and assist with continuing economic growth.
5. The UK's developing response to the challenges of demographic change builds on a solid platform. More people are employed in Great Britain than ever before, and there are 2 million more people in work now than in 1997. The numbers of children and pensioners in poverty have also fallen significantly since 1997. The next stage of UK reforms will be designed not only to help people to return to work but to progress in work by building the necessary skills and assets for future personal security and success for themselves and their families. The Government's ambition is to lift dependence and liberate the talent and capability every one.

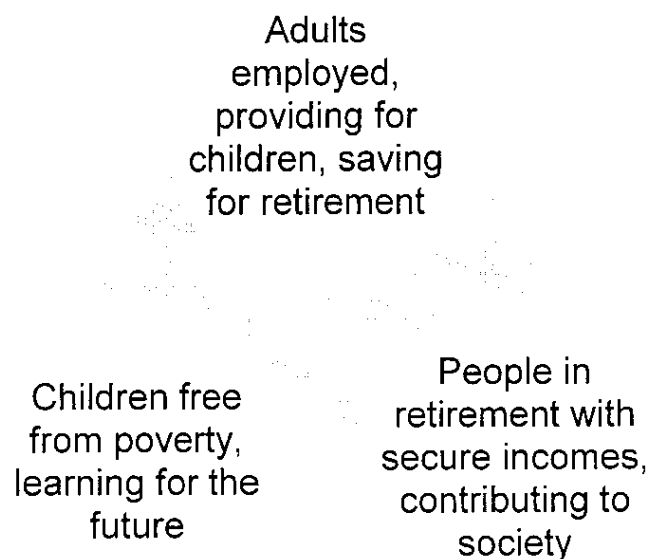
6. The State will provide support, and help individuals fulfil their potential. It will balance rights and responsibilities. It will provide security and stability, to help individuals and therefore broader society respond to the challenges of demographic change and globalisation. The Government wants to remove fear of change and support people through the many transitions they face in their lifetimes.

Supporting people over their lives

7. The Government's social agenda is about realising potential. To achieve this, the UK needs to recognise that for an individual outcomes are largely determined by experiences in earlier periods of their life. For example:

- Where parents, particularly lone parents are out of work for prolonged periods, it increases the probability of poverty for their children;
- Childhood poverty is a predictor of negative adult outcomes, including inactivity and unemployment; and
- A pensioner's retirement income is determined by patterns of working and saving during their working life.

The same principle applies to education and health: a child who experiences good early years support is more likely to achieve good outcomes at school and in the labour force; the foundations of good health and well being in old age are laid in early life.



More people in work, choosing to work longer and save more

8. For most people, work is the best way to achieve economic independence, prosperity and personal fulfilment. Employment enables people to support themselves, their children and their future retirement. Effective labour market policy also boosts output and contributes to a more successful economy, which can then sustain an ageing population.

9. The Department for Work and Pensions Five Year Strategy: *Opportunity and security throughout life* sets out a long term aspiration for an employment rate equivalent to 80 per cent of the working age population. This will mean helping those who are economically inactive back into employment - 2.5 million more people above current figures, including:
 - As many as 300,000 more lone parents in work. As 90% of lone parents are women, providing lone parents with options to work and look after their families would help maintain or improve the UK's current level of female employment, which is 70.1%
 - As many as 1 million fewer people on incapacity benefits
 - 1 million more older workers and people working past State Pension age.

This would make a significant difference to the dependency ratio in an ageing society. If the UK achieved an 80 percent rate by 2050, the worker: non worker ratio would be roughly the same as now.

10. The Government needs to equip people to be 'employable for life'. Skills are at the heart of this, enabling people to take on new roles and adapt to new circumstances. The UK is on track to meet its target of 1.5m adults with better basic skills by 2007 through the delivery of Learndirect, free tuition for adults studying a level 2 Qualification and financial support for adult learners.

Working Longer

11. Enabling people who want to extend their working lives, and providing better rewards for those who choose to do so is a vital part of the response to the challenges posed by the ageing society. Working longer is critical for individuals to sustain themselves in longer periods of retirement that result from increased longevity. From 2010 to 2020 the UK will be equalising women's State Pension Age with that of men at 65. The Government plans to increase the choices and opportunities for individuals to stay in work by introducing more generous options for deferring their State Pension. The Government is already tackling ageism in employment through the Age Positive Campaign. In October 2006 the Government will implement the age discrimination provisions of the European Employment Directive (2000/78/EC).

Work and Health

12. Studies have shown a negative impact of worklessness on health and well-being, and further, the positive contribution work can make to health and well being. Helping people to remain in work is the first step towards achieving long-term health and prosperity. Occupational health is a critical part of that and employers have a role to play. But so does Government, which is why it is developing an initiative with the Health departments to engage key stakeholders in creating the first ever joint *Strategy for the Health and Wellbeing of Working Age People*.
13. But to achieve the aspiration of an 80% employment rate the Government needs to do much more – supporting individuals on other benefits to manage their health condition before moving onto incapacity benefits, and supporting those claiming incapacity benefits to make the transition into work. These ambitions demand a major overhaul of the existing benefit system and the menu of support the Government provides to benefit recipients.

Managing Health

14. The Government is concerned to support people who manage their medical conditions and receive a personalised service. An individual personal care record will enable health care professionals to have easy, rapid access to patients' medical histories at any time of the day, supporting better diagnosis and treatment and reducing errors. The technology will also enable patients to have more influence over how they are treated. The Department of Health published a White Paper on Choosing Health that identified public health priorities in England of:
 - reducing the numbers of people who smoke,
 - reducing obesity and improving diet and nutrition,
 - increasing exercise,
 - encouraging and supporting sensible drinking,
 - improving sexual health and
 - improving mental health.

Supporting communities and building up housing assets

15. The Government, through its Neighbourhood Renewal programmes is taking action to tackle disadvantage, focusing on the most deprived areas and giving people the power and money to turn their neighbourhoods around. Over £2.5 billion is invested each year in practical work to tackle disadvantage in England. This work is at the heart of the government's wider agenda to create Sustainable Communities – places where people want to live and work, now and in

the future. Through the £38 billion Sustainable Communities Plan, the government is investing in housing, jobs and sustainable growth. The Office of the Deputy Prime Minister's Five Year Plan *Sustainable Communities: Homes for All*, takes this to the next stage, enabling new generations of home owners to take a step on the housing ladder and new generations to own a stake in their own home.

Saving for pension

16. Increasing the employment rate is a key means of ensuring that future generations of pensioners have adequate incomes. The other piece in the jigsaw is to ensure that those in work and who can afford to do so are encouraged to make provision for their own retirement. About 18.7 million people have gained from the introduction of the State Second Pension, including 5.8 million low earners of whom 65% are women, building future assets. By working with others, the Government will:
- Seek to increase participation among those eligible for membership of occupational pensions schemes.
 - Work with employers to enable people to be better informed about their choices in retirement; and
 - Safeguard occupational pension provision through the Pension Protection Fund (PPF) and The Pensions Regulator.

