

## David Cameron speech: Our ageing population

In a speech to Age Concern today, Conservative Party Leader, David Cameron, will say:

(Check against delivery)

“Many thanks for inviting me here today.

I am very grateful to you all for the time you have taken to be here, to discuss some of the enormously complex issues about ageing.

This is one of a series of speeches I’ve been giving, setting out the fundamental principle which my political philosophy is built on.

It’s called social responsibility.

Last week I made a speech about the situation of disabled people.

Next week I’ll be talking about teenagers and young adults.

In all these speeches I am making one simple argument.

I believe there is such a thing as society – it’s just not the same thing as the state.

I believe that people, not just government, have the answers to the challenges we face.

The job of government is to get behind them – not stand in their way.

It is social responsibility, not state responsibility, which will deliver the healthy, wealthy, happy society we all want to see.

This is a profoundly different understanding of the role of government and the nature of society from the one we have lived under for nine years.

For instance, the Labour Government often talks about “security in old age”.

That is a noble ambition, and I share it.

But I believe in something else too.

I want to see “security and dignity in old age”.

Security isn’t enough.

As individuals we don’t just want to be safe.

As far as possible, we want to be independent as well.

Take pensions.

Of course we want to see security – meaning a better income for older people.

But we also want to see dignity – meaning older people not having to prove their poverty to the government in order to get their income.

So how can we achieve security and dignity in old age?

### **THREE WRONG ASSUMPTIONS**

For many years older people have been airbrushed out of the picture.

They don’t feature much on TV.

They’re seen as somehow outside popular culture.

And they don’t get a lot of attention in politics.

But if older people have been airbrushed out of the picture, they’re about to paint themselves back in – and it’s time we woke up to the change that is coming.

The biggest generation in history is retiring.

11 million baby boomers are marching towards 65 – the first of them reached that milestone this year.

Today one in six people are aged 65 or over.

In just thirty years it will be more than one in four.

That's an incredible change for our society – and let us be clear, that change is a positive one.

Yes, we need to increase our birth rate in order to ensure our future prosperity.

But the ageing of the baby boomers presents an opportunity, not a threat.

To realise this opportunity we need to challenge three deep-seated assumptions about older people.

First, the assumption that ageing only represents a cost.

Second, the assumption that older people are backward-looking and resistant to change.

And third, the assumption that older people can only ever be passive recipients of whatever services the Government chooses to give them.

Let me take on each of these in turn.

## **COSTS AND BENEFITS OF AGEING**

So much literature and discussion of older people talks in terms of the costs that they represent.

This is partly because of government policy.

Real and lasting damage has been done to pensions and savings by Gordon Brown.

In 1997 we had one of the strongest private pension systems in the world.

Not any more.

The notorious raid on the pension funds has taken £5 billion a year out of

people's savings.

Since 1997, 60,000 company pension schemes have closed.

Most of all, more and more people have been dragged into the web of means testing.

The means test is an insult to the dignity of older people.

We know that but Gordon Brown doesn't agree.

Reform is needed, and of course it has to be affordable, but all the Chancellor has done is to give pensioners an IOU which may or may not be redeemed in 2012.

The Conservative Party is committed to increasing the Basic State Pension in line with earnings, not prices, in order to stop the spread of the means test.

Because of what this Government has done to pensions, it is little wonder that people worry about how to pay for old age.

But we have also certain cultural and economic assumptions which make us think about older people in terms of the cost, not the potential benefit they represent.

The conventional wisdom goes like this.

The economy is made up of fit younger people working at full stretch.

They produce the national wealth.

The wealth pays for healthcare.

The healthcare helps people live longer.

Yet there is a strong case for looking at this in an entirely different way.

In fact, there's some fascinating research which turns the conventional wisdom on its head.

Longevity itself can produce wealth.

We've traditionally thought that we need to grow our GDP in order to pay for our ageing society.

In fact our ageing society can help our GDP to grow.

Why is this?

Well the first thing to point out is that older people are not automatically a charge on the taxpayer.

The great majority of people are not ill for years before they die.

Of course an ageing society does mean there'll be more long-term conditions that need care.

But as Age Concern have convincingly argued, the economic activities of older people can offset the cost of additional care.

If we managed to bring back into the labour force the million people over 50 who can work and want to work, they would contribute billions to the UK economy.

Some estimates reckon as much as £30 billion.

So how do we realise the enormous productive potential of older people?

We need a quite profound cultural change – in the way we think about older people.

And a revolution in social responsibility - in how we behave towards older people.

