

# **An Age of Opportunity**

**Policies for Older People**

**Policy Paper 39**





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# ***Summary of Key Proposals***

## **Objective**

Our ambition is not just to provide for greater financial security for older people – although that is certainly necessary – it is to change the whole nature of “retirement” to make it a time of opportunity and empowerment. We want to create a society in which all members, including older people, can experience what we call “laminated lifestyles” throughout their lives, in which there is a mix of paid employment, leisure, learning, caring and volunteering activities.

Our aim is to give older people choice and opportunity. We do not believe that Government should curtail the independence of older people by trying to dictate how long people will work for or how they will live their lives.

Recently older people have been let down by both Conservative and Labour Governments. Labour has broken its pledge that older people would “share in rising national prosperity”. We wish to put an end to government neglect of Britain’s older people. The Conservatives now seem to be trying to bribe pensioners with their own money.

## **Work, Leisure and Learning**

We would:

- Abolish the notion and practice of a mandatory retirement age in order to challenge age discrimination in the workplace.
- Provide for individuals over the age of 70 to have an assessment of their ability to continue their job as part of an annual appraisal process.
- Ensure that the Department for Education and Employment adopts the increasing participation of older people in education and training as an explicit policy objective.
- Seek to move to a situation where those who leave school before 18, or do not go on to university should receive credits into their Individual Learning Accounts (ILAs) to draw down in later life, including in retirement. We would phase this policy in on the basis of affordability.
- Give older people the choice of re-balancing their work, leisure and learning activities in later life.

## **Incomes and Independence**

We would:

- Increase the basic state pension by at least £5 per week, over and above the usual up rating for inflation.

- Put in place an additional periodic review to consider the adequacy of the basic state pension.
- Raise and extend the age additions on the basic state pension, increasing the over 80s top up to £10 per week, and introducing an additional top up of £5 a week at the age of 75.
- Gradually extend entitlement to the full basic state pension to all citizens.
- Abolish the upper capital limit, which disqualifies pensioners with life savings from receiving the minimum income guarantee.
- Ensure that the government provides a mandatory second pension for everyone, including those unable to contribute due to sickness, unemployment or caring responsibilities.
- Legislate to require any significant future change in the eligibility criteria or basis of the state pension to be approved by the public in a referendum.
- Establish a cross party standing committee to build an all-party consensus on pensions policy so as to promote stability.

## **Health and Social Care**

We would:

- Outlaw the denial of treatment on the basis of absolute age barriers and require the NHS Executive to issue national guidance to tackle discrimination on grounds of age.
- Enhance the provision of convalescence and continuing care.
- Promote timely intervention to help people retain their independence, supporting preventative care initiatives with time-limited ring-fenced grants.
- Strengthen support for carers, to include entitlement to respite and training.
- Introduce greater flexibility by breaking down arbitrary boundaries between nursing and residential care settings.
- Press for a significant real increase in government spending plans for social care to remedy past underfunding and meet the needs of an ageing population.

## **Communications, Crime and Housing**

We would:

- Provide an entitlement for older people to a course in IT skills where this would facilitate social inclusion, and improve access to IT for housebound older people.
- Improve public transport, including its accessibility.
- Introduce a “National Homes Insulation Programme” to tackle cold and damp homes.
- Ensure that building regulations provide for flexibility to undertake low cost conversion for wheelchair access, fittings, showers, and stair lifts.

# ***Introduction: Values and Challenges***

1.1 Our last policy paper for older people was entitled *Retirement with Dignity* (September 1993). This Paper is entitled *An Age of Opportunity*, because we believe that in the future conventional assumptions about individuals' patterns of life – school education, followed by full-time paid work and then retirement – will be replaced by the reality of a more diverse experience. The boundaries between conventional education, employment and then “retirement” will, we believe, become less clear-cut. Older people will, we hope, “retire” at different times and have more choice to mix paid work with leisure, learning, caring, and voluntary activities. **We want, in fact, to challenge the very notion of “retirement”.**

1.2 Over the next few decades, the number of people over the traditional “retirement age” will grow, both in absolute terms and relative to the population “of working age”. This raises a number of key issues for both individuals and policy-makers, and is one of the reasons for undertaking this review of Liberal Democrat policies for “Older People”.

1.3 Our other reason for revisiting this area of policy is to recognise that many older people feel neglected and overlooked by politicians and by society. In spite of the Labour Party's promise in their 1997 General Election Manifesto that “pensioners will share in the increasing prosperity of the nation”, many are in fact falling behind. **Recent statistics (April 2000) show that the**

**amount of government spending on pensioners as a proportion of national income being spent on pensioners has declined under this Labour Government, just as it did under previous Conservative Governments.** Older people in the UK are too often being overlooked by politicians, even though in this country pensioners account for about one in five of the population, around one in four of adults, and in some areas as many as one in three of all those who vote in elections. The rise of only 75 pence per week in the basic state pension for 2000/01 has brought the issue of treatment of older people into sharper political focus. Older people feel insulted by Labour's 75p pension rise, and also by the Conservative Party's recent proposal to bribe pensioners with their own money – increasing pensions while abolishing the winter fuel allowance, the Christmas bonus, and free TV licenses.

1.4 Of course, it is not only issues such as pension levels that are of concern to older people. As this Paper was being written, newspapers were reporting the case of a 70-year-old man who was refused a job working for a charity for the elderly – because he was considered to be too old! The media has also recently been reporting serious allegations that older patients in the care of the NHS are being allowed to die, rather than being given expensive treatment to prolong their lives. Such issues are central to the way in which society provides for older people.

1.5 This Paper seeks both to look at the longer-term issues which result from the demographic and social trends which we are now experiencing, and to raise the profile of issues which are of immediate importance to older people.

1.6 Of course, in alluding to some of the problems facing older people, we must not overlook the very many positive developments taking place. The ageing of the population, and the challenges which arise from this, result in large part from increasing life expectancy due to better medical care and healthier lifestyles. People now have more time in later life to enjoy leisure pursuits, whereas 100 years ago people on average lived for only a few years after “retirement”. So, there are many new opportunities opening up for older people. The ageing of the population is not, then, a “problem” to be “addressed” it is instead an opportunity to be seized. **Our hope is that in the future older people will find their life after full-time employment to be an “Age of Opportunity”.**

1.7 We view the ageing of the population as involving many opportunities because:

- It is in large measure a manifestation of healthier lifestyles and improving medical care.
- Many people who in the past would be regarded as having reached a “very old” age are now active and intellectually vigorous; chronological ageing and biological ageing are often very different.
- Older people now have more time for leisure pursuits, including lifelong learning. Life for many people need no longer mean the old

conventional pattern of 16 years of schooling, 50 years of working, followed by a short retirement and then death.

- Older people have a wealth of experience that can be utilised by the voluntary sector, by younger people, and in a wide variety of other ways.
- New technology offers new possibilities for older people – particularly opportunities for better communications.
- Many older people, particularly those only now retiring from work, have been able to save well for their retirement. These people, particularly, have more opportunities for leisure pursuits.

