



Department
of Health

Government's response to the House of Lords Committee on Public Service and Demographic Change Report 'Ready For Ageing?'

One Year Update

Cm 8872



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Presented to Parliament
by the Secretary of State for Health
by Command of Her Majesty

June 2014

Cm 8872



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Foreword

A year ago the Government published its response to House Of Lords Committee on Public Service and Demographic Change report *Ready For Ageing?*

In our response we set out our plans to make this country a great place to grow old in. We continue to strive to achieve this ambition and this update sets out the actions we are taking now to do so.


We are putting in place landmark, once in a generation reforms in a number of areas to enable public services and wider society adapt and respond to the challenges and opportunities of an ageing population.

These range from helping people have more opportunities to live fuller working lives, putting in place a new flexible and

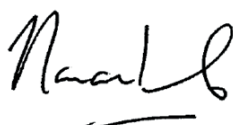
simpler pensions system, changing the health and care system to make it more personalised and sustainable, investing in specialist housing for older people, and a number of measures to support people to live independent and fulfilling lives in older age. We are also looking in the longer term about how best to respond to the challenges ahead.

Government is committed to making these reforms a success. They will ensure that public services are suitable for older people now as well as for future generations. They will also help ensure that future generations are not burdened with the debts of today.

All parts of Government will continue to work together and with all our partners to meet our ambition.



Kris Hopkins
Minister for Housing



Norman Lamb
Minister for Care and Support



Esther McVey
Minister for Employment



Nick Hurd
Minister for Civil Society



David Gauke
Exchequer Secretary



Steve Webb
Minister for Pensions

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and Demographic Change Report 'Ready for Ageing' – One Year Update

Summary

In 2010 this Government inherited:

- One of the most complex pensions systems in the world making it particularly difficult for people to understand the value of saving. When questioned, 63% of people said they found pensions so complicated they did not know what the best thing to do was;
- 13 million people were not saving enough to provide the income they need in retirement;
- In 2012 there were 7.8 million active (employee) members of occupational pension schemes compared with 12.2 million at the peak in 1967;
- 60% of the projected increase in numbers of households between 2008 and 2033 will be headed by someone aged 65 or over;
- An NHS where over 75s accounted for around 8% of the population but they had 28% of the total emergency admissions to hospital and stay in hospital for longer than average; and
- A system where many older people face very high care costs and are forced to spend their life savings or sell their homes to pay for their care.

In last year's response to *Ready For Ageing?* we set out our strategy of helping people plan for later life, creating a personalised health and care system and putting more power in the hands of local communities.

Since we published our response last July we have taken a number of steps to help address the challenges of an ageing society.

On giving people more opportunities to work before they retire we have:

- Committed to extend the right to request flexible working to all workers from 2014. This is in recognition that the ability to work flexibly including reducing hours is critical to enabling older people continue participating in the labour market.
- Published "Fuller Working Lives – A Framework for Action." This sets out the case for recruiting and retaining older people and draws together all the steps Government is taking to promote fuller working lives.

On putting in place a new flexible and fairer pensions system we have:

- Legislated through the Pensions Act 2014 for a new State Pension scheme for people reaching State Pension age from 6 April 2016. This will clarify savings incentives, address historic inequalities and improve retirement outcomes for many. For example in the first 10 years after implementation, around 650,000 women will benefit from revaluation of their National Insurance contributions under the new State Pension, receiving on average £8 a week more in state pension.
- Protected the income of current pensioners by applying the triple lock to the basic State Pension and an above

earnings increase to the Pension Credit minimum guarantee.

- Legislated for the State Pension top up. This will allow pensioners and people reaching State Pension age before April 2016 to obtain additional State Pension by paying a new type of voluntary National Insurance contribution.
- Announced measures to ensure that workplace schemes have low and fair charges, good governance and increased transparency.

On creating a personalised health and care system we have:

- Announced changes to the way the primary care sector plans and responds to the health needs of older people and the most vulnerable in our communities.
- Published a further response to the Francis Inquiry to promote safe and compassionate care in all settings.
- Put in place rigorous inspection regimes for both health and social care services to ensure people receive safe and appropriate care when they need it.
- Driven forward work on dementia prevention, treatment and care.
- Strengthened mental health services for older people to help ensure services are available for all age groups.
- Supported the integration of health and social care services through the development of the Better Care Fund.
- Established the Care Act which sets the framework for the biggest change in the care system since 1948. This helps put people and their carers in control of their care and support. It enshrines the principle of individual wellbeing into law and for the first time places an emphasis

on preventing people needing to enter the care system in the first place.

- Committed to reform of the social care funding system as recommended by the independent Dilnot Commission to protect people from catastrophic costs if they enter care and ensure no-one has to sell their home during their lifetime to pay for their care.

On supporting people to live independent and fulfilling lives we have:

- Continued to support the construction of housing suitable for older people and helped people stay in their own homes through funding for adaptations, and housing related support services.
- Supported localities to tackle loneliness and helped older people to continue to contribute to society through volunteering.
- Improved accessibility to public transport for older people.

On looking to the longer term we have:

- Asked the Government Chief Scientific Adviser to lead a major piece of analysis of the challenges of an ageing society.
- Committed to work with the Centre for Ageing Better to develop evidence and best practice to help solve issues around ageing.

We know more needs to be done to meet the ongoing challenges. These are the first steps towards reform of services that impact on current and future generations of older people.

Responding to the challenges of our ageing society is not something that Government can do alone. The voluntary sector and local communities themselves are already making great strides in developing services that meet the needs of older people. They will continue to have a major role to play in shaping our society and the place older people have in it.

Section 1 Fuller Working Lives

The Committee concluded that in order to have enough income to support a good quality of life people should be enabled to extend their working lives if they wish to do so. Government and employers should work to end “cliff-edge” retirement by enabling more people to work part-time, and to wind down work and take up pensions flexibly.

LATER WORKING

1. One of the first actions this Government took was to ensure employers can no longer force employees to retire just because they reach the arbitrary age of 65. The removal of the default retirement age means the vast majority of people now have a choice about when to retire. This brings the UK in line with many other countries, encouraging responsible retirement planning and enabling people to work as long as they want to.
2. Furthermore, the Government recognises that the ability to work flexibly including reducing hours is critical to enabling older workers to continue participating in the labour market and has committed to extend the right to request flexible working to all workers from 2014.
3. This extension, to be implemented on 30 June this year will enable all employees to discuss changes to the way they work with their employer and will help older workers who have health problems or caring

responsibilities stay connected to the labour market.

4. Alongside the extension, we are taking forward a number of non-legislative measures to encourage culture change in flexible working, especially to encourage employers to think about flexible working when they recruit new employees. The aim is to better inform employers of the business benefits of flexible working and phased retirement opportunities to retain the skills and experience of older workers for longer.