And, as ever, the “we” here is not just the government: it is all of us – individuals, families, communities, business, and local government.

Rather than seeing older people as liabilities, we need to see them as contributors.

That doesn't mean they're going to work flat-out like they did when they were 30.

Half of all over-55s would like to work part-time when over 60, and who can blame them?

But the important thing is that they should be able to work part-time after the age of 65 if they want to.

Retirement used to be a luxury for a lucky few – a few brief years of inactivity between work and death.

But now a long life after 65 is the norm.

And yet we still hold on to the idea of retirement at 65.

You work at full pelt right up to the wire – then you stop altogether.

It doesn't make sense anymore.

We need to see retirement as a process, not an event – a slope, not a cliff.

Then we will realise the potential of older people.

Older people need to be able to shift gradually from full-time economic activity into other things.

Of course, they have to accept this process – accept that they will not simply stop working at their highest earning level.

One reason that older people find themselves discriminated against in the labour market is because they are often seen as more expensive to retain.

We need to allow salaries to coast downwards from their peak, which in many cases would not be at retirement age, as workers take on lighter responsibility and shorter hours.

## **CORPORATE REPSONSIBILITY**

Age Concern are leading the campaign to ban firms from introducing a mandatory retirement age.

I welcome this campaign because it will help clarify the Government's position – so that employers and employees know where they stand.

But I do not support a total ban on company retirement policies.

I think that retirement should be between firms and their workers, mediated through the employment contract.

If we ban retirement policies we will entrench the reluctance of firms to take on older people.

It's by allowing flexibility that we will encourage employers to see the value of an older workforce.

A key element of social responsibility is corporate responsibility.

And there are some great examples.

Tesco have about 3,500 staff aged over 65.

BT also works hard to retain older workers, with a range of options as people approach retirement.

You can “wind down” – meaning part-time working or job-sharing.

You can “step down” – meaning taking a less responsible job at a lower pay grade.

You can take “time out” – meaning a series of phased sabbaticals.

Asda, the supermarket chain, actively hires older workers in order to reflect their local customer base.

They even go to tea dances and bingo nights to recruit staff.

And they also offer a range of part-time careers.

Generous leave for grandparents and carers.

“Benidorm leave”, as they call it – so that your job is kept open for you while you take a few months off somewhere sunny.

They have what they call a “seasonal squad”, meaning you only come in at the really busy times of year.

As a result, Asda says “our staff turnover has dropped and our customer satisfaction has improved.”

The most famous example of a firm using older people to boost productivity and profit is, of course, B&Q.

Their Macclesfield store, which opened with a staff aged entirely over 50, is a testament to the economic and social value of older people.

Research shows that the Macclesfield employment policy led to:

...an 18 per cent increase in profits...

...staff turnover six times lower...

...and 40 per cent less absenteeism.

Customer satisfaction was higher and the skills base of the workforce broader.

I'd like to see more companies following the lead of companies like these.

## **FUTURE-ORIENTED**

The second assumption I want to challenge is that older people are stuck in the past - that they resist change.

Sometimes politicians add to this stereotype.

Tony Blair did this with the whole “Cool Britannia” episode.

Only the new, the young and the modern could be part of the picture of

Britain he wanted to paint.

It was pretty absurd.

He even said that "this is a young country".

It isn't.

The fact is we are an old country - with our best years ahead of us.

That's how I see Britain - and it's how I think older people see themselves.

The best years are ahead.

In fact, we should recognise that older people are often the most future-oriented of all.

Younger people, very naturally, often think about the present - present stresses, present challenges.

Older people think about the future.

They think about their grandchildren, and what sort of life they're going to lead.

They think about their community, and how to improve it.

They think about their country, and what it'll look like after they're gone.

Not surprisingly, it's older people who often invest most time and most money in society.

It's estimated that unpaid work by older people is worth £24 billion a year.

We talk about the school gate as a place where parents meet.

In fact, often it's grandparents who take children to school in the morning and pick them up in the afternoon.

As we all know, grandparents are the unofficial childminders of Britain.

That's why we're looking at whether grandparents and other family members should be able to access the money that the government spends on child care.

To get help with childcare bills you shouldn't have to put your children in a state-run nursery.

The money could follow the choices of parents themselves – and that choice will often be for grandparents to look after the children.

I also think it's important that grandparents continue to have access to grandchildren when families break up.

And when, tragically, a child's parents are not available or able to look after them, I think grandparents should be one of the first alternatives that social services looks at.