The independent Pension Commission is reviewing the regime for UK private pensions. The UK Government has published *Principles for reform: the national pensions debate* setting out the principles that will underpin the reform of state pensions to respond to the extra pressures of the ageing society.

17. Womens pensions are affected by their working patterns and earnings over their lifetimes. Women with fragmented working patterns and periods out of the workplace with caring responsibilities tend to have poorer pension outcomes – from both the state and private pension sectors – than men. The Women and Work Commission, appointed by the Prime Minister in July 2004, is looking at how to close the gender pay gap and improve employment outcomes for women. The Pensions Commission will report in Autumn 2005.

Migration

18. The UK continues to develop a managed migration system to support its economic growth by meeting skills shortages and providing flexibility. This takes place within an overall migration system that also includes improving migration controls and promoting integration. Demographics are not currently the driving force behind migration policy for the UK as a whole. The UK population is already projected to grow over the forthcoming decades.

Supporting families and children

19. The UK vision is to ensure every child gets the best start in life and to give parents more choice about how to balance work and family life. This is fundamental to UK objectives to eradicate child poverty by 2020, to expand opportunity across generations and to break down the cyclical effects of deprivation. In an ageing society, current generations will depend more heavily on those who follow and so it will be increasingly important that all children are given the chance to fulfil their potential. The UK strategy for supporting families and children involves:

- Work for those who can, helping parents participate in the labour market;
- Financial support for families, with more support for those who need it most, when they need it most;
- Delivering excellent public services that improve poor children's life chances and help break cycles of deprivation, including delivering affordable, high quality childcare to allow parents who want to, to work, and
- Support for parents in their parenting role so that they can confidently guide their children through key life transitions.

Childhood health

20. Health throughout life is affected by habits learned in childhood and adolescence. Eating patterns, exercise, smoking, violent behaviour, substance abuse and risky patterns of sexual behaviour are all areas where problems may be perpetuated, particularly in deprived socio-economic groups, if families are not supported.

Closing the gap

21. Support for learning is critical to giving children a good start in life enabling them to fulfil their potential. The Government has invested significantly in education and is working to ensure that there is a nursery education place for all 3 and 4 year-olds whose parents want one. Sure Start is already giving 400,000 children a better start in life. Since 1998, about 84,000 more 11 year-olds are achieving the expected level for their age in maths and around 60,000 more are doing so in English. An

increasing number of young people are staying in education after 16, and a record number of students are now going onto university.

22. While the Government has opened up opportunity at every stage of life, it has not yet broken the link between social class and achievement. Closing the achievement gap is important as educational outcomes are closely linked to long-term equality of opportunity through building skills and boosting employability. In particular educational outcomes for children from poorer or deprived backgrounds and certain ethnic minority groups are disproportionately bad compared to the rest of the population.

Building up assets

23. The Government is supporting people to build up assets for themselves, encouraging this practice from a very early age. In January 2005 the Government launched the Child Trust Fund which is designed to encourage a culture of saving and to provide a lump sum for every youngster when they reach 18. The Government has also promised a further cash contribution when the child reaches seven. The Child Trust Fund will be accompanied by financial education that will encourage the young person to understand the benefits of savings and investment and to use these assets to realise opportunities for their future or to reinvest and provide security in the medium or long term

Security and dignity in retirement

24. The UK is committed to ensuring security and dignity in later life. In *Opportunity Age: Meeting the challenges of ageing in the 21st Century*, the Government set out how it will support pensioners by working with other organisations to continuing to reduce poverty and put in place further mechanisms to support an older population. Measures to support pensioners include:
- Increasing basic State Pension, between April 2000 and 2005 pensioners saw a 7% increase over and above inflation in their basic state pension; paying out Winter Fuel Payments to all households with someone aged over 60, and by giving free television licences to all those aged 75 and over.
 - Increasingly operating joined-up services with other organisations in the community to ensure that pensioners receive a holistic service.
 - Using the income related Pension Credit to continue to combat pensioner poverty, focusing support on the poorer pensioners – as well as rewarding those who have made modest provision for their retirement.
 - The PPF will ensure that members of defined benefit schemes will receive a meaningful level of income in retirement even if their employer goes bankrupt leaving their scheme underfunded.

25. Good access to healthcare is particularly important for older people. Although people are living longer and healthier lives, more and more people will need to be supported in living with chronic diseases, to have access to appropriate treatments like hip replacements and cataract removal which aid continued mobility and quality of life. Health promotion earlier in life, for example smoking cessation advice and limiting obesity, will reduce the burden of disease for older people. The Government Green Paper on adult social care, Independence, Well-being and Choice, published in March 2005, announced that a series of pilot projects would be run to test out the concept of individual budgets in a variety of settings.

26. Ethnic minority groups are the fastest ageing groups within the population, yet many suffer poor health, live in inadequate housing and experience low incomes even more frequently when compared to the pensioner population as a whole. On health inequalities specifically, many older people from ethnic minority communities have a high need for health care, yet report even worse services than others. This can be because of language and cultural barriers, a lack of awareness of social and public service, social isolation and racism. There may be the need for culturally-specific and appropriate services as they reach old age and retirement.

Equality for disabled people

27. Equality for disabled people supports positive outcomes at every stage of the lifecycle. The UK government is committed to ensuring that disabled people have comprehensive and enforceable civil rights. The Prime Minister's Strategy Unit report *Improving the life chances of disabled people* sets out a 20 year vision, so that, by 2025, disabled people in Britain will have full opportunities to improve their quality of life, and will be respected and fully included as equal members of society.

Conclusion

28. The Government's aim is to liberate people to make the most of their lives and to help them respond themselves to the challenge of demographic change. It will help more people into the labour market to provide for themselves their children and their future retirement. This will help ensure that children have the best start in life, so that they fulfil their potential and expand opportunities for themselves and future generations; and to provide security and dignity for those in retirement.

EUROPEAN COMMISSION'S GREEN PAPER "CONFRONTING DEMOGRAPHIC CHANGE: A NEW SOLIDARITY BETWEEN THE GENERATIONS"

THE RESPONSE OF THE UNITED KINGDOM

The United Kingdom welcomes this opportunity to comment on the issues and questions raised in the EC's Green Paper on demographic change.

Do you take the view that the discussion of demographic trends and managing their impact should take place at European level? If so, what should be the objectives, and which policy areas are concerned?

Demographic change is a major challenge facing the European Union. The UK welcomes discussion at the European level of demographic trends and managing their impact.