MOVING AWAY FROM 'CLIFF-EDGE RETIREMENT'

5. Retirement should not be viewed as an on/off and we agree on the need to encourage a cultural shift from the expectation of a retirement ‘cliff-edge’ that you work full-time until a specific retirement age then stop work entirely.
6. Evidence suggests that many of those approaching retirement would like to continue with some form of flexible working. Extending the right to request flexible working to all employees can enable people to phase their retirement in a way they find helpful, and also help employers to manage the transition.
7. However, we recognise that employers and individuals need to have access to information to understand how they can do this and why it is beneficial to business as well as individuals.

8. Removing the Default Retirement age (DRA) is a significant step towards this. However, we recognise that employers and individuals need to have access to information to understand how they can do this and why it is beneficial to business as well as individuals.

9. This is why we worked with employer organisations across nine of the largest sectors to help employers manage removal of the DRA and to provide guidance and case studies to employers and business organisations on employing older workers and the business benefits of adopting flexible approaches to work and retirement.¹

10. The recent Budget announcement on pension flexibility will give people more choice in how they access their Defined Contribution pension pots. Individuals will be able to use their pension pots more flexibly, mixing employment and non-employment sources of income to a greater degree if they wish and giving them more freedom to phase their retirement gradually.

11. In the second half of their working life, people may encounter a range of barriers; they may want to find more stimulating or rewarding work, or make better use of their skills and experience; they may want to change their working arrangements to accommodate changing circumstances, such as caring responsibilities, health/disability issues, or reducing work pressures.

12. The Mid-life Career Review project funded by the Department of Business, Innovation and Skills (BIS), is being undertaken by the National Institute for Adult Continuing Education (NIACE), in partnership with the National Careers Service and Jobcentre Plus aims to prevent early labour market fall out, as well as early consideration of work and retirement planning issues.

¹ <https://www.gov.uk/government/collections/age-positive>

An initial evaluation report has been published and work continues to fully evaluate the outcomes.

HEALTH & WELL-BEING OF THE WORKFORCE

13. We recognise the workforce is ageing and this will have an effect on UK workplaces, so we will look to adapt our policies and initiatives to better reflect the ageing workforce and meet future workforce requirements.

14. The Government is also committed to improving the health and wellbeing of the UK workforce and reducing the cost and waste associated with health-related job loss and flows on to benefits.

15. Although older workers remain as productive as younger workers and fewer take sick leave, the onset of health conditions increases with age. As a result, those over 50 who do take sick leave tend to be off work for longer and many are at risk of leaving employment prematurely. How employers respond through supportive management, work adaptations and flexible working options can significantly impact on working up to age 65 and beyond.

16. The Government, leading business and age expert organisations are working together through the Age Action Alliance's Healthy Workplaces group and have developed practical resources to help employers effectively manage the health and productivity of an ageing workforce.

17. In addition, the new Health and Work Service will provide occupational health advice and support for employees, employers and GPs to help individuals with health condition to stay in or return to work.

18. There are two elements to the service, which we intend to introduce by the end

of 2014 subject to discussions with the chosen supplier once the contract has been awarded:

- **Assessment:** Once the employee has reached, or is expected to reach, four weeks or sickness absence they will normally be referred by their GP for an assessment by an occupational health professional who will look at all the issues preventing the employee from returning to work.
- **Advice:** Employer, employees and GPs will be able to access advice via a phone line and website.

19. A tax exemption of up to £500 a year per employee on medical treatments recommended by the Health and Work Service or employer-arranged occupational health service will be introduced. Without such tax exemption, a payment would be treated part of the employee's taxable earnings or as a taxable benefit in kind.

EMPLOYMENT OUTCOMES FOR PEOPLE WITH COMMON MENTAL PROBLEMS

20. We commissioned RAND Europe to provide policy advice on how to achieve better employment outcomes for people with common mental problems, who are in and out of work, with a focus on better alignment of health and employment services.

21. The findings and recommendations of the project are set out in the report *Psychological Wellbeing and Work: Improving Service Provision and Outcomes*, which was announced by the Deputy Prime Minister and published on 20 January 2014. The report and its proposals will contribute to a better evidence base for action, and will inform our thinking about next steps not only for Government but for all who have a role to

play including employers, commissioners, service providers and individuals.

BACK TO WORK SUPPORT

22. Once out of work, unemployed people over 50 are more likely than younger people to remain unemployed for longer periods and are at higher risk of becoming economically inactive.

23. There are a range of factors which mean older workers often find it hard to get back into work. They are more likely than young people to be affected by disability or caring pressures, out of date skills or qualifications and discrimination (direct and indirect) by employers.

24. So in addition to engaging with employer facing organisations to challenge outdated assumptions about older workers, we are providing tailored support for older jobseekers through the Work Programme and the Jobcentre Plus network, for example, by hosting older jobseekers Jobs Fairs and establishing dedicated adviser teams. DWP will also hold older claimants' fortnight which will focus on supporting older people to find job, it will include range of internal and external communication activities to fully demonstrate the benefits to business.

25. We recognise that older jobseekers can face specific age-related barriers, so are ensuring that advisers are equipped and can access specialist provision to address these needs. For example, Jobcentre Plus has published an internal best practice guide for advisers which provides a wealth of information and links to age specialist organisations, and a training package for advisers.

26. Following the Women's Business Council (WBC) recommendation in June 2013, the Government has agreed to appoint

an older worker business champion in due course. In addition, Government published *Fuller Working Lives – a Framework for Action* in June 2014 which looks at how we can work with partners to publish a range of effective 'how to' guides and toolkits for employers, with practical solutions to help businesses adapt their recruitment and retention practices for older workers.

Section 2 Secure retirement income

The Committee concluded that Government, financial services industry and employers should work together to make it clearer what income people can expect to get in retirement from the savings they make. In addition people should be supported to release their housing equity to pay for their care and support their income.

REFORM OF THE STATE PENSION SYSTEM

27. Last year we set out plans that simplify the state pension system, to support the roll out of automatic enrolment and provide a clearer foundation for retirement saving.

28. The Pensions Act 2014, which received Royal Assent on 14 May 2014, provides for the introduction of a new State Pension for people reaching State Pension age from 6 April 2016. The new State Pension has been designed to clarify savings incentives by ensuring people know what pension to expect from the state and can plan for additional provision. The reforms will improve retirement incomes for many, addressing historic inequalities in the pension system for groups including the low paid, carers and the self-employed. The Government expects that in the first 10 years after implementation, around 650,000 women will benefit from the single-tier valuation of their pension at 2016,

receiving on average £8 a week more in state pension.

29. The 2014 Act also provides for a regular review of the State Pension age. The reviews will be based around the principle of maintaining a given proportion of adult life in receipt of state pension, with the proportion to be set by the government of the day. Each review will be informed by a report from the Government Actuary's Department based on the latest life expectancy data and a report from an independently-led body on other relevant factors to be taken into account when setting the State Pension age. The reviews must take place at least every six years, and the intent is that this will allow for a minimum of ten years' notice for individuals affected by changes to the State Pension age.