1.8 However if it were all good news for older people, then we would not need to be writing this Paper. There are, in our view, a number of problems affecting older people, which we seek to address in this Paper:

- Many older people have incomes that are too low to allow them to live comfortably, let alone enjoy the many opportunities which increased leisure time should bring. This is particularly the case for many women and for older pensioners. The Government has failed to deliver on its promise that pensioners will “share in the increasing prosperity of the nation.” The gap between the incomes of the richest and poorest pensioners is growing. The present Government has also failed to provide for an effective second tier of universal pension provision, meaning that too many future pensioners will still face poverty.

- People cannot be sure of their future incomes “in retirement” because the Government so frequently “moves the goalposts” often cutting entitlements after contributions have been made. Public sector mis-selling of pensions is as much a risk as private sector mis-selling.
- Many older people who want to work find it difficult to secure a job. Too many employers consider older people to be unproductive or “past it”. The Government has at times encouraged older people to retire early in order to reduce the official unemployment figures, and has done too little to help older people to re-train. There is often a culture of age discrimination in the workplace.
- Older people can also often face age discrimination in relation to access to certain types of health care. Resources are frequently prioritised away from older people purely on the basis of their perceived shorter life expectancy.
- Older people have a great reservoir of talents and experience, but too often this is neglected or undervalued. Many older people would like more opportunities to work part-time, to learn, or to undertake voluntary activities.
- Older people are more likely than most groups in society to suffer from poor public transport, from fear of crime, and from isolation.
- There is a need to consider improved ways of caring for older people towards the end of their lives, and especially after serious

illness and bereavements. There is a balance to be struck between supporting independent living and providing an adequate level of care and support.

1.9 As Liberal Democrats, we bring our own set of values to a study of the issues identified in this Paper. We have considered how these values inform our attitudes to policies for older people. We have agreed the following broad set of principles:

- We believe that older people should be treated as far as possible in the same way as other people in society. As Liberal Democrats, committed to the liberty of individuals in a fair and just society, we oppose discrimination based solely and arbitrarily on grounds of age. To prejudge a person’s ability solely on this basis is no more acceptable than sexism, racism or any other form of discrimination.
- We do not believe that it is right to think of older people as if they were merely one homogenous group, or to divide them arbitrarily on age lines such as “younger old”, “older”, and “elderly”. The capabilities, interests and aptitudes of one person of any age can vary markedly from another person of the same age. Until people grow very old, it is the differences in health *within* age groups that are more striking than differences *between* them.
- We believe in giving older people choices and flexibility. We welcome the diversity that comes with such an approach. We do not believe that it is the job of Government to tell older people how to live their lives or how long they should go on

working for. Subject to the right incentives and information, these are choices for each individual. We believe that the Government should, as far as possible, act neutrally (and in an enabling capacity) both with respect to retirement choices and consumption choices.

- We believe that while negative assumptions about people based solely on age have no place in a Liberal Democrat society, “benign ageism” is equally unacceptable. A caring stance towards older people can easily become a patronising approach. Older people should be subject to the same rights, liberties

and obligations as others in a democratic society.

1.10 In this Paper we are seeking to address the major public policy issues affecting older people. We do not have the time or the mandate to review all aspects of the policy areas touching on the lives of older people (health care, disability policy, law and order etc). We have therefore chosen the issues which we consider to be of greatest importance. In the other areas of policy that affect older people, we would direct those interested to the relevant existing party policy papers. (*A Clean Bill of Health*, 2000, *Breaking Down Barriers*, 1999, *Stronger Communities*, *Safer Citizens*, 1996)

# ***The Demographics of an Ageing Population***

2.1 People in Britain are living longer, and this trend seems likely to continue. As a consequence of this, and of a declining birth rate, the composition of the population is changing so that there are more older people relative to those of traditional “working age” and younger.

2.2 Figures from the Government Actuary show that the number of people in the UK aged 75 and over will rise by over 1 million (24%) between 2000 and 2020. Over the same period the number of people aged 50 to 74 will increase by 4,670,000 (31%). Meanwhile, those aged under 50 will fall by some 1,992,000. In 2020 around 40% of the population will be aged over 50 compared with 32% just 20 years before. Between 2000 and 2031 the number of people over the age of 90 is projected to rise by some 90%, from 405,000 to 771,000.

2.3 In 2040, as a consequence of these changes, it is expected that there will be 43% more people over state pension age, in spite of the increase in the women’s state pension age.

2.4 At first glance, the above figures suggest that the UK is sitting on a demographic time bomb. However, we should be careful not to exaggerate the implications of these developments. The ageing of the population in the UK is expected to be less pronounced than in most European countries. In addition, because of the reduced number of children, the dependency ratio (of the “working age” to the

“non-working age” population) is only expected to rise modestly in the UK between 2000 and 2020.

2.5 What these changes mean is that the mix of age groups within the population will look different in the future. Today, for every 10 people aged 25-49, there are 7 aged 50-74. In twenty years time, there will be nearly equal numbers of those two age groups. In 1998 there were nearly 1.4 million more children under 16 than people of pensionable age. In just 8 years from now, the population of pensionable age is projected to exceed the number of children. These changes in the age make-up of society can be expected to cause changes in the attitudes of all of us towards age.

2.6 These developments are clearly of importance both for older people and for society as a whole. If people continue to live longer but do not work longer then either the working population will have to become much more productive, or contribute more of their incomes, or standards of living in retirement will be curtailed.

2.7 Forecasts showing the cost of paying out future levels of the state pension in the UK appear to show that this is affordable in spite of the ageing of the population. However, this is largely because UK levels of state financed pension are so low. With the state pension now indexed to prices rather than earnings, in spite of the rise in the number of pensioners the overall share of rising national wealth going

into spending on state pensions is forecast to stay well within affordable limits.

2.8 However, if the state pension were to be indexed to earnings instead of prices, the cost would rise significantly. Government Actuary Department figures show that in 2050 the National Insurance Contribution (NIC) rate required for earnings indexation would be fully 12% higher than for price indexation (27.3% versus 15.2%). As a percentage of total earnings, a contribution of 17.3% would be needed to support wages indexation, and a contribution of 8.9% for price indexation.

2.9 Almost 50% of pension rights in the UK are already funded (i.e. through payments into private or occupational schemes), which is quite high in relation to many countries. But this still leaves many people without adequate incomes for later life. Essentially, we have a growing gap between a large group of individuals who are providing quite well for their old age, and others who are unable to make such provision.

2.10 The conclusion must therefore be that in the UK we do not, in fact, have a demographic time bomb in terms of pensions affordability, but a poverty time bomb for those pensioners without significant provision beyond the basic state pension.

# ***Work, Leisure and Learning: “Laminated Lifestyles”***

3.1 In the past 100 years the majority of individuals have tended to live their lives within a relatively stable structure. This has consisted of a little over a decade of school education, followed by 50 years or so of work (paid or in the home), followed by a short spell of “retirement” - before death.