We need to restore the relationship between the generations.

Because the paradox is that if we are to boost our birthrate, grandparents have a vital role to play.

The falling birthrate is partly the consequence of parents not having enough support.

So rather than just focusing on state services, let's invest in the capacity that is there, latent in the social economy: older people.

Social responsibility, not just state responsibility.

## **FLEXIBLE SERVICES**

The final assumption I want to challenge is that older people are, and can only be, passive recipients of state services – especially healthcare and social care.

I said earlier that older people contribute to the economy.

Of course, that's only true when they are healthy.

It's longevity plus good health that increases GDP.

And this means that as well as thinking about GDP, we have to think about GWB – general wellbeing.

Keeping people healthy for longer is not a cost – it's an investment.

I have said that the NHS is my number one priority.

But our ageing society means we have to completely change the way we think about the services that people receive.

We are increasingly caring for people not in hospital, but at home - in the community.

More and more, the care that people need is care from a nurse, or a care assistant, or from their friends and family - not necessarily a doctor.

More people are - for want of better descriptions - receiving 'social' rather than 'health' care.

In the past, for most people healthcare meant major interventions, usually at the end of life.

Today healthcare increasingly means ongoing management of a long-term condition.

Of course, many conditions are so complicated or so debilitating that patients are entirely in the hands of the professionals who treat them.

I said last week that disabled people who can't look after themselves should be, quite simply, the most important people in our society.

The same goes for elderly people in the same situation.

Our ageing society will mean an increase in dementia.

For that reason we have to work far harder at supporting the people who care for the mentally frail.

But thankfully, most older people are not going to be passive recipients when it comes to long-term care.

Indeed, they'll often know as much about their condition as their doctors do, if not more.

They'll have access to support groups and patient forums.

So our policy review team is looking at ways of creating more personalisation in healthcare, and more patient power.

And this will mean overcoming the artificial and damaging barrier between the NHS and social care services.

We've seen how often financial deficits in the NHS affect local care services.

We are exploring ways to facilitate closer working between social care and NHS services.

The challenge is to protect the principle that the NHS remains fully tax funded, without attempting to fund all social care the same way.

To take one important example, I am sure that, in spite of the short term popularity it might bring, "free long term care" is not the right policy for England and Wales.

Of course, I support the right of the Scottish Executive to introduce it.

But the fact is – as everyone there knows – care in Scotland is not "free".

You still have to pay for your accommodation, and if necessary you still have to sell your home.

But at a time when we are seeking to encourage the provision of health care in the community rather than in hospital...

... it is perverse to encourage the provision of social care in residential homes rather than *at* home.

We need to be looking at a partnership between Government and individuals.

At the last election, we proposed a system where individuals and government would come together to meet the costs of residential care.

We may not propose *exactly* the same system in our next manifesto.

But I still think a partnership between government and individuals is the right approach.

And I still think that establishing a system where no one is forced to sell their home is the right objective.

The important thing is to ensure that when it comes to the services themselves, the connection between health and social care is as seamless as possible.

We want to see more joint commissioning of both health and social care services...

...acting together for the benefit of both the cared-for and their carers, rather than in opposition to each other, as they so often do today.

And we want to see much greater use of direct payments and individual budgets, which give people control over their care in a way many would want today but few have.

It would mean individuals and their families being able to buy their care from a range of providers, in the public sector, the commercial sector or the social enterprise and voluntary sectors.

Because as everyone who works with older people knows, the voluntary sector is often the best way of easing a patient's transfer from the NHS to social care.

Across the whole spectrum of care – from exercise classes to intensive dementia care – independent groups often have the answers.

Society, not just the state.

Look at the way in which Marie Curie Cancer Care have risen to the challenge of managing palliative care in their East Lincolnshire project.

We tend to think of charities like this providing one part – often a vital part – of the overall picture, such as a hospice or a specialist nurse service.

But in East Lincolnshire Marie Curie are responsible for the overall picture.

They run the rapid response team of nurses.

They co-ordinate access for all patients needing palliative care across all the services – healthcare, social care and home care.

And they manage the vital task of handling the discharge of patients from hospital to home.

We need the same shift in our thinking when it comes to carers.

Three quarters of older people in need of care are looked after by relatives, many of them elderly themselves.

Collectively, carers - old and young - save the taxpayer nearly £60 billion a year, getting on for £1,000 per person in Britain.

That is an extraordinary instance of social responsibility.

## **CIVIC RESPONSIBILITY**

Family carers and voluntary groups should be at the centre, not the periphery of healthcare and social care.