30. At Autumn Statement 2013, the Chancellor announced this Government's view that the reviews should be based on the principle that people should expect to spend up to a third of their adult life receiving the State Pension. This implies that the increase in the State Pension age to 68 could come forward to the mid-2030s, and that the State Pension age could increase further to 69 by the late 2040s. The review process builds on immediate action the Government has already taken in the Pensions Act 2011 and Pensions Act 2014 to move more quickly to equalise the State Pension age at 65 and then increase it to 66 and 67.

31. The Government has also taken steps to protect the incomes of existing pensioners.

This April triple lock uprating was once again applied to the basic State Pension so it increased by the greatest of earnings, inflation and 2.5 per cent. The standard minimum guarantee in Pension Credit received an above-earnings increase for 2014-15 to ensure that the poorest pensioners benefit from the triple lock increase in the basic State Pension. As a result of the Government's triple lock policy throughout this Parliament, someone on a full basic State Pension can expect to receive £440 more in 2014/15 than if it had been up-rated by earnings since the start of this Parliament, and the basic State Pension is forecast to be a higher share of average earnings than at any time since 1992.

32. The Pensions Act 2014 also gives current pensioners an option to top-up their additional pension, through a new type of voluntary National Insurance contribution, class 3A. The scheme will be introduced in October 2015, will be open for 18 months and available to everyone reaching State Pension age before 6 April 2016. This will help pensioners with savings who want to boost their State Pension income in a way that protects them from price inflation and provides them with an income for life.

AUTOMATIC ENROLMENT

33. Automatic enrolment into workplace pensions is delivering a historic change in the pensions landscape. Since October 2012, UK firms have automatically enrolled more than 3.6 million workers into a workplace pension scheme. By the time roll out completes in April 2017, around 9 million people will be newly saving or saving more, generating £11 billion a year more in workplace pension saving. The average opt-out rate for large employers so far is only 9-10 per cent. This will continue to be monitored as smaller employers start to enrol their employees, and as the minimum contribution rates gradually

rise to 8 per cent (of banded earnings) in 2018.

34. Automatic Enrolment brings new responsibilities for Government and regulators to ensure that when individuals are defaulted into pension arrangements their interests' are protected.

BETTER WORKPLACE PENSIONS

35. The Office of Fair Trading (OFT) conducted a study into Defined Contribution (DC) workplace pensions, which reported in September 2013. It concluded that competition alone could not be relied upon to drive value for money in the DC pensions market. This is due to the complexity of the product, which makes comparisons of costs and quality difficult, and the weak buyer side of the market, where scheme members rely on employers to select a scheme and where schemes may not have sufficiently good quality governance to protect member interests.

36. After formal consultation the Government published a Command Paper in March 2014 setting out a comprehensive range of measures to improve the quality of workplace DC schemes and protect savers from excessive and unfair charges. These measures include:

- a. New minimum quality standards for DC workplace pension schemes. Independent Governance Committees (IGCs) must be put in place by April 2015 to protect members' interests in contract-based pension schemes. This along with stronger requirements on trust-based schemes, will improve accountability and ensure compliance with the quality standards.

- b. A cap on all member-borne charges, excluding transaction costs, in default funds used as automatic enrolment qualifying schemes. The cap will come into force from April 2015, and be set at 0.75 per cent of funds under management.
- c. Bans on several member-borne charges which are incompatible with automatic enrolment in all of these qualifying schemes: consultancy charges (banned from April 2015), adviser commission and Active Member Discounts (both banned from April 2016).
- d. Full transparency of all costs and charges. From April 2015, trustees and IGCs will have new duties to consider and report on costs and charges. We will then introduce new requirements to make standardised disclosure of administration charges and transaction costs mandatory.

WORKING WITH THE PENSIONS INDUSTRY AND CONSUMER ORGANISATIONS

DECUMULATION/PENSION FLEXIBILITY

37. At Budget 2014, the Government announced the most radical changes to the way people access their pensions for a century. From April 2015 people aged 55 and above will be given freedom over how to access their DC pension pots, with no requirement to purchase an annuity.

38. As part of the new system, all individuals in the UK with a DC pension pot who are approaching retirement will, from April 2015, be offered free and impartial face-to-face guidance on their retirement choices.

39. The Government has asked the Financial Conduct Authority to coordinate the development of robust standards that this guidance must meet and a framework for monitoring compliance, working in close partnership with consumer groups, the Pensions Regulator, DWP, the Pensions Advisory Service (TPAS) and the Money Advice Service (MAS).

40. The Government has introduced transitional measures with immediate effect to pave the way for this more radical reform. From 27 March 2014:

- a. the minimum income requirement to access pension savings flexibly reduced from £20,000 to £12,000;
- b. the capped drawdown increased from 120 per cent of an equivalent annuity to 150 per cent;
- c. the total pension wealth that can be taken as lump sums increased from £18,000 to £30,000;
- d. the size of a pension pot that can be taken as a lump sum regardless of total pension wealth increased from £2,000 to £10,000; and
- e. the number of small personal pension pots that can be taken as lump sums increased from two to three.

41. These reforms give people more options over how they use their DC pension savings to fund their retirement, enabling individuals to make the choice that best serves their needs and personal circumstances. However, even in this new, flexible retirement landscape, the Government is clear that, in a well-functioning marketplace, annuities can be good products. For many, they remain the best method of ensuring a secure income in retirement. The FCA's recent review of the annuities market pointed towards the importance of stimulating competition within the annuities market, and also the need to stimulate innovation and the

development of new products that better suit people's changing needs. To identify the root causes of the problems it identified in the annuities market, the FCA has launched a Retirement Income Market Study of the decumulation market. The Government will continue to work with the FCA to consider the implications of the findings of their study.

42. In addition, DWP has already worked with industry, consumer groups and others, through the Open Market Option (OMO) Review Group to develop measures to tackle consumer inertia and lack of engagement with their retirement income choices. Measures introduced last year include:

- a. implementation of the ABI's Code of Conduct on Retirement choices (launched March, 2013); and
- b. new tools and guidance issued by both the National Association of Pension Funds and the Pension Regulator to support schemes to deliver better decumulation services for members.

43. The OMO Review Group has agreed its evaluation strategy and will assess the impact of its measures later in 2014.

AUTOMATIC TRANSFERS

44. With Automatic Enrolment and the fluid jobs market, large numbers of people will build up small DC pension pots which they would potentially leave behind as dormant pots after changing jobs. We intend to combat this through the automatic transfer of small pension pots (up to £10,000) when the member changes scheme or moves employment. Work is progressing with a core team of industry experts to develop an implementation model, prior to drafting regulations.

REINVIGORATING WORKPLACE PENSIONS

Defined Ambition

45. In last year's Government response to the *Ready for Ageing?* report, we signalled our intention to develop Defined Ambition pensions, to enable new forms of risk-sharing between employers and employees.