3.2 We believe that in the future this simple structure will give way to a new and more “laminated” lifestyle in which education, work and leisure will increasingly overlap. Already, the traditional life pattern is altering. The major changes we identify are:

- People are tending to start life in formal education earlier, and stay in formal education (e.g. university or training) for longer.
- People are working for a shorter period of time because, on average, they are starting work later and retiring earlier.
- People are retiring earlier because some are able to save more for retirement (through generous occupational pension schemes, for example), and some are being forced into early retirement by unemployment and employer resistance to recruiting and retaining older workers. In 1976, only 7% of British men aged 55-59 were not active in the labour market, but this figure had risen to 25% by 1999. Only half of 60-64 year old men are active in today’s labour market.

- More women are engaging in paid employment.
- People are living longer in retirement.

3.3 We believe that most of these trends will continue into the future. On the whole, we welcome these changes. Younger people are getting better learning opportunities and older people are often able to enjoy more leisure while living healthy and fulfilling lives.

**3.4 We want people to be as free as possible to learn, work and enjoy leisure in the proportions *they* choose throughout their lives. This does not, of course, mean that individuals or society can escape the implications of the economic costs involved in making these choices.** These economic costs should usually be reflected in the nature of the choices made. But, as Liberal Democrats, we want these choices as far as possible to be made by individuals themselves, not by the state. **In our view, the state has no business in deciding whether it wants people in the future to work longer (to pay for increased longevity) or to retire earlier (because of higher productivity and wages). The state’s key role is in reflecting and exposing the economic costs of different decisions and choices, and providing for the poorest and disadvantaged older people.**

3.5 We believe that there are a number of challenges needing to be addressed in this new and more flexible environment that we anticipate. These challenges include:

- Many people are presently being forced into “retirement” early, or have trouble obtaining work, because of implicit, and sometimes explicit, prejudice against older workers. The employment rate for men aged over 50 has fallen dramatically in the last 20 years, while older women have not experienced the marked increases in employment opportunities that younger women have enjoyed.
- As people live longer lives, they may wish to work longer – either to earn more income for retirement or because they find work to be rewarding in a wider sense. At present, working beyond the conventional retirement age can prove difficult.
- Some older workers may need re-skilling in their later lives to allow them to stay in work.
- Many older workers may want to scale back, rather than stop, their work commitments in later life, mixing work with leisure and learning.
- Older people have huge talents and experience, which are often not fully recognised or utilised by the wider community.
- The provision and funding of learning opportunities for older people.

## Letting People Choose

3.6 In a previous policy paper (*Retirement with Dignity*, September 1993) Liberal Democrats advocated a “flexible decade of retirement”, with the individual able to choose at what age between 60 and 70 he/she wished to “retire”. An essential element of this choice was, of course, that those who chose to retire earlier would draw a lower pension than those retiring later.

**3.7 Building on this “flexible decade of retirement”, we now propose removing mandatory retirement ages.** This is already the case in the United States. With many people living longer and enjoying good health well into their 60s and 70s, there is much to be said for adopting this policy in the UK. This would not, of course, mean that everyone has to go on working. It would be up to the individual to decide at what age he/she wished to “retire”. Early retirement at 50 or 55 would be just as possible as retirement at 75.

**3.8 We would continue with a “pivotal” state pension age at 65, but would allow people to draw this pension (at a lower rate) at any point from age 60 (given sufficient available income), or to defer drawing it (at a higher rate) should they wish to do so.**

## Ending Age Discrimination in the Workplace

3.9 We believe that unfair discrimination on the basis of age should be as unacceptable as other forms of discrimination, such as on the basis of gender, race, and sexual orientation. Too many older people are

finding it difficult to gain or hold jobs because of age discrimination. This situation has been exacerbated by recent periods of high unemployment in which older workers tend particularly to get “locked out” of the workforce. We believe that greater economic stability and the changing age balance of the population will increase demand for older workers and force employers into improving their own attitudes to older workers.

3.10 Nevertheless, this age discrimination in employment is so unacceptable that we are not prepared merely to wait for the situation to change as a “natural” consequence of changes in the labour market. **We therefore propose the establishment of a new Commission for Age Equality, backed by legislation, to make unfair discrimination on the basis of age alone illegal and to provide for effective enforcement mechanisms.** The Commission for Age Equality would operate within our proposed Human Rights Commission, which we would introduce to oversee the wide-ranging protection of rights and freedoms contained in a new Equality Bill.

3.11 As a second step to increase choice for older people, and to end discrimination on the basis of age, we would make compulsory ages of retirement illegal. Obviously, to continue working, employee and employer have to be agreed that it is to mutual advantage. Where there is joint agreement we see no reason to impose a mandatory upper age limit. **There should no longer be an assumption that just because someone has reached a particular age, they are not fit to do a particular job. People should be judged on the basis of their ability to do a job, not on their**

**date of birth.** It does, however, seem reasonable that those who continue working over, say, age 70 should accept as part of an annual appraisal an assessment of their capacity to be able to continue to effectively do the job to the required standard. Individuals would be encouraged to see these reviews as focusing on their own interests, for example the need for retraining opportunities or flexibility about hours of work. Individuals could, after going through other appropriate appeals procedures, approach the Commission for Age Equality if they believed that there were inadequate grounds for any dismissal following such a review. In setting up such review mechanisms we would encourage consultation between trade unions and employers on how these could best be structured.

3.12 We do not envisage that a large proportion of the workforce will want to retire significantly later than the present standard retirement ages. But we do believe that, at a period of time when many people may live healthily to age 90 and beyond, individuals are entitled to be judged on their abilities rather than by an arbitrary age cut-off. Ending the assumption that there is a particular age at which people are all suddenly “not fit to work”, will itself help to challenge society’s preconceptions about the ageing process and about older people.

3.13 **As a consequence of these changes, we would insist that Employment Tribunals should accept the case of any employee, regardless of age. At present, tribunals will not hear cases of unfair dismissal when an employee is over the age of 65.**

## Training and Employment

3.14 As some people choose to work for longer periods of time, and with the rapid evolution of new technologies, many older people will need re-skilling and re-training. We believe that older people should be given these opportunities. The present Government's "New Deal" has involved channelling a large amount of money towards training for young people, but the many older people needing such assistance have been largely left out. 18-24 year olds have received £1.480bn from the "New Deal", whereas over-50s have received only £220m. **We believe that the Government's re-training and re-skilling efforts should be re-balanced to meet the needs of all individuals, including older people. Both private and public sector employers should also accept the responsibility to re-train and re-skill older workers.**

3.15 **Other older people may want to re-balance their work, leisure and learning activities in later life – moving, for example, to working for just one or two days per week. We believe that employers should facilitate such choices and that Government should ensure that tax, benefit, and pension rules should underpin these choices. Pension funds should be encouraged to enable people to choose not only when they can take their pension but also what proportion they take, giving older people more opportunity to mix and match a part-time pension with a part-time job. Final salary pension schemes often act to reduce people's freedom to make such choices in later life. We will require pension schemes that include a "final salary" component to give pro-rata full final salary**

**pensions, even if the last few years were spent in part-time work.**

3.16 Many older people are willing to give their time for voluntary activities, which have great value to the community but which are little rewarded. Financial compensation for such voluntary activity is a difficult matter – much charitable and "voluntary" activity only survives because of the non-remunerated nature of the work. Additionally, very low paid "volunteering" could in some cases be seen to be undercutting and displacing jobs on full remuneration. However, we believe that the Government should:

- Bring forward proposals to use better the talents and experience of older people. For example, we would establish a "Senior Teacher" scheme in which schools would be allowed to draw on the skills of retired teachers, on a voluntary basis, to teach a few lessons per term in schools, freeing up teachers for non-contact time. This would help existing staff, pass on some of the skills and experience of older people to the young, and increase contacts across age groups.
- We would seek to develop further ways of rewarding the social and economic value of caring and volunteering.