The main objectives of the discussion should be to:

- Seek to identify how the ageing society can be presented and perceived as an opportunity - for individuals to enjoy longer and more active lives and for society as a whole to benefit.
- Develop a shared understanding of the trends which will affect the EU, and as far as possible the extent to which they impact across different policy areas.
- Ensure that these demographic trends are taken into account during EU policy discussion.
- Embed this approach as a particular priority in economic and social policy.

Should the European Union be promoting exchanges and regular (e.g. annual) analysis of demographic change and its impact on societies and all the policies concerned?

Should the Union's financial instruments – particularly the structural funds – take better account of these changes? If so, how?

This is a long term challenge where change develops over time. The EU should promote exchanges and periodic analysis of demographic change, for example annual data collection at an EU level would not generate significant added value. The EU should do this through existing instruments, for instance through work on the integrated economic and employment guidelines and through the Open Method of Coordination on pensions or social inclusion. We need also to consider the relevance of existing data and research before necessarily commissioning new studies. The ONS has a key target to improve the quality and reliability of statistics relating to population as well as statistics relating to pensions, government output and wealth & assets.

In the last year, the government has established the Coordination of Research and Analysis Group (CRAG) and this group has made ageing and migration two of its four priority themes.

The Structural Funds, especially the European Social Fund (ESF) should take account of these changes by supporting Member States policies to increase the employment rate, particularly among young people and older workers. Structural Funds should be focused on the poorest Member States which are most in need of assistance and where EU funding is likely to have the greatest added value. In those Member States, ESF should support policies set out in Lisbon national reform programmes. Priority should be given to helping people who are unemployed, economically inactive or disadvantaged to develop skills and enter employment. There should be flexibility for Member States to define target groups and activities for ESF according to their national and regional priorities and needs. For example in the UK we have an aspiration of an employment rate equivalent to 80% of the working age population. To meet this aspiration we need to significantly increase the levels of employment amongst those out of work through sickness and disability, lone parents and older people.

How could European coordination of employment and social protection policies better take on board demographic change?

Future EU employment and social protection policies need to be informed by the emerging demographic changes. Economic and social policies need to take account of this trend- our actions over the next twenty or thirty years will contribute to shaping the political dilemmas for future generations. We need to make sure that we leave a strong legacy.

Coordination of employment and social protection policies need to recognise the ageing society as an opportunity as well as a challenge. It is profoundly good news that people are enjoying longer and more active lives. Our challenge is to help individuals make the most of their potential, progressing in work and building the necessary skills and assets for future personal security and success for themselves and their families.

How can European social dialogue contribute to the better management of demographic change? What role can civil society and civil dialogue with young people play?

The UK recognises the potential contribution of all stakeholders at a national level. Discussion needs to take place on a common understanding of the scale of the challenge, and the need to address the challenge across the lifecycle. In recognition of this the Government has launched the National Pensions Debate. The Debate will engage Ministers and others in structured events to listen to the

thoughts, opinions and experiences of a wide range of people of different ages and different backgrounds, including young people. Its aim is to seek to build a consensus for a long-term solution to the issue of adequate provision of income in retirement.

The Government also recognises the contribution of key European stakeholders, including the European Social Partners particularly on such issues as youth employment, ageing workforce, diversity issues, lifelong learning and mobility of labour.

How can demographic change be made an integral part of all the Union's internal and external policies?

EU policy needs to take account of the demographic changes underway. Most social policy levers are controlled at a member state level. The EU should make its contribution through existing instruments such as the Open Method of Coordination on pensions or social inclusion, the integrated economic and employment guidelines and the European Social Fund.

1.1 a. How can a better work/life balance help to tackle the problems associated with demographic ageing?

People look to improve their own work-life balance for many reasons, whether to care for someone such as their child, pursue a hobby or simply to have more personal time. Being able to work fewer hours for example could help the individual to continue in their job later in life and allow their employer to retain vital skills and experience. Work-life balance policies, including flexible working, are particularly important for those individuals who care for sick or elderly adults. Employers say such policies are good for morale and staff commitment, reduce staff turnover and recruitment costs, help retain valued skills and help meet increasing customer expectations.

The UK Government has promoted Work-Life Balance through raising awareness of employer best practice supported by targeted light-touch legislation. Between 2000 - 2004 the Government's Work-Life Balance Campaign encouraged employers to adopt work-life balance policies by raising awareness of the business case, spreading best practice and the sharing of case studies. A key element of the Campaign was the Work-Life Balance Challenge Fund which provided over £10.3m in the form of consultancy to a total of 448 employers representing over 1.2m employees. The Government also introduced a right for parents of children under 6 and disabled children under 18 to ask to work flexibly and placed a legal duty on their employers to consider such requests. The proportion of requests declined by employers has since almost halved from 20% to 11%. The Government recently announced

that it plans to extend the scope of the law to cover carers of adults and would consult further about which carers the law should cover.

1.1 b. How can a more balanced distribution of household and family tasks between men and women be encouraged?

1.1 c. Should the award of certain benefits or advantages (leave, etc.) be linked to an equal distribution of tasks between the sexes? How best to ensure an adequate income for both parents on parental leave?

Supporting families in balancing their responsibilities by enabling both parents to take time off to care for their child or to adopt a flexible working pattern is a key step in encouraging an equal distribution of tasks between the sexes. However, the UK believes that it is for families to agree how they will balance their responsibilities and that Government's role is to give parents real choices so they can make the arrangements which work best for them. The choices available need to reflect the wide variety of family patterns that exist. To this end, we have given mothers and fathers of young children the right to request flexible working and have recently consulted on options which would enable a mother to transfer some of her maternity leave and pay the child's father. Linking entitlement to a set distribution of tasks would undermine choice for families and would not recognise the diversity of family structures which make up society today.

The UK recognises that providing an income for parents taking time out when a child is born is key to enabling parents to take leave. The same flat rate payment is made to both mothers and fathers taking maternity or paternity leave. We have an ambition to raise that flat rate over time and as part of our recent "*Work and Families: Choice and Flexibility*" consultation, which ended on 25 May, we asked what the guiding principles should be in raising the flat rate. Responses are being considered and a package will be announced later this year.

The UK introduced in April 2003 the right for both male and female parents of young children to request a flexible working pattern. This coupled with paternity provision goes some way towards facilitating a balancing of household and family tasks. In addition, the UK government has recently been consulting on options which would provide parents with greater choice and flexibility in how to raise their child during the first year of its life. This would support parents who wish to share childcare responsibilities. Equal opportunities legislation sends clear messages about the State's views on gender issues. This can be influential in engendering behavioural change.

1.1 d. How can the availability of child care structures (crèches, nursery schools, etc.) and elderly care structures be improved by the public and private sectors?

The UK has invested heavily in childcare provision since 1997. Much of this investment has been directed towards areas of disadvantage. The UK has a mixed market of public, private and voluntary sector provision in the pre-school and childcare sector.