46. Although DC schemes can be the right product for many, if current forms of DC are the only alternative to Defined Benefit (DB), outcomes from DC for many will be much less certain than for earlier generations, making it much harder to plan for later life.

47. Our proposals for Defined Ambition pensions look to strike a balance that shares the risk between employers and employees.

48. On 7 November 2013 the Government published a consultation paper *Reshaping workplace pensions for future generations*, which set out in greater detail our proposals for Defined Ambition pensions. The consultation closed on 19 December and 129 responses were received. The Government response to the consultation was published on 24 June 2014.

49. The responses to the consultation and extensive stakeholder engagement have shown a strong consumer appetite for Defined Ambition pensions. Employers would welcome the greater flexibility to create pension schemes that suit the needs of their workforce; providers want the flexibility to design and offer pensions that provide greater certainty; and individuals value the option to have greater certainty than that provided by traditional Defined Contribution pension schemes.

50. Following the consultation we intend to legislate to:

- Explicitly recognise and apply legislative requirements appropriately to risk sharing schemes – to encourage the development of new forms of Defined Ambition schemes that provide more certainty for members about their pension than Defined Contribution schemes, and limiting costs for employers. This could help millions have better pensions and make it easier to plan for later life; and
- Enable ‘Collective schemes’ that pool risk amongst members and potentially allow for greater stability about pension outcomes. In both Denmark and the Netherlands these are an integral part of pension systems that are recognised world-wide as being high quality.

51. The Pension Schemes Bill that was introduced into the House of Commons on 26 June 2014 includes these Defined Ambition measures.

FISCAL SUSTAINABILITY AND THE STATE PENSION SYSTEM

52. The Government is committed to ensuring that state pensions remain affordable and sustainable in the long-term and deliver inter-generational fairness.

53. The Office for Budget Responsibility (OBR) assesses the sustainability of the public finances on an annual basis. Their latest Fiscal Sustainability Report, published in July 2013, projected that spending on the state pension and pensioner benefits will rise from 7.2 per cent of GDP in 2012-13 to 9.5 per cent of GDP in 2062-63. The OBR projected at their last FSR that demographic change would, without policy action, “put the public finances on an unsustainable path”.

54. The Government has taken substantial action in order to improve the long-term sustainability of the state pensions system.

55. The Government’s announcement of the guiding principle for future reviews of the State Pension age and action already taken by the Government to bring forward increases in the State Pension age will save around £500 billion over the next fifty years.

56. In addition, the new State Pension for those reaching State Pension age from April 2016, will cost no more than the system it replaces. The OBR Fiscal Sustainability Report July 2013 has projected that spending on the new State Pension will be broadly unchanged as a proportion of GDP until the late 2030s and, by 2062-63, will be 0.7 per cent of GDP lower than under the current system.

57. In addition to these reforms, the Government has also set out a package of reforms to public service pensions. New scheme designs to be implemented in April 2015, along with the rebalancing of contributions between members and the taxpayer and the switch to uprating by the Consumer Price Index (CPI), are forecast to save £430 billion over the next fifty years.

58. The Government is committed to ensuring that future reforms to the pensions system are consistent with ensuring the sustainability of the public finances.

Section 3 The health and care system

The Committee concluded that the NHS and care and support systems need to radically change to meet the demographic pressures and changing care needs of an ageing population.

INTEGRATION OF HEALTH AND SOCIAL CARE

59. Last year we set out plans to bring £3.8 billion of health and social care funding together in local pooled budgets to provide the biggest ever financial incentive for local NHS organisations and councils to work together. This pooled pot of money is called the Better Care Fund and will enable health and social care to work and plan together, focusing on helping people to live independently, getting them out of hospital more quickly and preventing them from getting ill in the first place.

60. On 1 November 2013 the Department of Health announced 14 areas that will act as pioneer sites for integrated care – addressing local barriers to delivering integrated health and social care, and highlighting national barriers that national organisations can work to address. The pioneers will support the rapid dissemination, promotion and uptake of lessons across the country.

61. Local Authorities and Clinical Commissioning Groups (CCGs) were required to work together to produce the plans for use

of the Better Care Fund which were signed off by Health and Wellbeing Boards locally, assured by local NHS and local government peers. The plans are subject to moderation at regional level as well as a Ministerial assurance process at a national level to ensure the plans will deliver better integrated care. Significant support has been provided to local areas during the planning phase by all national partners through toolkits, events, digital media and visits.

62. We expect plans will be revised and built on throughout the summer before the Better Care Fund is implemented in 2015/16.

63. Local areas are being encouraged to expand the scope of the integration plans and pooled budgets beyond the minimum requirements of the Better Care Fund. According to plans a number of Health and Wellbeing Board areas, have so far reported they will pool more than the minimum required sum of money bringing the total pooled funds to nearly £5.5 billion.

TRANSFORMING PRIMARY CARE

64. We want older people to stay healthy and independent for longer, supported by holistic care which focuses on them as a person, not a series of conditions.

65. Failure to meet these changing demands on health and care not only impacts on patients' quality of life but also puts existing services under increasing pressure. This pressure is often felt most

acutely in hospitals' Accident and Emergency departments, which are often seen as the only option for people to access care in the evenings or weekends, or when people feel that the support available in the community will be inadequate to meet their needs.

66. Primary care, and particularly general practice, is at the heart of our vision of providing better quality, better integrated and more responsive care for older people. It can help shift the system from being reactive to a crisis to being proactive in preventing emergency admissions, helping older people and those with complex needs to stay healthy and ensuring they only have to go to hospital when completely necessary.

67. Last year, we signaled our intention to publish a Vulnerable Older People's Plan, setting out our strategy for improving care for the oldest and most vulnerable people.

68. Following our engagement last summer on our proposals for making care for the oldest and most vulnerable people more proactive, personalised and joined up, we published *Transforming Primary Care* on April 14th this year. This sets out the Government's plans for improving primary care, in particular for those people with the most complex needs.

69. The plan has two main components:

- The Proactive Care Programme, which will provide over 800,000 people with the most complex needs a proactive and personalised programme of care and support, tailored to their needs and views.
- A named, accountable GP for all people aged 75 and over, who will have overall responsibility for and oversight of their care. Although this clinician may not provide the care directly themselves, they would be the person with whom the buck stops and would be an identifiable point of contact for a patient or their family.

70. Changes are also in place for the 2014/15 GP contract which will allow GPs to share information more effectively with each other and which will free up their time to proactively oversee the care of their most vulnerable patients.

71. In addition, we are planning to train or recruit around 10,000 primary and community health and care professionals by 2020, in support of the shift in how care will be provided.

TECHNOLOGY

72. The NHS has been challenged by the Secretary of State for Health to go paperless by 2018 which will save billions, improve services and help meet the challenges of an ageing population. Patients should have compatible digital records so their health and care information can follow them around the health and social care system. This means that in the vast majority of cases, whether a patient needs a GP, hospital or a care home, the professionals involved in their care can see their history at the touch of a button and share crucial information.