## Lifelong Learning

*We believe inclusiveness is the key to our future education standards... we should have wholesale entitlements... for young people, and for adults throughout their working and retirement lives.*

(Phil Willis, Liberal Democrat Shadow Education Spokesman)

3.17 Our position on education for older people is based on the same principle of age neutrality applied throughout this policy paper: older people should also be given full access to education and training. Too often the phrase “lifelong learning” is equated with the maintenance of marketable skills and overlooks learning in later life. For Liberal Democrats, “lifelong learning” must genuinely span the life course. As the hallmark of a genuine commitment to lifelong learning and social inclusion, **we would ensure that the Department for Education and Employment adopted the increasing participation by older people in education and training as an explicit policy objective.** This would promote both lifelong learning and social inclusion.

3.18 The national Learning and Skills Council now being established, together with its local councils and other local lifelong learning forums, should take account of the learning needs, general and vocational, of older people. This would entail a recognition that just as there are special circumstances to take into account for preschool children, young people making the transition from school to further education or work, or middle-aged specialists needing continuing professional development, so there may be for older people - for example, as to the time of day when provision is available or the travelling distance to it. We would encourage local authorities and Learning and Skills Councils to take appropriate measures to encourage access by older people.

3.19 As all forms of information become accessible through computers we want to see a wide range of learning opportunities in the field of new technology being made available to older people. Many older people wish to master IT skills and could benefit from the new forms of e-education and e-training now being developed. Older people are also amongst the heaviest users of broadcasting. We would ensure that when promoting distance learning using IT, broadcasting, the UfI (University for Industry) and other channels, the Department of Culture, Media, and Sport and the DfEE treated older people as integral part of the population of potential learners. IT-equipped schools should be encouraged to provide education, training and access for the wider community, including older people, and public libraries, post offices and community centres should also offer points of access for those who might otherwise be excluded. The BBC’s continuing commitment to education and its growing concern for the changing demography of its audience are welcome indications of possible progress in this area.

3.20 In this as in other policy contexts, the heterogeneity of older people has to be recognised. Some are not interested in education; some have been discouraged by personally sharing the ageist prejudice that old dogs cannot learn new tricks; others have been put off by the way in which education is promoted and organised. Some wish to study for qualification and credit; others prefer to study for its own sake; some want to retrain for a new career; some want to learn new things that compensate for the vocational bias of earlier education and training. We welcome the abolition in the Learning and Skills Act of the distinction

between Section Two (vocational) and non-Section Two (non-vocational) provision (with only the former receiving statutory support), which provides the opportunity to develop and expand this form of personal and communal 'capacity building'. We would ensure that both general and vocational education were adequately funded by the learning partnerships, and that age was not a factor in qualifying for Individual Learning Accounts and other entitlements. We would ensure that the inspection of adult and further education was undertaken by an inspectorate with the right values and skills to assess the broad range of education being provided.

3.21 We believe that the benefits of free state education extended to young people should be available equally to all people. **We will seek to move to a situation where those who leave school before 18, or do not go on to university, should receive credits into their Individual Learning Accounts (ILAs) to draw down in later life including in retirement. We would phase this policy in on the basis of affordability.** This would extend lifelong learning opportunities to many older people, and typically to those least able to afford them. This means that post-school undergraduates would be more likely to find themselves joined at university by older people, helping to break down ageist assumptions.

3.22 **We would establish, and provide “catalyst” funding for, “Third Age Learning Centres”, using existing school and other community facilities.** These would draw on the far-ranging skills and aptitudes of older people, and of guest lecturers, to provide wide-ranging

education by older people. The cost of setting up and running these Learning Centres would be far lower than for a conventionally structured project. We would encourage the recognition in practice that older people are a considerable resource and should be involved in the planning and delivery of education and training.

3.23 The Government is beginning to recognise that some learning needs may best be met through health and other services. Government is also becoming aware that public money spent on education, broadly defined, can mean money saved on health and long term care, perhaps even on the treatment of dementia. There is still a long way to go, however, before it can be said that policy and practice are effectively joined-up. The Better Government for Older People initiative (renamed ‘with’ not ‘for’ older people) should be extended beyond the 28 pilot boroughs, with education and training fully included alongside health, welfare and social service departments as a partner to achieve a proper integration of services.

3.24 We would encourage all institutions of higher education to review their recruitment policies and improve access for older students. Adult education, put at risk everywhere and severely damaged in many places, must now be given a place in policy and practice consistent with the proclaimed values of a humane society.

3.25 Our policy of providing a decent standard of living for all older people will also, in time, significantly increase the ability of all individuals to participate in an extensive variety of learning opportunities.



# ***Incomes and Independence***

4.1 Britain may not be about to experience a demographic time bomb, in which explosive growth of government expenditure is necessitated by an ageing population. However, Britain does face the problem of a growing gap between the income prospects of the richest and the poorest pensioners – with many existing and future pensioners facing a life in poverty or on low incomes. Without decent incomes, older people cannot experience independence, choice and opportunity. Liberal Democrats therefore want all older people to have decent incomes. We also believe that, as far as possible, people should be free to make their own choices about which goods and services to purchase. We do not like the “nanny knows best attitude” in which the state decides to supply certain “approved” goods for free. As Liberals, we would prefer that people were given the ability to make these choices for themselves.

4.2 In spite of Labour’s promise in their 1997 General Election Manifesto that “all pensioners should share fairly in the increasing prosperity of the nation”, the amount of Government spending on pensioners as a percentage of national income has fallen since Labour came to power. Many pensioners felt insulted and betrayed by the 75p rise in the weekly basic state pension in 2000/01, and by the continuation of the 25p top-up for the over 80s. Many older people feel that, after years of paying taxes and social security contributions, they are not getting a fair deal from this Government or its predecessors.

4.3 In this section we seek to develop our policies on pensions, as previously set out in *Moving Ahead* (1998). We build upon the tiered pension provision, set out in *Moving Ahead*. The first tier pension is the basic state pension – the essential minimum provision for all citizens. The second tier of provision consists of a personalised pension for every individual – whether an OSPA (Owned Second Pension Account), or an occupational pension.