Resources have been used to increase the supply of childcare places as well as investment in the quality of the provision. There have also been substantial increases in demand-side investment via the tax credit system (by 2007-08 there will have been a fifteen-fold increase over 10 years). Supply side investment was needed to allow for a rapid expansion in childcare provision. Investment in the demand side (putting money in the hands of parents as purchasers of childcare) helps drive quality up and prices down. Local authorities have a key role in delivering childcare strategy.

In England the Government is soon to place a new legal requirement on Local Authorities to ensure adequate childcare is available to those who need it, with particular emphasis on the needs of disadvantaged groups. Quality of childcare is guaranteed through inspection undertaken by the relevant regulatory bodies in each UK country. Many providers also use voluntary 'kite-mark' schemes such as 'Investors in Children'

The Government's Green Paper on adult social care, *Independence, Well-being and Choice*, published in March 2005, announced that a series of pilot projects would be run to test out the concept of individual budgets. These pilots were also signalled in the Government's strategy for older people *Opportunity Age* and in the Number 10 Strategy Unit Report *Improving the Life Chances of Disabled People*. This meets the *Opportunity Age* commitment to starting pilots by the end of this year. The programme of pilots will be managed by the Department of Health, working closely with colleagues from the Department for Work and Pensions (DWP) and the Office of the Deputy Prime Minister (ODPM).

1.1 e. Can a reduced rate of VAT contribute to the development of care services?

The UK exempts care of elderly people or children when this is supplied by certain providers, including charities and state-regulated commercial organisations. This exemption applies to both care provided in an institution (such as a care home) and care provided in the recipients' home.

While no detailed Ministerial view has been formed on a reduced rate, the most appropriate VAT treatment for care services is that which reduces the cost of the services and makes them more accessible to individuals who may benefit from them. It is not clear that a reduced rate (even if set at the minimum permitted rate of 5%, and taking into

account the care providers' right to reclaim VAT on purchases) would achieve that objective more effectively than the present exemption for VAT from care services.

However, although it would be unlikely to support the removal of any of the exemptions in the public interest, the UK has argued in favour of flexibility for Member States, where this does not harm the efficient functioning of the Single Market.

1.1 f. How can parents, in particular young parents, be encouraged to enter the labour market, have the career that they want and the number of children they want?

Governments need to develop policies that give parents meaningful choices about how they balance work and family lives. Parents of young children need to be able to spend time with their children to form emotional bonds and to enhance the child's development, particularly during the first year of life. Government can help them achieve this through provision of a supportive employment framework and facilitating the spread of employer best practice.

- In the UK the right to maternity leave was extended from 18 weeks to 52 weeks in April 2003. The right to statutory maternity pay was increased from 18 to 26 weeks at the same time and the amount was substantially increased, by 33%. From 2007 the period of paid maternity leave will be further extended to 39 weeks with the aim on 52 weeks by 2010. Currently new fathers have the right to two weeks paid paternity leave. From 2007 we will introduce the right for a proportion of a mother's paid maternity leave to be shared with the father.
- The UK has recently introduced a new right to request flexible working, as described in question 1.1a.
- The provision of accessible, affordable, high quality childcare is key to enabling parents to balance work and family life.
- Financial support for children also allows parents to work. In the UK we provide universal support via Child Benefit to the value of [£8.9bn in 2002-03]. We also provide targeted support for those on lower income via the Child Tax Credit

The UK also provides wider incentives to encourage people to work such as the national minimum wage, working tax credit and 'progressive' taxation all of which help to ensure that work pays more than the benefit system.

1.2 a. To what extent can immigration mitigate certain negative effects of demographic ageing?

The Home Office's Five Year strategy for asylum and immigration identified that, like most developed countries, the UK needs economic migration within strict criteria.

The debate on whether immigration can mitigate the effects of demographic ageing sometimes confuses two separate but related issues. There is a distinction to be drawn between migration as a possible solution to skills shortages (a specific, more short-term issue) and migration as a potential remedy for long-term population ageing.

Clearly migration can, and has, helped to alleviate the former. However, research shows that sustained higher levels of net inward immigration would only have a limited long-term effect on indicators such as the proportion of the elderly or on demographic dependency ratios. The simple reason is that migrants grow old as well. So while higher levels of net migration would provide a short-term boost to the working age population, the higher migrant numbers will eventually feed through to the retirement age population as well.

1.2 b. What policies should be developed for better integrating these migrants, in particular young people?

The UK strategy is concerned with helping those people who are admitted to the country on a long term basis to make a success of their new lives here. Integration policies are therefore designed to achieve this goal. Acquisition of language skills is seen as a crucial element in achieving effective integration and the UK now has a requirement that people seeking nationality should demonstrate a specified level of competence. From later this year, applicants will also have to show that they have some knowledge of life in the UK and in the future, these requirements will be extended to those seeking to stay permanently in the UK. The UK feels that provision of programmes that are readily available to migrants and that cover both language and cultural awareness are an important element of better integration.

UK policies on language and citizenship knowledge have been developed through the close involvement of an independent and experienced Advisory Group, which included experts in language teaching, community development and citizenship. We consider this independent element to be an important means of ensuring that policies are not developed in a vacuum. An Advisory Board on Naturalisation and Integration, with membership from a broad cross-section of UK society, will continue to advise the Government on its integration policies.

In respect of young people, particularly those of school age, it is important that their language needs are met through mainstream education, as this again improves integration prospects. The broad

topic of citizenship has been included in the National Curriculum for 11-16 year olds in England since 2003, giving young people – both migrants and those from the receiving society - a greater awareness of what it means to be a good citizen and of other cultures.

The UK has recently published a new national strategy for integrating refugees called *Integration Matters*. Under this, new refugees will be able to work with personal caseworkers to produce integration plans tailored to their own circumstances. This addresses the specific needs of a particularly vulnerable group.

In Scotland, the Fresh Talent initiative aims to attract bright, hard working and motivated individuals to come and live, work and study in Scotland. To support this initiative, a Relocation Advisory Service has been set up to offer advice to those wishing to come and live in Scotland. A Challenge Fund also offers support to universities and colleges for activities aimed at helping students to integrate into life in Scotland.

1.2 c. How could Community instruments, in particular the legislative framework to combat discrimination, the structural funds and the Employment Strategy, contribute?

The Structural Funds, particularly the European Social Fund (ESF), can contribute by providing employment and training opportunities for immigrants who are eligible to work in line with national laws. The ESF can help to integrate eligible immigrants into the labour market by providing advice and guidance and by providing training in basic and vocational skills where there is a need for these activities. Priority should be given to immigrants who are at a disadvantage in the labour market. Any targeting of ESF funds on immigrants must take full account of national and regional priorities and needs, and should not be prescribed at Community level. The European Regional Development Fund (ERDF) can help by providing sites and premises for employment and training opportunities. It can also support the setting up and expansion of small and medium enterprises by immigrants and other members of the community. Furthermore, targeted ERDF support in Community Economic Development areas can support, among other things, the provision of community development workers, the setting up of new models of community management and community enterprises.