73. The Department has created the "Safer Hospitals, Safer Ward" technology fund to drive improvements in patient care, ease pressure on A&E departments, replace outdated paper based systems for patient notes and prescriptions, as a critical stepping-stone in helping the NHS go digital. A total of £500 million funding is being made available at national level and local health and care systems will be expected to match all the funding they receive. That means the total we expect to be invested in better use of technology will be £1 billion by 2015/16.

COMPASSIONATE CARE

74. The Government published its fuller response to the Francis Inquiry on 19 November 2013, which demonstrated the Government's commitment to creating a culture of openness, with greater accountability and a relentless focus on safety in an NHS which puts compassion at its heart.

75. The Government has already instigated a number of significant changes including a rigorous new inspection regime for health and social care with CQC appointing three powerful Chief Inspectors of hospitals, adult social care and primary care. This will ensure a spotlight will be shone on those who are delivering outstanding care but where there is poor or unsafe care, it is rooted out and rectified. The aim is to revolutionise the care that patients experience: rooting out unacceptable care, tackling failure promptly and effectively, and ensuring all hospitals and care providers strive to continuously improve.

76. Health Education England (HEE), working with the Chief Nursing Officer, the Director of Nursing at the Department of Health and Public Health England and the nursing profession, is developing a bespoke older persons' nurse post-graduate qualification training programme which will be in place from September 2014.

77. HEE will review the content of pre-registration nurse education to ensure all new nurses have the skills to work with older people.

VOICE OF THE PATIENT

78. We need to ensure the entire health and care system connects with what matters to patients and the public. Everyone in the system has a responsibility to put this at the heart of all they do. To support this, the voice

of the patient is now woven into the health and care system like never before.

79. With the establishment of health and wellbeing boards and local Healthwatch, patients and communities have been given a voice in decisions that affect them.

80. For example, in November 2013 Healthwatch Oxfordshire identified concerns over 15 minute visits in domiciliary care as one of its early priorities. In October 2011 the United Kingdom Home Care Association had provided evidence to the Parliamentary Health Select Committee which showed that Oxfordshire generally had shorter home care visits with a high proportion of 15 minute visits. In February 2014 Oxfordshire County Council announced that an additional £800k had been allocated to eliminate all 15 minute visits for personal care. A project group has been established by Healthwatch Oxfordshire to review progress against this ambition and scope the best arrangement to evaluate the changes made.

81. Healthwatch England is undertaking a special review into issues relating to the discharge of patients from hospitals, care homes and secure mental health settings. The review will look in particular at the impact on older people, those with mental health conditions and those who are homeless. Healthwatch England expects to publish its findings in September 2014

NHS "CALL TO ACTION"

82. Last July we detailed that NHS England had published "NHS: A Call to Action". This was a first step in a programme of engagement between NHS users, staff and the public around how the NHS will meet future challenges, including an ageing population and a significant increase in the number of people with long term conditions.

83. Following this engagement, planning guidance Everyone Counts, which identified NHS England's 'six characteristics' for a high quality, sustainable health and care system in England, was published in December. The characteristics have been used to support and test the development of five-year strategic plans for locally and nationally commissioned services."

84. As the Call to Action process draws to a conclusion in summer 2014, NHS England will work with health and local government partners to agree how to accelerate the move towards high quality, sustainable health and care systems across the country.

DEMENTIA

85. As part of the Prime Minister's Challenge on dementia we are continuing to take action at home and abroad to drive forward dementia prevention, treatment and care.

86. We have been working hard to improve diagnosis rates for dementia so that people can plan, prepare and access the support they need to live well with dementia. We are on course to meet our target of improving diagnosis rates from 45 per cent to two-thirds by 2015.

87. People tell us that they need the support of their communities to enable them to continue to live in their home and to be as independent as possible. The dementia social movement 'Dementia friends' is focused on raising awareness and understanding and turning that into local action. We aim to train 1m Dementia Friends by March 2015.

88. The Government, working with Public Health England, launched a national campaign in May 2014 to encourage more people to sign up. Many leading UK high street businesses are getting behind the campaign by encouraging their staff to

become Dementia Friends. This includes Marks and Spencer, Home Retail Group, Lloyds Pharmacy and Lloyds Bank.

89. We want to improve the care and support available for people with dementia, and are providing funding for voluntary and community sector partners to deliver training on dementia care for housing support providers and commissioners.

90. Following its Presidency of the G8, the UK is leading an all-out global fightback against dementia.

91. It started with a summit in London on 11 December 2013, bringing together health and science ministers from all the G8 countries, world-leading experts and researchers, leaders of the global pharmaceutical industries and the Organisation for Economic Co-operation and Development (OECD) to accelerate progress towards effective treatments and cures.

92. The Summit resulted in two significant documents that set out an agreed vision for international collaboration on dementia and a series of high level actions. These documents, the declaration and communique and the full list of commitments are available at: <https://www.gov.uk/government/publications/g8-dementia-summit-agreements>.

93. The G8 commitments include:

- a decision to appoint a World Dementia Envoy to draw together international expertise to stimulate innovation and to co-ordinate international efforts to attract new sources of finance, including exploring the possibility of developing a private and philanthropic fund to support global dementia innovation.
- an ambition to identify a cure or a disease-modifying therapy for dementia by 2025 and to increase collectively and significantly the amount of funding for dementia research to reach that goal.

- holding a series of high-level events throughout 2014 and 2015, in partnership with the OECD, WHO, the European Commission, the EU Joint Programme on Neurodegenerative Disease (JPND), and civil society, to develop cross sector partnerships and innovation.

94. Following the first commitment the Prime Minister appointed Dr Dennis Gillings CBE, Ph.D. in February 2014 as World Dementia Envoy for an initial period of 12 months. Supported by the UK Government, Dr Gillings has created a World Dementia Council to stimulate innovation, development and commercialisation of life enhancing drugs, treatments and care for people with dementia, and protection of those at risk of dementia, within a generation.

95. As a result of the third commitment the UK Government hosted the first in the series of high-level events in June 2014 focussing on finance and social impact investment in dementia. This will be followed by further global events in Canada, Japan, Italy and the United States.

MENTAL HEALTH

96. Closing the Gap, launched in January this year, strengthens the Government's commitments to achieving equity between mental and physical health. A companion document to the mental health strategy, No Health Without Mental Health, outlines 25 priority areas where people can expect to see, and experience, the fastest changes. One of these priority areas is tackling inequalities around access to mental health services.

97. Older people typically use mental health services less often than their working age counterparts. According to Improving Access to Psychological Therapies (IAPT) data, only six per cent of people who used

psychological therapies were over 65. In response, we supported the advertising campaign delivered through Age UK and Carers UK to raise awareness of psychological therapy services amongst older people.

98. NHS England is promoting psychological therapy services for adults who have depression or anxiety disorders through the national IAPT programme, and as part of this work is paying particular attention to access for people over 65 years of age.