4.4 We believe that there are two key issues to address:

- How do we tackle the problems of poverty and low incomes faced by today’s pensioners?
- How do we secure decent incomes for older people in the future? How do we tackle the time bomb of future poverty for today’s younger people?

We are determined to tackle the issues of poverty amongst older people both today and in the future. This requires resources to be targeted where they are most needed.

## **Tackling Poverty Now: Improving Tier 1 Provision**

4.5 Although older people have been becoming better off on average in relation to the rest of the population, many pensioners are poor today and on existing policies many are likely to remain trapped in poverty in the future. From 1979 to 1995 the real net incomes of the richest fifth of pensioners rose by some 87%, but for the poorest fifth of pensioners the rise

was only 29%. Over half of pensioners are in the poorest two fifths of the population.

4.6 The better-off older people have been providing well for their retirement by means of occupational and other schemes in which money invested grows over time in line with equity indices and other investment vehicles. Today, almost 50% of total pensioner income derives from occupational pensions, investments and other earnings. By comparison, only a third of pensioner income derives from the basic state pension, with the rest coming from means-tested and disability benefits. The income gap between the better off and the poorest pensioners is now greater than at any point in the last thirty years.

4.7 It follows, then, that while many older people are providing well for their incomes in later life, there is a significant group of people who are falling behind. The priority in terms of dealing with poverty amongst today's pensioners must be to focus available resources on this most needy group. Although the Government's recent introduction of a Winter Fuel Allowance is well intentioned, it delivers extra cash regardless of need. Many thousands of wealthy pensioners are now receiving what actually classifies as a tax-free grant from the Social Fund! In the future, Liberal Democrats want to see extra cash for pensioners made available through enhancements to the state pension, and targeted towards those people most in need.

4.8 Who are the pensioners in most need of assistance? They fall into a number of categories, including the many women who often have not been able to build up sufficient entitlement to

the full state pension. At present only 50% of women are entitled to the full basic state pension, versus 87% of men. Many pensioners also do not claim income support and other benefits to which they are entitled – they therefore end up surviving on a level of income which is considered to be less than the minimum amount needed to live on. But the biggest category of poorer pensioners consists of the oldest pensioners – who, again, are disproportionately women.

4.9 Older people make up a large proportion of the poorest pensioners. They have typically not benefited from the growth of occupational and personal pensions, are likely to have earned far lower incomes than today's older people, are often women receiving less than the full state pension, and are very likely to have run down their savings in retirement. The top-up on the basic state pension for those people reaching the age of 80 has been frozen at 25p since 1971. It is therefore not playing any role in tackling poverty in old age.

4.10 To tackle these immediate problems of low incomes amongst older people we would:

- **Address the fact that under recent Governments many pensioners have fallen badly behind by increasing the basic state pension for all Britain's 10.8 million pensioner recipients by at least £5 per week, over and above the usual annual up rating for inflation. This substantial real increase in the pension contrasts with the bogus pensions rise being proposed by the Conservatives, which consists of no more than the usual inflation up rating and the abolition of the**

**Winter Fuel Allowance, the Pensioners Christmas Bonus, and free TV licenses.**

**Older people who have been insulted by the Labour's 75p pension rise now feel that their intelligence is being insulted by the Conservatives con trick on pensions.**

- **Raise and extend the age additions on the basic state pension. As affordable, we would increase the over 80s top-up to £10 per week, from the present level of 25p per week. We would also introduce an additional top-up of £5 per week at the age of 75.** Work by Professor Steve Webb MP and by Alison Dash shows that this would most effectively target resources towards the poorest pensioners. Pensioner poverty amongst the over 80s is roughly twice as high as for the under 70s. We would see this is a first step towards increasing these top-ups to a level which would be sufficient to remove all older people over the age of 75 from reliance on means tested benefits. This policy would be of direct and considerable benefit to 4.5 million pensioners – 2.1 million between the ages of 75 and 79, and 2.4 million over the age of 80. In time, many other older people would benefit.
- **Ensure that the basic state pension rises by at least the level necessary to keep pace with the cost of living increases each year. This would be assessed by an “Independent Pensions Authority”. For the poorest pensioners receiving only the income support related pension, we would ensure that this keeps pace with earnings growth. We would also put in**

**place an additional review every 5 years to consider the level of the basic state pension in relation to pensioner poverty and specific cost pressures.**

- **Gradually extend entitlement to the full basic state pension to all citizens, regardless of contributions history. This would help around 3.4m women, carers and others who lose out under the existing system.**
- **Seek to secure the abolition of standing charges for water and telephone.** Standing charges often make consumption expensive for lower volume users. This step would help many lower income groups.

**4.11 These changes will ensure that the basic state pension remains a firm foundation for older people, rather than a sinking foundation. The changes outlined above also recognise that many older people have provided effectively for themselves, so that resources should be prioritised to those most in need.**

4.12 We would also help older people who presently find that, having saved for their later life, they are currently hit by policies that unfairly penalise such saving. Therefore, as affordable, we would:

- **Abolish the upper capital limit, which disqualifies pensioners with life savings from receiving the means-tested “Minimum Income Guarantee”.**
- **Review the treatment of pensioners’ income from capital to set a realistic rate of return, rather than the ludicrous 20% per annum net return currently assumed.**

4.13 Tier 1 provision will be regulated by an “Independent Pensions Authority”. (See paragraph 4.25)

## **Securing Future Incomes In Later Life: Improving Tier 2 Provision**

4.14 The measures would allow us to make a major and immediate assault on poverty amongst today’s pensioners. We now turn to the important issue of securing the future incomes of today’s younger people.

4.15 Many people, as we have seen, are now providing well for their incomes in later life. Today, around 60% of people in work have an occupational or personal pension. We are encouraged by this trend. We believe that, as far as possible, it is right that individuals should save and invest for their own later lives and make choices about how they use their own money. There is, of course, a regulatory role here for the state in ensuring proper management and security of the huge amounts of money involved. There is a need to address problems, such as the recent mis-selling of some personal pensions. But it should not be forgotten that the state’s own performance in managing people’s money is far from unblemished. There have been a number of forms of state mis-selling of pensions in this country, as successive governments have arbitrarily altered entitlements such as the earnings link and the State Earnings Related Pension or simply given bad advice. governments have also, in this country, failed to invest people’s contributions for retirement in a prudent and responsible manner. Instead, pensions have been funded by the state out of current revenues.

4.16 There are two important reasons why we cannot afford complacency about future incomes for older people.

- Firstly, many people have yet to make provision for their later lives through personal or occupational pensions. Indeed, it is estimated that only 25% of workers are now saving enough to guarantee a financially contented later life. In the majority of cases, this may be because of very low incomes and/or because individuals are not in paid employment. These individuals are likely to be highly dependent in their retirement on the basic state pension. The basic state pension is presently only the equivalent of some 16% of male average earnings. /We therefore wish to see all individuals benefiting from second tier pension provision.
- Secondly, it is vital that there is a proper system of regulation in place to ensure prudent management of occupational and personal pensions. We also believe that it is important to secure greater future stability in Government policy towards pensions. Pension policy should be, by its very nature, long-term, yet it has been subject to frequent short-term chopping and changing by each successive Government. Cross-party agreement over pensions policy, and greater respect for acquired entitlements, are both objectives worth working towards.