The European employment strategy is the instrument for policy exchange and learning across the EU. It therefore offers a forum for the implementation and showing of best practice on all aspects of employment policy, including the role of migration as a source of Labour Supply. The UK government has set out a policy of managed migration from outside the European Union, to provide those labour

market needs of a growing economy that cannot be met purely from existing UK-born workers or from migration within the EU. A successful managed migration policy is likely to have both economic and other benefits – in terms of additional output, employment and tax revenue, labour market flexibility, and cultural diversity. And it is also likely to minimise adverse consequences from migration flows that, without appropriate controls, might be too large over a short period of time to be absorbed easily by the host country. Employment strategies aimed at immigrants in individual member states must take full account of national and regional priorities and needs, and should not be prescribed at Community level.

2.1 a. How can Community policies contribute more to combating child poverty and poverty among single-parent families and to reducing the risk of poverty and exclusion among young people?

The open method of co-ordination (OMC) in the field of social inclusion presents new opportunities for tackling poverty with a focus on partnership between all those with an interest in this area. The OMC also provides an important focus on gender as a significant aspect of the anti-poverty strategy – this may be particularly important for tackling child poverty. This approach can also improve the effectiveness of national strategies in combating.

The effectiveness of this process in combating child poverty and amongst the other groups mentioned could be improved by making these issues a specific focus of the OMC. This could be achieved by, for example:

- using the social inclusion Action Programme to support further research and exchanges of good practice in this area; or
- linking the OMC more effectively with other EU programmes which have an impact on child and family policy, including action in the fields of health, education and skills.

However, many of these changes would depend on the identification of a deficit in current support for action in this area: in our view, tackling child poverty is at the heart of the OMC and we remain to be convinced that further action in this area (as opposed, for instance, to poverty amongst single adults) is required.

2.1 b. How can initial training and adult training schemes be improved? What can non-formal education and voluntary activities contribute? How can the structural funds and the instruments for achieving better access to the knowledge society contribute?

In England, the Department for Education and Skills published its second Skills Strategy White Paper, *Skills – getting on in business*,

getting on at work, in March 2005. It reinforces and builds on the 2003 White Paper *21st century skills – realising our potential* and sets out the Department's policies and progress in improving adult education and skills. Through the Skills Strategy, we want to ensure that all adults have the opportunity to develop a foundation of basic and work skills, so that they become more employable and adaptable to the changing needs of the workplace.

The Skills Strategy is about widening adult participation, helping those who did not achieve at school and giving people the opportunity to get a first step on the learning ladder. It gives priority to Skills for Life (literacy, language, numeracy and ICT) and to Level 2 qualifications. It aims to provide better support to employers in assessing and providing for the needs of their employees. It also recognises demographic change and the increasingly important part that older people will need to play in contributing to future economic success, and we are working to change attitudes and perceptions about what an ageing society means and to stimulate innovative ideas and technologies to transform older lives.

The Skills Strategy also underlines our continuing support for Personal and Community Development Learning (PCDL), which does not generally lead to qualifications. Its wide range of provision helps address priorities for disadvantage, exclusion and neighbourhood renewal, and contributes to the aim of creating a learning culture. PCDL helps to promote positive citizenship and personal development and has an important role in helping people up the ladder towards employment. It also provides opportunities for learning for its own sake, for personal fulfilment and for leisure, bringing important health, social and community benefits, including for older people.

Key policy developments announced by the 2005 White Paper for improving adult provision include the roll-out of the National Employer Training Programme, which offers employers a wide range of support in identifying and meeting the training needs of their employees, the creation of new Skills Academies to deliver training in each sector, the national roll-out of the entitlement to free tuition to NVQ Level 2, and an improved and extended service to deliver individual advice and guidance on careers, training and support.

In Scotland, the Lifelong Learning strategy, "*Life through learning: learning through life*", published in 2003, sets out the approach to skills and workforce development. There are currently a range of interventions underway from which adults can benefit. These include Individual Learning Accounts which provide £200 per year towards the cost of learning for individuals on a low income and £100 per year for anyone who wants to undertake basic ICT training. The introduction of adult literacy and numeracy partnerships in 2002 has helped 71,000 new learners to improve literacy and numeracy skills. The Modern Apprenticeship scheme has been opened up to those over 25 and

Business Learning Accounts (BLAs) are being piloted. BLAs provide small business with funding toward the cost of training their staff.

Volunteering at any age can make a positive contribution to the wider community by promoting social cohesion, strengthening local democracy and reaching out to the socially excluded. Among other benefits to the individual and to society, volunteering can help to provide young people with a route back to engagement in learning and employment. It can help to broaden horizons, raise aspirations and influence career choices. It boosts confidence and supports the development of personal and social skills (like teamworking, communication skills and decision-making) sought by employers.

The Structural Funds, especially the European Social Fund (ESF), can contribute by supporting Member States' policies to increase participation by young people in employment, education and training, in line with priorities identified in Member States' Lisbon national reform programmes. ESF funds should be targeted where they can add value to national resources. This may include, for example, providing additional employability or learning interventions to help young people who are not in employment, education or training. However, within the objective of integrating young people into the labour market, there should be flexibility for Member States to define target groups and activities for ESF according to their national and regional priorities and needs. The European Regional Development Fund can support the development of capital facilities for the provision of employment and training.

2.1 c. How can the bridges between school and working life and the quality of young people's employment be improved? What role should social dialogue play? What can dialogue with civil society, in particular youth organisations, contribute?

In its 14-19 White Paper, the Department for Work and Pensions announced that in England and Wales it would be building on the success of initiatives such as the Increased Flexibility for 14-16 Year Olds (IFP) Programme and Young Apprenticeships to develop substantial and high quality vocational education and make it available to young people across the country.

In May, the Scottish Executive published its strategy and guide for school and college partnership *Lifelong Partners* - this focuses on increasing and enhancing school/college partnerships to extend opportunities for pupils to access high quality experiences. The Scottish Qualifications Authority are developing new Skills for Work Courses to help young people of all abilities develop important knowledge and skills for employment and life through practical experiences linked to particular careers.

The IFP Programme

IFP was introduced in September 2002 to provide a structured programme aiming at level 1/2 achievement. More than 2,000 schools are currently involved and around 100,000 pupils. IFP is delivered through local partnerships and in this cohort (3) there are around 300 partnerships, the majority led by General Further Education Colleges, but with other prominent leads including **Education Business Partnerships**. Owing to its scope, IFP is seen as one of the key building blocks for delivering the 14-19 agenda.