99. Another strand of IAPT development is a project which aims to ensure that psychological therapies are routinely available to people with long term physical health conditions and medically unexplained symptoms. We have also developed a new curriculum for psychological therapists that trains them to work more effectively with older people.

REFORM OF CARE AND SUPPORT

100. The Care Act received Royal Assent on 15 May 2014. The Act is an historic piece of legislation that will make a difference to some of the most vulnerable people in society for many years to come. It replaces over 60 years of legislation to put care and support law into a single, clear modern statute for the first time. The Act enshrines the principle of individual wellbeing into law as the driving force behind care and support, and places an emphasis on prevention rather than waiting till people reach a crisis before intervening.

101. The Act includes a number of other landmark reforms, including reforms to how people pay for their care so that they receive more support from the state than ever before, and are protected from catastrophic costs. For the first time, the Act will put carers on

the same legal footing as the people they care for, and it puts personal budgets into law so that people have more choice and control over their care and support.

102. To help people negotiate the care system we have introduced a minimum eligibility threshold across the country – a set of criteria that makes it clear when local authorities will have to support people. Until now, local authorities have been able to decide this threshold themselves, meaning decisions varied from place to place.

103. The threshold will allow local authorities to maintain the same level of access to services for people who need care and support when they move from the current framework to the new care and support system in April 2015. This is the level operated by the vast majority of local authorities in the current system. Introducing a national threshold will ensure that local authorities cannot restrict eligibility beyond this, but authorities can choose to provide services that are not included in the criteria.

104. The Government published a draft of the national eligibility criteria in June 2013 to allow discussion on whether these accurately reflected the policy intention of maintaining a similar of access to care and support services. The comments received informed the next version of the draft criteria, which was sent out for consultation in June 2014 as part of the overall consultation on the regulations and guidance in the Care Act.

PREVENTION

105. The Care Act places an emphasis on preventing, postponing and minimising people's need for care and support. There is a great deal of work already underway by local government, the NHS and their local partners to achieve this. This ranges from:

- The establishment of Neighbourhood Network Schemes in Leeds that reduce social isolation, provide opportunities for volunteering, and act as a “gateway” to advice and support.
- Greater use of reablement schemes in Manchester which are helping keep older people out of hospital.
- A partnership between Cheshire Fire and Rescue Services and Age UK, local authorities and NHS to proactively investigate the needs of older residents.
- In Worcestershire the Well Connected Programme is co-ordinating health and care more effectively to help older people to stay healthy and recover quickly following an illness.
- In Cumbria the council and the local clinical commissioning group have jointly commissioned a Neighbourhood Care scheme to help people retain their independence and control over their lives after a hospital episode.
- In Wigan the Integrated Neighbourhood Team has reduced the number of people going into hospital for emergency admissions by identifying and proactively supporting nearly 5,000 patients at the greatest risk. A similar scheme is having positive results in Tameside.
- In Poole they have invested in community services and seen a substantial reduction in the number of delayed discharges from both acute and community hospitals.
- In Sandwell they are making more use of new technology to visit people virtually in their homes and help monitor them 24 hours a day, 7 days a week.
- In North Devon by providing brief stays in a residential care setting local partners are preventing long hospital stays.

PERSONALISED CARE

106. A key principle behind the Government's care reforms is around greater personalisation of services.

107. Up to now personal budgets have not been required by law, which has resulted in significant variations in provision both geographically and also across different groups such as older and disabled people. We have tackled this by including provisions in the Care Act which will require all eligible people to have a personal budget as part of an agreed care and support plan.

108. An ongoing challenge is to ensure that personal budgets give people real choice and control over how their services are provided in order to improve people's outcomes and create a better experience for people in need of adult social care.

109. The Government remains committed to supporting Think Local Act Personal (TLAP) and councils, working with Association of Directors of Adult Social Services (ADASS) and the Local Government Association (LGA) to continue and build on the progress made to date to ensure that personal budgets work for the people that matter most.

110. The Government is also committed to increasing the involvement of patients and their carers in decisions about care and support, as part of the wider personalisation of the NHS. This includes the use of personal health budgets.

111. Since 1 April 2014, all those receiving NHS Continuing Health Care will have the right to ask for a Personal Health Budget, including a direct payment for healthcare. By 1 October 2014 this will change to a right to have a personal health budget for this same group. In the longer term all those who could benefit from one would have the option of a personal health budget, again including a

direct payment for healthcare. This should help facilitate the integration of health and social care as individuals could have an integrated care plan which includes all their health and social care needs and a joint personal budget.

112. There is a lot of work yet to be done before we get to this position but NHS England and DH continue to work together to ensure that when integrated budgets do become a reality they can be implemented smoothly to ensure continuity of care for those patients who benefit.

113. The Department of Health held a Personalisation Summit in September 2013, chaired by Norman Lamb, Minister for Care and Support. The Summit brought together central and local government with representatives of key social care sector organisations to review progress with personalisation. Following the Summit, Think Local, Act Personal published the Personalisation Action Plan.² This sets out the work underway across the sector to support personalised care.

114. We have also worked collaboratively with social care stakeholders to produce the statutory guidance and regulations on care and support planning, reviews of care and support plans, personal budgets and direct payments that will accompany the Care Act. These documents, sent out for public consultation in June, will be finalised in October 2014.

115. We have worked with NHS England and key stakeholders to establish how personal health budgets should be implemented beyond NHS Continuing Healthcare and this work is ongoing.

2 <http://www.thinklocalactpersonal.org.uk/library/PersonalisationActionPlanFINAL.pdf>

CARERS

116. The Care Act extends carers' rights to an assessment, with a single duty for local authorities to undertake a carer's assessment on the basis of the appearance of a need for support. The assessment will include consideration of the impact of caring on the carer, the outcomes they wish to achieve in their own day to day life and other important issues, such as whether they are able or willing to carry on caring, whether they work or want to work, and whether they want to study and/or do more socially.

117. For the first time, there will be a duty on local authorities to meet carers' eligible needs for support, putting them on an equal footing to the people they care for.

118. Carers sometimes feel forced to give up paid work in order to cope with caring responsibilities. This can damage their wellbeing, and lose valuable skills from the labour market.

119. Following a summit co-hosted by the Government and Employers for Carers in June 2012 a task and finish group was established to gather evidence on supporting carers to combine work and care. The Group's report 'Supporting working carers: the benefits to families, business and the economy' was published in August 2013. One of the recommendations is for Government to invest in local pilots to explore ways of supporting carers to remain in employment and we have now commissioned this work.

120. The Department of Health is currently updating the Action Plan for the national Carers Strategy which will be published soon. It will set out the Government's commitments to carers over the next few years.

CHANGING THE WAY WE PAY FOR CARE

121. We know that one of the biggest concerns older people have is how they will pay for their care. Under the current system people have faced losing almost everything they've worked hard for in order to get the care they need. That is why the Government asked Sir Andrew Dilnot to lead an independent commission to look into how the system of funding social care in England could be reformed to strike a fairer balance between the responsibilities of individuals and the state.