## **Second Tier Pensions – *Moving Ahead (1998)* Summary**

4.17 Securing the future prosperity and security of all our citizens’ means, then,

in our view, ensuring a second tier of entitlement for all our citizens. We would require all our adult citizens to have second tier pension provision. In *Moving Ahead* we described our own chosen second tier of pension provision – the OSPA, or “Owned Second Pension Account” as follows:

- The OSPA would be a safe, tax advantaged, Government approved and regulated, pension account, with the option of continuing reliance on occupational pensions for those who wish to.
- Government would set mandatory, minimum contribution rates for OSPAs, for both employers and employees.
- OSPAs would be run by the private sector, with straightforward yet prudent regulation.
- Individuals would be able to choose an approved OSPA provider. The approval criteria would include value for money and customer service standards. OSPA providers would be responsible for satisfying the pensions regulator that adequate guarantees were in place for the financial security of OSPAs. The level of Tier 2 contribution should initially be set to be roughly equivalent to the current compulsory combined SERPS contribution for employers and employees. This would give the new OSPA a chance to encourage more voluntary saving before the case for any higher contribution level is considered.

**4.18** OSPAs would be phased in by making them the only vehicles, apart from occupational pension schemes, for Tier 2 compulsory contributions for new entrants to the workforce.

**4.19** We would sponsor an education programme so that saving enough for retirement becomes a well-understood routine. In particular, benchmark guidelines on contribution levels for reasonable final pensions would be published. We would also seek to use new technologies to allow individuals to readily access “live” information on their own personal OSPA balances, for example via cash point machines. People need to be able to “see” and understand their pension entitlements if they are to be encouraged to contribute.

**4.20** We would also allow for a Third Tier of voluntary pension contributions, which could be put into OSPAs or into existing approved pension products or schemes. We would maintain tax reliefs for such contributions and would limit them to a fixed sum per individual in any one year.

**4.21** The present Government has taken a step in this direction with its “Stakeholder Pension”. We welcome this step. However, the stakeholder pension is not compulsory and does nothing for those who are unable to contribute because of sickness, unemployment, or caring responsibilities. Many people find the Government’s existing pensions policy very complicated. The Government’s State Second Pension is a further complication, which will take decades to make any impact on pensioner incomes. **Many people on low incomes are effectively still excluded from adequate second tier pensions provision. This is, in our view, unacceptable.**

**4.22** We would ensure that the Government itself credits OSPA accounts, based on the lower

**earnings limit, for those individuals unable to contribute due to sickness, unemployment, or caring responsibilities. In this way, the Government would make a large investment in the second tier pension schemes of those least able to contribute. This is the most effective way of attacking future pensioner poverty for those on lower incomes, and targets available resources most efficiently. This policy also has the advantage that, by allocating pension accounts to individuals themselves, it makes it almost inconceivable that any future Government would reduce pension entitlements – as has frequently happened in the past.**

**4.23**OSPAs are individual, funded, accounts. This form of second tier provision balances the risks inherent in the public, pay as you go, form of the basic state pension. The potential annuity risk of the defined contribution nature of OSPAs is mitigated for low pension holders by the significant increase in the basic state pension at 80. This means, in effect, that a lower cost, shorter term, annuity could be purchased instead of an open ended one.

**4.24**In order to ensure that pension providers strike the right balance between ensuring high returns and managing risk, we would carefully regulate the pensions industry. There should be a single, independent, pensions regulator as part of the FSA. We would set prudent standards for monies invested in OSPAs, and for other pensions. We would encourage individuals to have a greater say in their own pension funds.

## **Other Issues**

**4.25** We would seek to build a cross-party consensus on pensions policy in order to provide for long-term consistency and stability in this important area. We would press for a cross-party standing committee to be formally established to support such an objective. **We would legislate to require any significant future change in the eligibility criteria or basis of the state pension to be approved by the public in a referendum, overseen by the Independent Pensions Authority.** We will require the Independent Pensions Authority to publish, periodically, estimates of state pension affordability based on demographic and other changes, as noted in 4.9.

**4.26** We believe that individuals should make their own choices about whether, in the future, they choose to stop full-time work “early” or “late”. As set out in Section 3, we would allow, and make it easier for, people over the age of 60 to draw their state pension at a time of their choosing, whether they are working or not, at a level which obviously reflects the time at which they do this. We will encourage similar flexibility on the part of private sector pension providers.

**4.28** We will ensure all newly approved pension schemes allow for transferability between partners.

**4.29** We will ensure that pension funds are ring-fenced for the individuals who are entitled to them, and are not accessible in the event of bankruptcy.

**4.30** We will legislate to ensure that contributors into occupational pension schemes are able to benefit fully from their growth performance. During the last two decades many company pension schemes became so successful

that in order to stay within the actuarial limits laid down by the law, they had to find means of reducing the value of the funds. Some companies did this by taking substantial sums back into the company to the sole benefit of shareholders. Other companies decided to significantly cut the contribution rates into the fund by current employees within the scheme. In future, we believe that those who have paid into the funds should be able to benefit from their growth.

# ***Health and Social Care***

5.1 There is nothing inevitable about many of the problems of illness and disability in old age. In tackling age discrimination it is vital to recognise this fact. This requires a new starting point for the development of policy and funding priorities in health and social care. Liberal Democrats would make the improvement of health and living in later life, by tackling chronic illness and disability, a clear objective of policy. We must ensure that we are adding “life to years”, and not merely years to life.

5.2 The policy challenges confronting older people in relation to health and social care are:

- NHS provision often falls below acceptable standards because of shortages of finance. This particularly affects older people who are more in need of medical care. Shortage of NHS resources also means that some older people in hospitals receive less than adequate standards of care, often leaving hospital with bedsores and other problems.
- Older people are often discriminated against by the system of health care provision. The allocation of scarce resources often reflects a view that older people’s lives are somehow less valuable, perhaps because older people are often seen to have limited longevity and/or a lower quality of life. This sometimes manifests itself in restriction of drug availability and other treatments on the basis of age.
- There is often too little support for older people who are recovering from hospital treatment or personal trauma. Without appropriate convalescence and other care, older people who could manage in their own homes are effectively forced into residential/nursing homes.
- There is too little in the way of “preventative” care for older people wanting to stay in their own homes, and inadequate support for the millions of carers who look after the needs of older people.
- There are significant, and often unacceptable, variations in the provision of health and social care between different parts of the country. This means that in some areas the chances of receiving adequate treatment for a particular illness may be poor.
- Care and accommodation in residential and nursing homes are not always up to satisfactory standards. More finance, better staffing, greater choice of provider, and appropriate regulation are necessary.
- There is quite simply inadequate availability of all forms of social care due to shortages of cash.