The Young Apprenticeship (YA) Programme

The first group of 1,000 young people started the programme in September 2004 and the second cohort of 2,000 will start this September. The Young Apprenticeship Programme is a new opportunity for some 14-16 year olds to combine practical application of skills and knowledge in a vocational context with the pursuit of qualifications that relate to particular occupational sectors. This involves an average of two days a week spent on the programme, typically with a training provider or college and within this, 50 days of work experience with employers.

2.1 d. What forms of solidarity can be fostered between young people and elderly people?

The UK sees solidarity between young & older people as essential, particularly in the context of an ageing society. The pensions settlement needs to be considered fair by young and old alike. We support and spread good practice where young and old work together for mutual benefit. Part of our ageing strategy is to spread such practice more widely. For example the £13million Partnership Fund, which supports not-for-profit organisations to run innovative pilots, has already produced this example of young and old people working together:

Glenkens Community & Arts Trust was awarded just over £40,000 to enable them to support older people to live independently. The project co-ordinator has met with local school children and invited them to submit a poster promoting the "Living Independently" initiative, thereby raising awareness amongst young people of what it means to older people to retain their independence. The community are also arranging tea-dances and fashion shows for local pensioners to coincide with their World War Two projects. Local school children will be interviewing older people and tape recording their memoirs, bringing generations together.

2.2 a. How can the organisation of work be modernised, to take into account the specific needs of each age group? How can young couples' integration in working life be facilitated and how can we help them to find a balance between flexibility and security to bring up their children, to train and update their skills to meet the demands of the labour market? How can we enable older people to work more?

Work organisation in the 21st century has to recognise that adults of all ages have responsibilities, commitments and needs that cross both their working and private lives. For individuals, flexible working opportunities, training and retraining throughout their working lives are critical to help them stay in work and at income levels they expect to reach or maintain, while balancing their external responsibilities. For employers flexible working, up-skilling, and retention policies are critical to retain skilled workers and to maintain productivity and growth. Many young adults have to balance the needs of caring for children, working and training, but with increasing numbers of people staying-on longer in further and higher education and then establishing themselves in their careers before having children, childcare responsibilities for many last into later life. This currently affects women more than men as women undertake more childcare responsibilities than men. In an ageing society older workers also increasingly have caring responsibilities for older dependents, children and grandchildren. In the UK the age group most likely to have caring responsibilities are people aged 45 to 65, and the majority of carers are women. While the principles and opportunities are equally valid for men and women, supportive flexible work opportunities are particularly helpful for women who still tend to be involved with caring at different stages throughout their lives.

Flexible working options including part-time work, flexible hours, seasonal work, peak productivity working, and shift working, can also help people with failing health to stay in work longer whilst preventing further deterioration in their health condition and achieving a work-life balance that is right for them. Health problems can affect people of all ages and for varying durations, but again flexible working opportunities can be particularly helpful to those older workers who face health problems and feel unable to continue in employment if the only option is full-time work.

Quality occupational health support, and active health and safety management by employers, with appropriate workplace and job design adjustments, are essential to support the health and productivity of all workers and can help to prevent or manage many health conditions.

In the UK growth in the employment rate above State Pension age is clearly linked with a preference for part-time working. Employer HR practices, private pension provision as well as the state tax, benefit and pension systems, need to be supportive of on-going employment

opportunities – full-time, part-time and flexible – to help older people to stay in work as long as they wish.

In the UK many employers large and small, across many sectors, are strongly advocating the business benefits of flexible working, for younger and older workers, and of retaining valued older workers longer. But these employers also appreciate the need to ensure that workers of all ages are maintaining training and up-skilling throughout their working lives to maintain productivity. Research indicates that older workers can compensate for any decrease in speed by increases in quality and accuracy. Any slowing in some senses tends to be offset by speed and quality of judgement arising from years of experience. Actual reductions in productivity are more likely to result from a failure to maintain the skills and training of older workers as much as younger workers.

2.2 b. How can work organisation best be adapted to a new distribution between the generations, with fewer young people and more older workers?

In addition to the points above, the focus must be on ability and maximising potential at all ages. In the UK by 2010 about 40% of the workforce is likely to be aged 45 and above, with 16 to 24s comprising just 17%. There is no place for ageism in recruitment, training, promotion, retention, or pay. There are real opportunities to integrate workers of all ages so that older workers can support the training and mentoring of younger workers by sharing skills and experiences, but all workers, including older workers must be continually up-skilled to support on-going efficiency and productivity.

We cannot assume there are a limited number of jobs in the labour market. The retention of older workers does not constrain job opportunities for younger workers in the wider labour market. In the UK and beyond it is increasingly understood that supporting the retention of skilled workers, supports on-going productivity, and therefore supports growth in the jobs market.

2.2 c. How can the various stakeholders in the Union contribute, in particular by way of social dialogue and civil society?

We welcome the contribution of all national stakeholders to the debate on demographic change. The UK encourages contributions from stakeholders on a specific and on an ongoing basis.

The Department for Work and Pensions (DWP) has regular ongoing dialogue with a wide range of intermediary organisations that work with our customers, about the full range of services that it provides. This dialogue takes the form of regular consultative groups, covering policy,

strategy and operational issues, and day-to-day dialogue as and when issues arise. It consults with employers, local authorities and the pensions industry, who are key stakeholders, through a mixture of regular formal meetings and ad hoc consultation on specific issues . DWP also obtains views of service users, through regular customer surveys, about their perception of the service they have received.

In developing and implementing all aspects of domestic policy the Department of Trade and Industry maintains contact with a wide range of stakeholders from business, industry, trade unions and non-government organizations. Such dialogue is conducted through a variety of methods, from regular formal meetings at ministerial and official level with key stakeholders to formal and informal consultation on specific issues, for example age discrimination and older workers.

We also encourage and welcome dialogue between social partners on issues related to demographic change. European Social Dialogue can make an important contribution on such issues as the ageing workforce, the need for lifelong learning and ensuring equal opportunities and fairness at work.

2.3 a. Should there be a statutory retirement age, or should flexible, gradual retirement be permitted?

Arbitrary retirement ages, in the context of an ageing and generally healthier population place artificial constraints on individuals, societies and economies. In the UK we currently have no statutory retirement age, but culturally individuals regard the State Pension age as a boundary¹, instead of what it is – an income safety-net for the poorest and least able to continue to work in our society. Many employers have reinforced this cultural view by setting their own compulsory retirement ages at the same point as the State Pension age. Current legislation – before the introduction of age discrimination legislation in 2006 – allows employers to set a retirement age at any age within their company.

It is essential that individuals have the opportunity to work as long as they wish, with the flexibility to plan and manage their income through work and income, for them to achieve the best balance to meet their own needs, for the short term and their later retirement. For employers, with an ageing workforce, arbitrary fixed retirement ages can undermine productivity and their ability to manage or indeed prevent skills shortages. Abilities, needs and health vary enormously between all individuals, and no less amongst older workers. Our approach to retirement has to provide for this variety.