122. Following the recommendations by Sir Andrew Dilnot, the Government has been progressing work to implement the new funding model for adult social care. We have put forward a new system which will cap the amount people have to spend on the care they need, regardless of how much they have in savings or assets. Once that cap on care of £72,000 is reached the state will pay those costs. On top of this we have increased the means testing level so that Government help kicks in far earlier than before, meaning people with modest wealth will be eligible for state help towards that cap.

123. This will mean that for the first time people will be protected from the risk of catastrophic care costs and have certainty on how much they will need to contribute should they need care. As soon as the system comes into force in April 2016 35,000 more people will get help with their care costs and by 2024/25 up to 100,000 more people will benefit financially as a result of the reforms.

124. These changes will also mean that more people will involve their local authority in their care, either as a result of extended access to financial support or in order to benefit from the cap on care costs. This will provide a huge opportunity for local

authorities to support people to maintain their independence, remain active and connected in their communities and stay healthier for longer.

125. We are continuing to develop the detail of the proposals and will consult on this towards the end of the year.

126. The Government wants people to have a range of affordable and convenient options to help pay for their care and support in later life using their assets, including their homes, as flexibly as possible.

127. From April 2015 there will be a Universal Deferred Payments scheme to help people to pay their residential care fees, so that people should not be forced to sell their home in their lifetime to pay for care. By making an agreement, a person can 'defer' or delay paying the costs of their care and support until a later date. The local authority pays the person's care costs on an ongoing basis, and subsequently reclaims the amount due when the agreement is terminated. This is a fundamental way in which the Government is supporting people to use their assets more flexibly to pay for their care.

128. We are currently consulting on draft regulations and guidance governing the deferred payments scheme to be rolled out as a universal offer, to be made available in every local authority area in England from April 2015.

WORKING WITH THE FINANCIAL SERVICES INDUSTRY

129. We recognise that we cannot do this alone and we have been and continue to work alongside the financial services industry. With them we want to create the right environment for a new market of financial products to fund care to develop. Such products could help people unlock their

pension and housing wealth and provide more choice over how they pay for their care.

130. In January 2014, The Department of Health and Association of British Insurers signed a joint Statement of Intent which sets out the steps needed to help people understand their long term care costs and financially plan to meet future care costs. The Statement sets out how the Government will work with the financial services insurance industry alongside the implementation of the Care Act to help people get the financial information and advice, including regulated advice, they need to plan and make good financial decisions, and create the right conditions for a market of financial products to emerge.

131. In addition the Government has been working closely with the industry to improve consumer confidence in the existing equity release market. In April 2013 the FCA took over the regulation of the equity release market. FCA regulation of the equity release market benefits consumers through greater protections, including recourse to the Financial Ombudsman Service and Financial Services Compensation Schemes if things go wrong, and a requirement that firms ensure customers consider their future plans and needs.

132. In addition to these protections, the Mortgage Market Review (MMR) rules due to be implemented by the FCA in April 2014 mean that firms must ensure consumers taking out equity release products receive advice from a suitably qualified adviser. Whilst this is common practice amongst firms in the equity release market already, this requirement ensures that all consumers receive the additional protection of advice.

133. The Government welcomes the work the financial services industry has done in recent years to develop robust consumer safeguards. For example, providers that sign

up to the code of conduct set by the equity release trade body give a 'no negative equity guarantee', which protects customers from building up a debt worth more than the eventual sale value of their home.

Section 4 Enabling, promoting and supporting independence

The Committee concluded that the housing and other public service needs of older people should be better addressed through improved planning and involvement in their local communities.

HOUSING AND WIDER PUBLIC SERVICES

134. Last year the committee concluded that the needs of older people should be addressed through improving housing and other public services in order that the country is a better place to grow old. These improvements must go beyond improvements to the health and care system and should include housing.

135. There are three main strands to current policy on housing for older and disabled people:

- providing support to people who wish to stay in their home.
- ensuring the right advice is available.
- strengthening choice for those who want to move into specialist accommodation.

136. As regards providing support – since 2010 around 40,000 adaptations have been made to properties each year through the Disabled Facilities Grant to supporting older and disabled people to remain in their own homes and postpone or even prevent the

development of serious health and care needs. This investment amounts to £785m from 2010 to 2015. The inclusion of the Disabled Facilities Grant within the better care fund from April 2015 will create an opportunity to promote integration between care and support, health and housing in local planning and commissioning.

137. In addition £51 million of funding has also been made available via local authorities for handypersons services covering such things as small building repairs and odd jobs for 2011-15.

138. On advice – over £3 million has been provided to the Elderly Accommodation Counsel to deliver the FirstStop advice service. Accessed via the web, email or telephone, the service offers free, independent information and advice on housing and related support, care and finance for older people and their families and carers. £1 million funding has been also provided for FirstStop's local partner service ensuring the right housing, care and support information and advice is available.

139. On strengthening choice – The Care and Support Specialised Housing Fund is providing up to £315m capital funding to support the development of specialised housing for older and vulnerable people. To date £131m has been allocated in capital grants across 121 projects which will deliver over 3,500 units, with a further £186m investment and more homes to follow.

140. Further to this investment, the National Planning Policy Framework makes it clear that local authorities should plan for a mix of housing based on current and future demographic trends, taking into account the needs of different groups, including older people.

141. Through the contestable policy fund Department for Communities and Local Government (DCLG) has commissioned URS and Demos to undertake research and policy development respectively. The project is due to complete in late summer/early autumn 2014 and will deliver a package of evidence and innovative policy recommendations aimed at on increasing suitable housing options for older people.

LONELINESS AND ISOLATION

142. Last year we set out how loneliness is blighting the lives of many older people across our country.

143. The Care Act gives local authorities a duty to promote a person's well-being. That includes their physical and mental well-being, their personal relationships, control over their day to day lives such as how care is delivered and their contribution to society.

144. Loneliness and social isolation are problems which Government alone cannot solve and many of the solutions to combatting loneliness lie within local communities themselves. We need to strengthen communities so they can help to keep people stay safe and reduce, delay or prevent the need for acute care. Government has a part to play too. By bringing people together, giving them the right tools, and increasing the evidence base around loneliness, the Department of Health can encourage local commissioners to tackle the issue and come up with the right targeted solutions.

TRANSPORT

145. Linked to our objective to tackle loneliness in older people we want to help people stay active in their community by having transport services that respond to the differing needs of older people. The availability of transport services that are accessible and affordable can help in maintaining a sense of independence and freedom, a good quality of life, including social contact with others, and the chance to engage in physical exercise.

146. We are looking to build on progress made so far by improving accessibility on buses, trains and taxis. As of November 2013, over half of all trains have been built or refurbished to modern access standards, while 78 per cent of buses in England now meet accessibility requirements. Bus travel remains the most used form of public transport, especially by older people, the vast majority of whom are able to take advantage of concessionary travel. This will remain the case for the duration of this Parliament.