## **Health Care**

5.3 We will seek to tackle the problems of inadequate health care by improving the financing of the NHS. Due to the

additional demands from higher drugs costs, more older people, greater demand, and wage rises, the NHS needs significant real annual increases in funding just to stand still. The present Government let down many people reliant on the NHS by sticking to Conservative spending plans for the first two years of the 1997 Parliament, and still has a long way to go to deliver on its target of reaching the European Union average share of GDP on health.

5.4 However, if real NHS spending goes on rising at 5-6% for a sustained period of years then this will help tackle the current finance related problems of Britain's health service. Funding for medical conditions particularly related to age needs to keep pace with the ageing of the population. In addition, preventative health treatment should be made available for older people, just as it often is for the young.

5.5 We believe that it is inevitable that in a publicly funded health system there will be varying forms of priority setting. We want such a process to be more open and honest than it presently is. We are concerned that at present there is too often an assumption in certain cases that older people do not deserve the best possible care. This could reflect an assumption that older people's quality of life is lower than that of younger people, and that their remaining life span is limited.

5.6 Assumptions about quality of life and life expectancy need challenging. An operation for an older person might in certain circumstances be more worthwhile than an expensive and low probability intervention for a young child or baby. **We would require the NHS Executive to issue national guidance on how to implement policies to tackle discrimination on**

**grounds of age. We would outlaw any measures that sort to deny treatments on the basis of any absolute age barriers.** We would ensure that, as far as possible, when deciding on treatment the following criteria should be applied to people of all ages:

- Probability of success of the treatment.
- Wishes of the patient.
- (Medical) Quality of life (actual and projected).
- Life expectancy after treatment.

The Commission for Age Equality would provide a final appeal mechanism for disputes relating to alleged age discrimination in health care provision. Older people should be properly represented on any Health Committees considering rationing issues.

5.7 We would ensure that Health Authorities investigate and publish evidence of ageism in the provision of health care. Our Freedom of Information legislation would further guarantee access to such information.

5.8 It is important that older people are given time and assistance in recovering from serious medical treatments. Too often, the understandable desire to "unblock" beds leads to older people being discharged from hospital before they have had a chance to recuperate. Health authorities must recognise their responsibility in this area. **We would ensure provision of better convalescence care, including in local community hospitals and in residential homes. We would make it a requirement on health authorities**

**to fund sufficient beds for the population of older people in each area. This would help older people “cross the bridge” from hospital treatment to home.**

5.9 We believe that the traditional distinction between nursing homes and residential homes is increasingly out of line with the reality, given that the average age of entry into residential care is now around 85. We would build on the existing provision for joint registration by:

- Extending pooled budgets managed by multi-disciplinary Age Care Assessment Teams.
- Ensuring that nursing care is free on the basis of assessed need, regardless of setting, as the first step towards introducing free personal care at the point of use.
- Enabling Social Services Departments and independent sector residential homes to employ qualified nursing staff, and empowering Health Authorities to contribute to the cost.

These principles should also be extended to care provided in an older person’s own home.

5.10 To further our goal of reducing morbidity rates, we would require health authorities to include within their Health Improvement Plans specific targets for reducing disability and promoting healthy ageing. This would include: alleviation of incontinence, arthritis, and rheumatism; hip and knee surgery; cataract surgery; chiropody; and rehabilitation after stroke and hip fracture.

5.11 We recognise that ethnic and other minority groups may have specific needs with regard to health and social care. We would require health authorities to provide appropriate interpretation facilities, cultural support, support for spiritual needs and dietary requirements within their Health Improvement Plans.

5.12 As set out in our Policy Paper, *A Clean Bill of Health* (Spring 2000), we accept the Majority Report of the Royal Commission on Long-Term Care that personal care should be provided free at the point of use, and that people admitted into residential or nursing homes should have a three month breathing space before they are subject to the means test. Thereafter, accommodation and living costs would be subject to means-tested charges.

5.13 We would strengthen the representation of social services on Primary Care Trusts and Mental Care Trusts. The exclusion of mental health care for the over-65s from the remit of the later should be ended.

5.14 As set out in *A Clean Bill of Health*, we would establish a National Care Commission to provide a strategic view of the whole care system for older people. The NCC would have a monitoring role, an advocacy role on behalf of the consumer, provide guidance on national quality standards, and encourage service improvement.

## **Social Care**

5.15 Around 5% of older people live in residential or nursing homes, with 95% living in their own homes or some form of community setting. Over the age of 80, the former proportion clearly rises significantly. The 1990 NHS and Care in the Community Act promised older

people the choice between residential care provision and support in their own homes for as long as possible. For many, the Act has helped enhance independence, but there is still a huge mismatch between needs and available cash. This results in rationing of care through eligibility criteria and waiting lists. Choice is all too often Hobson's choice. Care standards are often too low, and are directed towards crisis management rather than preventative care. There is far too little support for carers.

5.16 Before considering some of the issues relating to residential and care homes, we need to examine how we can help those people wishing to stay in their own homes to do so. Most older people wish to remain in their own homes for as long as possible. Many of these people suffer from disabilities. Yet preventative services have often been the first to be cut when budgets are tight. We wish to see a greater priority for, and financial investment in, minimising dependency and giving older people as much freedom as possible to stay in their own homes, if they so wish. This is also sound economy for the longer-term. We would therefore:

- Promote timely intervention to help people to retain their independence, requiring Health Improvement Programmes to incorporate joint Health and Social Services prevention targets. This is particularly important after traumas such as accidents, bereavements, and illness. We would support initiatives to help older people recovering from traumas to link back into the local community.
- Encourage early screening of older people, for example on first admission to hospital, in order to reduce the risk of chronic problems which then act as a trigger for dependency. Early assessment will also help reduce bed blocking.
- Promote the development, in partnership with the voluntary sector, of a Good Neighbour network in which older people living alone can be offered local assistance.
- Remove the age restrictions on the receipt of disability benefits, as set out in our recent Disability Policy Paper *Breaking Down Barriers* (1999).
- Help older people to design and purchase their own care packages, through direct payment schemes with available support and advocacy services.
- Use new technology to improve communications with isolated older people, including community alarm schemes and video checks.
- Provide support aids and adaptations to allow people to live properly in their own homes. We would ensure adequate funding of occupational therapy so that timely assessments of need can be made.
- Encourage 24-hour care, and mobile services in rural areas.
- Provide ring-fenced start-up grants to support the development of preventative care initiatives. This will help ensure that this vital long-term work is not crowded out by short-term crisis care.

5.17 At present, some 5.4 million informal carers provide the majority of social care. The contribution which carers make is invaluable. To provide this level of care though state funding would cost around £3 billion per year. For many people the burden of caring can be a very heavy one. The majority of carers are themselves older people. The National Carers Strategy published in February 1999 identifies many of the issues affecting carers, but fails to convert this into a satisfactory plan of action. The Carers Grant is worth only around 18p per carer per week in 2000. Liberal Democrats are committed to improving the level of this grant. We would also establish an entitlement for carers to a minimum amount of respite care, and for training. Our pensions policies would ensure that all those unable to work, for example because of caring responsibilities, would have contributions into their second tier pensions funded by the state. (See Chapter 4). This contrasts with the Government's pensions plans. We would also help enable experience gained as an informal carer to be taken into consideration should the carer later seek employment in a formal care setting.