¹ Individuals have had the flexibility to carry on working and either draw or defer their State Pension

To support a more flexible approach to retirement the UK Government has since April 2005 increased the rates and options for individuals to defer receipt of their State Pension including the option of a deferred lump sum for the first time. From April 2006 we are also removing tax rules on pensions which prevent many from working and drawing their occupational pension with the same employer.

In developing our approach to implementing age discrimination legislation scheduled for October 2006, we have consulted at length with employers, individuals and their representatives, to establish what the best approach is. While an increasing number of employers are able to organise their business around the best practice of having no set retirement age for all or particular groups of their workforce, some nevertheless still set retirement ages. We have therefore announced that we will make compulsory retirement ages below age 65 unlawful, except where an employer can justify a lower age. We are also giving individuals the right to request to stay on beyond any compulsory retirement age, which employers will be required to give due consideration. However as we are clear that moving towards flexible retirement is the right longer term position, we will review in 2011 whether there is an on-going need for a 65 default retirement age in the legislation.

Whilst it must be right that individuals should have the choice and ability to remain economically active as long as they wish and to manage their own income levels, they need readily available information and guidance to make the choices that do best serve their circumstances and needs. That is why we are also providing all adults (up to State Pension age) with individual State Pension forecasts, we are encouraging employers to provide information to their workers on pension entitlements and options, we are developing a web-based retirement planner and an interactive website for over 50s covering work, savings and retirement planning, and we are working with financial services sector to improve the range of good quality information and guidance materials.

Employers also need to understand how they can reap the benefits of adopting more flexible approaches to retirement. That is why in the UK we are working with a range of employers and business lead organisations to develop and promote employer good practice on flexible working and retirement, and to ensure all employers have access to case study information on how to adopt this approach.

2.3 b. How can elderly people participate in economic and social life, e.g. through a combination of wages and pensions, new forms of employment (part-time, temporary) or other forms of financial incentive?

As we have set out above it is essential that employer practices, and state tax, benefit and pension systems all support flexible employment

and retirement opportunities for older workers so that individuals can exercise real choice to meet their needs. Tax and pension systems need to enable the individual to combine work and pension income, or defer pension income to achieve the best balance for them between short term and longer term income. However, real choice requires individuals to have ready access to good quality information that they can relate to their own needs and options. In today's society that information needs to be from a range of sources – from the state, employers, trade unions, financial institutions, web-based, and through voluntary sector support organisations. That is the approach we are developing within the UK.

From April 2005 we have enhanced the rates and options individuals have for deferring receipt of their State Pension, and for the first time this includes the option of a deferred lump sum payment.

Our research shows an increasing number of older people working beyond State Pension age, mainly in part-time or flexible work, which they prefer. But for people aged 50 to 65 the availability of part-time or flexible work can also help individuals to avoid withdrawing from the labour market altogether as a result of failing health or caring responsibilities. It enables many to remain active, and maintain their income levels, while meeting personal needs or freeing up time for other social activities including learning, volunteering, increased family time, etc.

2.3 c. How can activities employing elderly people in the voluntary sector and the social economy be developed?

In the UK, our vision is of a society where later life is as active and fulfilling as the earlier years, with older people participating in their families and communities. In the past, older people actively have often been treated as dependent and a drain on society. The reality is that many contribute a huge amount as grandparents, volunteers and in numerous other ways. We are determined that everyone should have the opportunity to volunteer, especially those at risk of social exclusion.

In particular, although the overall level of community participation among people aged 50 - 64 is broadly in line with the general population, people of Asian background are less likely than their White or Black counterparts to be involved in volunteering. While some of this difference may be the result of different cultures and traditions, we believe that more can be done to draw on the wealth of experience older people bring to volunteering.

The primary responsibility for keeping active and participating in society lies with older people themselves. But, it is also important that central and local government work with older people and the voluntary sector to help unlock the even greater potential that exists for older people to

contribute. Our local service network has very strong links with many voluntary and community organisations representing older people at local and national level. A good example of this is:

‘Volunteering Initiative for the Third Age’ (VITA) – The Women’s Royal Voluntary Service (WRVS), commissioned by the Home Office, has recently established this new coordinating body on volunteering which aims to increase the numbers of volunteers aged over 65. The Pension Service Local Service staff support these initiatives through their day-to-day dealings with customers and can provide details of volunteering opportunities such as:

- Sitters/companions with Sitting Service for Carers
- Drivers for hospital/pensioner clubs minibuses
- Charity shop assistants
- Citizens Advice Bureaux volunteers

2005 is also the “**Year of the Volunteer**” and the theme for March 2005 was older people. A number of events were organised over the month to show older people how they can get involved. The Retired and Senior Volunteer Programme (RSVP) launched a video, *‘Retire into Action’*, which highlighted volunteering opportunities for the over-fifties. RSVP and Age Concern also organised a photographic storyboard exhibition, showcasing photographs celebrating the lives and history of older volunteers.

We are exploring how to better engage older people who, perhaps through advancing health problems or widowhood, are at a greater risk of isolation or depression. As women still outlive men, these problems disproportionately affect women. We are also working to promote volunteering to civil servants who are coming up to retirement age and to encourage a greater use of volunteers of all ages in the delivery of public services.

2.3 d. What should be the response to pensioner mobility between Member States, in particular with regard to social protection and health care?

The European rules on social security coordination between Member States (Regulations 1408/71 and 574/72) provide protection for both pensioners and workers in terms of their social security rights as they move between Member States.

2.3 e. How should we be investing in health promotion and prevention so that the people of Europe continue to benefit from longer healthy life expectancy?

The UK government published its health prevention strategy, *Choosing Health – Making Healthy Choices Easier*, in November 2004. This sets out the long-term principles for improving health in England and ties it to the challenge of health inequalities. Primary care is crucial in shifting the focus from a sickness-led NHS to one based on promoting public health. The white paper is based on three principles that provide the key to better health and longer life expectancy. They are

- Informed choice for all
- Personalisation of support to make healthy choices
- Working in partnership to make health everybody's business

The importance of tackling health inequalities is highlighted by the proposal in the white paper to roll out several key initiatives in disadvantaged areas. A spearhead group of the 70 local authority areas covering 28 per cent of the population with the worst life expectancy and deprivation indicators has been established to provide a vehicle for action on health inequalities.

This investment is vital to help ensure that longer lives are healthier lives. In England we are running a number of initiatives to invest in pilot programmes locally that will test out ways of improving and maintaining older people's health. We are also looking at ways that the strengths of primary care can be harnessed to achieve this end.