147. We are also looking for improvements in transport provision to support the sustainability and independence of those living in rural communities. Older people are supported to continue to use their own cars, through the use of vehicle adaptations and driving assessments. Guidance has also remained available to promote the improvement of accessibility and inclusivity in the design of streets and other such public places.

VOLUNTEERING AND SOCIAL PARTICIPATION

148. The work of volunteers and those who participate in social action are an integral component to help the Government achieve its vision to build strong, vibrant and capable

communities. The contribution they make to improving health, well-being and social care, particularly for some of the most vulnerable people in our society, such as the elderly, make them well placed to help us carry out public service reform and delivery to achieve healthcare outcomes that are among the best in the world.

149. A Department of Health commissioned report by the King's Fund *Survey into Volunteering in Acute Trusts in England* (published November 2013), highlights the benefits volunteers bring to the health service, the critical role they play in improving patient experiences and how they are valued highly by patients, staff and the public.

150. The Government promotes voluntary activity that can support older people. For example, Cabinet Office's Centre for Social Action (CSA) is currently investing £40m to support organisations – from Voluntary and Community groups to Corporates – to mobilise people to take part in social action (e.g. volunteering, mentoring, peer-to-peer support). As part of its 'Ageing Well' strand the Centre is funding programmes that harness the assets of older people and communities in new and innovative ways. A lot of these programmes work on a local level, giving older people the opportunity to shape and improve lives in their community.

151. For example, CSA in partnership with Nesta, have supported the creation of NANA; a comfort food and community cafe in Hackney hosted by older ladies from the area. CSA is also working with the Post Office and DCLG to support 25 community projects run by local postmasters. The projects aim to tackle key issues/challenges locally through community social action, including, tackling isolation and loneliness among older people. In partnership with the Department for Health and Public Health England we are also supporting the Dementia Friends campaign

– part of the Prime Minister's challenge on dementia – which aims to create more dementia friendly and inclusive communities.

152. We also know the role of the volunteer has evolved over the years. Older people are the mainstay of a large part of the volunteering that takes place across the country. They make a huge contribution through their commitment and accumulated experience. People aged between 65 and 74 tend to give the largest amount of time to regular informal volunteering of any age group.

153. The Care and Support White Paper set out a commitment to make it easier and more attractive for everyone, regardless of age or ability, to contribute to their communities and provide a helping hand to those who need it. As part of this, the Government continues to look at ways to use its position to advocate on the benefits of volunteering and social action, and encourage partnerships and coalitions with private, public and charitable organisations, to help us respond to the needs of an ageing population.

Section 5 Looking to the Future

The Committee concluded that Government should make greater effort to assess the implications of an ageing society on their policies.

THE FISCAL SUSTAINABILITY REPORT

154. The Office for Budget Responsibility (OBR) was created in 2010 to provide independent and authoritative analysis of the UK's public finances. As part of this role, the Budget Responsibility and National Audit Act 2011 requires the OBR to produce "an analysis of the sustainability of the public finances" once a year.

155. The OBR published their latest analysis in the July 2013 *Fiscal sustainability report*. On July 10th the OBR will publish their 2014 update, which will include the latest population projections published last year. This report will include updated projections of expenditure on health, pensions and long-term care (social care). The Government will consider the findings of the OBR as part of the policy making process going forwards.

WHAT WORKS INITIATIVE

156. Building on the example of NICE's role in bringing evidence-based rigour to health decision making, four social policy areas were identified by the Cabinet Office as having the

potential to benefit from the establishment of a "What Works" centre. The centres will improve local commissioning decisions, policy development and implementation by underpinning them with evidence of "what works".

157. The Centre for Ageing Better was established by Big Lottery last year including a £50m investment over 10 years. Big Lottery is leading development of the centre in partnership with DH, DCLG and DWP. The Chairman of the Centre, Lord Filkin, was appointed at end of 2013 and the board is currently being set up. Initial work for the centre has identified its main audiences including individuals, families and carers, communities and civil society, Commissioners, and produce and service providers and the private sector.

158. The Centre, expected to be operational later this year, will bring together and stimulate the growth of a wide range of evidence to share with older people and professionals involved with ageing better. By doing this, the centre will provide the best evidence of what works in community-based solutions to the challenges and opportunities arising from our ageing population.

ANALYSIS OF THE CHALLENGES OF AN AGEING SOCIETY

159. In last year's response to the House of Lords Committee, the Government Chief Scientific Adviser agreed to lead a piece

of analysis of the challenges of an ageing society. Building on evidence gathered during work considering “the Future of Demographic Change for the UK”, to be published later in 2014, this project is taking an over-arching, evidence-based, cross-Government and cross-societal approach to analyse the challenges and opportunities of an ageing society. The work is not only looking at how the current policy portfolio supports an ageing population, but will address likely future needs and options to meet them.

160. The analysis of the challenges of an ageing society, which will report in 2015/16, is building a strong evidence base to inform policies that improve the quality of the ageing experience in the UK, that enable older people to participate more fully in society and improve our understanding of how to achieve a cost-effective balance of accountability for actions which reflects an affordable position between individual responsibility and state support.

161. This will be achieved by identifying the evidence for options that will help Government, society and individuals to: increase healthy, independent lifespan, quality of life, and wellbeing; support people to maintain social engagement and productive activity later in life, and; ensure availability of, equal access to and usage of, the tools and facilities to achieve these aims.

162. The scope of the work is wide-ranging. It includes mental capital through life; relationships; health and social care; finance, and; environment and infrastructure. The project is also considering broader, cross-cutting themes by taking a whole life-course and intergenerational perspective, examining the impact of technology and considering the implications of population variation and inequalities on the ageing society.

163. The work is being steered by the Government Chief Scientific Adviser and

a group of leading external experts, with guidance from a cross-departmental oversight group. The project is also being aligned with the work of major initiatives such as the Centre for Ageing Better. The Government Office for Science and the Centre for Ageing Better are working together to maximise the synergies between these initiatives.

CROSS-GOVERNMENT WORKING

164. As part of its remit to cover all issues relating to domestic policy Government Ministers will continue to use the Home Affairs Cabinet Committee to consider as a whole all major policies relating to older people.

165. Underpinning all cross-Government activity on ageing is a network of officials across relevant Departments who work together to share information and support effective decision making across Government. Leadership on these issues at official level is provided by the Ageing Society Strategy Group, a cross-Departmental senior officials steering group, who are responsible for supporting Ministers to ensure Government works together well with a clear focus on outcomes.

ENGAGEMENT

166. We will continue to identify and consider those issues which have the most profound impact on older people and the ageing population through the UK Advisory Forum on Ageing. As members of the Age Action Alliance we will work with older people alongside the private, public and civil society sectors to celebrate the opportunities and address the challenges of an ageing society.

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