5.18 Standards of care in many nursing and residential homes are often very high. However, there are exceptions. Many relatives of older people become concerned about lack of stimulation in some care homes, about inadequate staffing, or by the rundown fabric of many homes. We do not want to see a ballooning of bureaucratic and inflexible rules, but we are committed to an inspections regime with teeth and to ensuring high standards for all. In some cases inspectors' recommendations can presently be ignored for long periods of time, given the

reluctance of authorities to close homes completely. We therefore propose that:

- Inspection teams should have a wider range of sanctions than merely closure. In particular, there should be a new power to fine nursing or residential homes that do not comply with requirements within a reasonable period of time. In exceptional circumstances, there should be powers to insist on a change of management.
- The terms of reference for the Inspectorate need to give due weight to the quality of life of those cared for.
- Residents should be encouraged and enabled, where possible, to be involved in decision making in their home. They should not simply be treated as passive recipients of care.

5.19 Most of the staff who work in nursing and residential homes are deeply dedicated to their work and to their residents. Staff, however, often have to cope with high demands and shortages of trained employees. Residential care can suffer from limited opportunities for career progression. We would require Social Services departments to provide appropriate training opportunities for residential staff.

5.20 We believe in maximum choice, and therefore in diversity of provision. We recognise the excellent standards of care offered by the best independent providers, both private and voluntary. We are determined to ensure that in the future there is real choice, and to resist any tendency towards the development of monopolistic conditions. We would ensure the existence of a level playing field for care by:

- Encouraging the growth of independent not-for-profit trusts, and of consumer co-operatives for residential care, in which older people are able to take power and responsibility for each other – rather than relying on others.
- Ensuring that there is a parity of access to Housing Corporation Finance for both Local Authorities and the independent sector; and ensuring equality of access to benefits for residents of all sectors of care.
- Requiring Social Services Departments to be fully open and transparent in publishing the costings of local authority homes, and requiring them to meet the same standards, within the same timescales, as those required of the independent sector.

5.21 We would introduce a Health and Social Services Charter for Older People, covering minimum entitlements to key services and a clear statement of principles. We would introduce legislation to clarify the duty of Social Services Departments to meet assessed need in the context of limited available resources.

5.22 Under both Labour and Conservative Governments social services have been under-funded in spite of the vital role that they play for many people. The “Cinderella” status of social care must be brought to an end. Liberal Democrats believe that the Comprehensive Spending Reviews, which set out Government expenditure plans, should allow for a significant real rise in social care spending. This is necessary aim to tackle existing under-funding, and to meet the needs of an ageing population.

# ***The Right Environment: Communications, Crime, and Housing***

6.1 Older people suffer more than many people in society from poor communications and accessibility, isolation, low quality housing, and fear of crime. This is because older people are generally:

- More reliant on public transport.
- Less able to afford frequent or long-distance travel and other forms of communication.
- More prone to experience a variety of disabilities.
- Often at home for long periods of time.
- More at risk from cold and damp conditions.
- More concerned about their ability to be able to defend themselves from criminal activity.

6.2 By addressing the issue of pensioner poverty we aim to give all older people the ability to tackle many of these problems for themselves. However, particularly in the short term before incomes for older people can be significantly improved, we believe that policy in all these areas needs to take explicit account of the needs of older people.

## **Transport and Communications**

6.3 We would improve the availability, and seek to lower the cost, of public transport for all people. We would promote integrated public transport. In rural areas we would consider the scope for using smaller buses and shared taxis to provide transport services at affordable cost. **We would encourage the extension of concessionary fare schemes for older people and others.**

6.4 We would steadily raise accessibility standards for public transport and in all aspects of public life. This will help all people with disabilities, including many older people. We underline our commitment to tackling problems encountered by people with disabilities, as set out in our recent policy paper entitled *Breaking Down Barriers* (Autumn 1999). We would remove the age anomalies from entitlement to the mobility component of the Disability Living Allowance so that people on low incomes who experience mobility problems after “retirement” still qualify for this assistance. We would require all new public transport projects to be fully accessible and usable for disabled people.

6.5 We would encourage the use of new communication technologies by older people. These can help older people to communicate with others, to shop, to manage their finances, and to keep up to date with news and other developments. **We would provide an entitlement for older people to training in IT skills, where this would facilitate care and promote social inclusion. We would provide low-cost IT access for older people in all post offices and libraries. For housebound older people on low incomes, we would provide IT training and free access to IT in the home.**

6.6 We will help preserve and nurture the post office network, which provides an essential economic and social service, particularly for many older people. We will promote the post office's role in delivering financial services to older people.

## Housing

6.7 With the larger number of older people in our society, we believe that it is time that all new homes were built to sensible and affordable minimum lifetime accessibility and convenience standards. This will save on the need for expensive conversion work at a later date. We would consult on this matter and ensure that building regulations provide for flexibility to undertake low cost conversion for wheelchair access, fittings, showers, and stair lifts and minimum standards on:

- Downstairs toilet access.
- Reducing risks of fires and injuries.

6.8 We are committed to a major programme of energy insulation – a

National Homes Insulation Programme - to help keep people healthy and warm, and to cut down on environmental pollution. We would give priority to older people, particularly those on lower incomes. Older people often have high heating bills, and are more at risk from the cold and damp.

6.9 We want to encourage new housing schemes to allow for a proportion of housing that is suitable for older people. Ultimately, it is up to older people to decide where and with which other groups of people they wish to live. But we do not want to see older people denied the choice to live alongside other age groups in our society. Older people must not be forced to live in ghettos in the future.

## Crime and the Fear of Crime

6.10 Older people often feel more at risk from crime. Our policy of increasing the number of police officers and 'specials' on the beat will both help to deter crime, and tackle the fear of crime. We believe that the police must also take further steps to make themselves more accessible to the public, including by reducing the use of answering machines at police stations and by providing an informed and rapid response to urgent calls.

6.11 We will support the use of CCTV, including in those areas where it could act to reduce the fear of crime, rather than solely to reduce actual recorded crime. Adequate street lighting, and provision of home alarms in exceptional cases, are also important for many older people and serve to reduce crime and the fear of crime. We would require developers of new estates to provide adequate street lighting, and to 'design out' crime

and the fear of crime.

*This paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 5.4 of the Federal Constitution. Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom. The Party in England, the Scottish Liberal Democrats and the Welsh Liberal Democrats determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas. If approved by Conference, this paper will form the policy of the Federal Party, except in appropriate areas where any national party policy would take precedence.*

*Many of the policy papers published by the Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to achieve all these proposals in the lifetime of one Parliament. We intend to publish a costings programme, setting out our priorities across all policy areas, closer to the next general election.*

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