Health in Scotland is the responsibility of the Scottish Parliament. Health policy in Scotland aims to improve the health of everyone, but has an overarching aim of reducing health inequalities, which are perhaps even more stark in Scotland than elsewhere in the UK. A range of initiatives are in place to help achieve these aims ranging from strategies to improve diet and increase the levels of physical activity to improving child health and sexual health. The forthcoming ban on smoking in enclosed public places is seen as the single biggest contribution we can make to improving public health, reducing the toll of preventable, premature deaths and ill health caused by smoking.

2.4 a. The coordination of national social protection policies is due to be extended to long-term care for the elderly in 2006. How can this help to manage demographic change?

The UK sees value in a flexible approach, with collaboration and sharing of good practice, views, approaches and solutions between EU Member States. This would be most helpful in the areas of:

- costs / funding routes of long term care
- benefits of different types of early intervention / preventative services
- different models of care
- use of new technology

Such a system of collaboration is preferred to a system of requirements, targets and monitoring.

2.4 b. In particular, should a distinction be drawn between retirement pensions and dependency allowances?

The UK wants to ensure that the greatest help goes to those who have the greatest needs. In order to achieve this it has maintained the historic distinction between retirement pensions and allowances based on need.

Attendance Allowance (AA) is an "extra cost" disability benefit which provides people over 65 years old with severe disabilities, resident in the UK, with a contribution towards the extra costs they face because of the effects of their disabilities. Entitlement does not depend on the nature or level of disability but on the effect that the disability has on the need for help with personal care. AA is awarded at higher rate for those needing care through the day and night and a lower rate for those needing care through the day or night.

If there were no distinction drawn between retirement pensions and dependency allowances then the Government would be providing extra money for people who had no need of it and providing extra money for people who already receive extra help (for example through Government funded residential care). This overprovision would reduce the amount of resources available to focus on those who did require extra support.

The UK Government recognises the importance of making sure that people in need do get the extra money that they are entitled to. A new improved AA claim form has recently been introduced in which the style and number of questions asked has been simplified, making it easier for customers to complete. The Department for Work and Pensions is also working with local authorities and organisations who represent disabled people to ensure that the right information gets to claimants. Our aim is to work with these partners who are best placed to target potential disability benefits claimants in an individual and focused way.

As with other welfare benefits, the Department for Work and Pensions is exploring ways to make the award of benefits more automatic, both to simplify administration and provide a better service to people in need.

2.4 c. How do we train the human resources needed and provide them with good quality jobs in a sector which is often characterised by low salaries and low qualifications?

The *Choosing Health* white paper emphasises the role of staff in delivering the changes in public health. This is likely to affect all age groups. New funding has been made available to recruit more school nurses, introduce a new post of health trainers to support people in making healthy choices, and better obesity and sexual health services. This is supported by the publication of national delivery plans, including for the white paper – published in March 2005, and a clear system of local delivery. This includes incentives for working more closely with local government on a range of issues, including health inequalities. Local area agreements are a key tool. Funding is also being made available to support change on the ground backed by plans to develop the necessary capacity.

2.4 d. How do we arrive at a balanced distribution of care for the very old between families, social services and institutions? What can be done to help families? What can be done to support local care networks?

The UK wants to ensure that carers are helped to take work, training, self-care and leisure opportunities. This will help them avoid poverty and illness in their own old age. It needs to ensure a sense of personal and societal responsibility for those needing care and support. Most older people want to live at home-therefore the UK must invest in resources to allow this to happen much more-including technological solutions. Good information and advice is essential in supporting local care networks.

2.4 e. And what can be done to reduce inequality between men and women when they reach State Pension Age?

Life events - like childbirth, marriage, divorce and widowhood - often have particularly significant pension implications for women. This has implications for both the incomes of today's pensioners and the predicted incomes of women retiring in the future. Those unable to work because of sickness or unemployment and those making certain social contributions (such as caring for children or disabled or elderly adults) should be protected so that they are still able to build up entitlements to retirement benefits. This will remain an important aspect of the state pension system if we are to ensure that people are able to meet their responsibilities while building up secure pension rights. It is for this reason that fair outcomes for women and carers is central to the national debate that the Government launched on 24 February with the publication of "*Principles for Reform: The national pensions debate*". This set out guiding principles on which further work would be taken forward.

The Government will produce a report later this year on women and pensions to bring together research and analysis in order to inform the National Pensions Debate.

2.4 f. How can new technologies support older people?

Science and technology have the potential to provide new responses to the challenges of ageing. The Department of Health in England will be investing £80 million over two years from April 2006 to extend the benefits of telecare/telehealth technologies with the aim of helping 160,000 older people to live independently at home. From minor aids (grab rails/alarm pendants) and digital hearing aids to more sophisticated telecare and telemedicine, there is massive potential for new technologies to support older people. Telecare can support older people in the community to live at home with safety and security and reduce the number of avoidable admissions to residential/nursing care and hospital.

It can be as simple as the basic community alarm service able to respond in an emergency and provide regular contact by telephone. It can include detectors or monitors such as motion or falls and fire and gas that trigger a warning to a response centre. It can be particularly helpful in providing reassurance to older people and their carers helping them manage the risks of being at home on their own.

As well as responding to an immediate need telecare can work in a preventative mode such as services programmed to monitor an individual's health or well-being. Often known as lifestyle monitoring, this can provide early warning of deterioration, prompting a response from family or professionals. The same technology can be used to monitor bogus callers and provide safety and security. Another form of telecare often known as telemedicine is designed to complement health care. It works by monitoring vital signs such as blood pressure and transmitting the data to a response centre where it is monitored against parameters set by the patient's clinician. Evidence that vital signs are outside of 'normal' parameters triggers a response.

In terms of active ageing Directgov was unveiled in April 2004 as a new service designed around the needs of the user, making it much easier to find and access government information and services electronically. It brings together information from across many Central Government departments into one place, making it easier for people to find what they want from government, rather than having to search across several departmental sites. It aims to be a 'one-stop shop' for public service information, and increasingly, for government transactions - e.g. applying for a passport, registering for a driving test etc.

Directgov will also be accessible through MyLocal, a new privately run free touch-screen kiosk service. The service does not assume prior use

and knowledge of the web and can be used by everyone, regardless of demographic or geographic constraints.

Digital switchover will make it possible for everybody to enjoy the benefits of digital television. It provides an improved picture and better audio performance, and offers more television and radio channels than analogue television. Digital television also offers various degrees of enhanced and interactive services. These can include information services, e-mail and digital subtitling and audio description services to assist those with hearing and visual impairments. Already 30 per cent of retired females over 65 are taking advantage of the benefits of digital television, but we are taking steps to ensure that potentially vulnerable customers do not lose out when the switchover takes place. For example, we are in touch with the National Consumer Council, the Consumers' Association, the Voice of the Listener and Viewer, RNID for deaf and hard of hearing people, the Royal National Institute of the Blind and a number of other organisations that are helping to develop the Digital Television Action Plan.



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