Indeed, one thing I think we've got badly wrong in this country is how we look after our parents as they get older.

It's not that we've got the wrong instincts.

Most of us would like to have our parents living with us as long as possible.

It's just that it's often really hard to do the right thing.

All the pressures – especially funding – are towards residential care.

Of course many care homes are wonderful places.

But too many others resemble, quite simply, departure lounges.

Grey ghettos with rows of elderly people: isolated, unoccupied, just waiting to die.

It's a national tragedy.

Why are so many of our older people living in care?

The Government's approach, including programmes like Supporting People, is intended to ensure that people can live independent lives for longer.

The problem, as you will know, is that it is far too bureaucratic and doesn't help older people enough.

In my constituency, for example, it seems to have added to the pressure on housing associations to take live-in wardens out of sheltered accommodation...

...and turn them into "floating support workers".

The elderly and frail residents who felt security with the live-in wardens now feel insecurity with a service that, to them, has simply floated away.

"How", they ask, "is this supposed to be progress?"

We must also think in a new way about housing design and urban planning.

Housing in Britain never seems to be built with a whole lifetime in mind.

The planning rules are partly to blame.

We're squeezing more and more housing into smaller and smaller spaces.

This means less room for elderly parents.

We're disrupting the generational relationship.

We need to change the planning rules so that we get fewer small flats, and more homes with gardens.

Fewer homes designed for young single people, and more designed for life – universal design, as it's called.

We need to encourage more projects like the Homeshare schemes.

These find older people living in large houses with empty bedrooms, and match them with young families with nowhere to live.

The older person provides accommodation, and the young people do the shopping and keep an eye on the place.

It's a perfect example of social responsibility, of the generations coming together.

I also want to see better urban planning.

We often talk about mixed communities – meaning a mix of ethnicities and incomes.

We need to talk about a mix of ages, too.

Research shows that a community with an unbalanced population - too many young people and not enough older people - is socially unstable.

It is true of whole countries: the most violent places on earth are places with the youngest populations.

And it is true of neighbourhoods: the presence of older people in a community is a civilising force.

So care homes shouldn't be tucked away, out of sight, out of mind.

And nor should care homes be the automatic destination for elderly

people.

Instead, as our Public Services Policy Group has suggested, we need “care communities”, which are “hubs of local life rather than places of exile”.

Finally I want to publicise an initiative which I think is a great example of civic responsibility.

I should emphasise that this has nothing to do with the Conservative Party nationally – and I am not proposing it as government policy.

The whole point is that it is a local idea.

Kirklees council has decided to use its powers to introduce a lower council tax for pensioners.

They register and will get a guaranteed small fixed increase of no more than 1 per cent.

The burden of doing this falls on other households, but the registration scheme helps the council ensure that more older people get the benefits they are entitled to –

...and so more money comes into the area.

They’ve found a local solution to a cause of national concern.

That’s just the sort of initiative I believe in.

The policy wouldn’t work everywhere, of course.

But flexibility and social responsibility should be the watchwords for local government across Britain.

## **CONCLUSION**

So to prepare for the massive demographic change that is coming, we will need to challenge our assumptions and change our behaviour - on every level.

We need cultural change...

Seeing older people as a benefit to society, not a cost.

Understanding that older people are active and forward-looking participants in society.

And recognising that we must no longer treat older people as passive recipients of uniform state services.

We need a revolution in social responsibility towards older people...

National government must act, raising the basic state pension in line with earnings, seeing if grandparents can access support for childcare, and creating new mechanisms for direct payments and individual budgets for long-term care.

The NHS and social services must act, breaking down the barriers between health and social care, providing personalised services in the community and the home, with a much bigger role for the voluntary and social enterprise sectors.

Local government must act, changing its approach to housing, planning and urban design to stop older people being shoved into isolated grey ghettos, and easing their financial burden through innovations in local taxation.

Business must act, offering flexible retirement options to enable older people to contribute in the way that best suits their circumstances and desires.

And above all, we each have a personal responsibility, recognising our wider social responsibilities and remembering that we will all be old one day...

...and should treat today's older people the way we would want to be treated ourselves.

A socially responsible society needs socially responsible people.

The generation nearing retirement has been uniquely blessed.

A generous welfare state.

Steadily rising house prices.

Long periods of low inflation, low interest rates, low unemployment.

But some of this good fortune came at a cost.

We have to pay for the environmental damage we have done.

We have a serious pensions bill to pay.

And we cannot expect house prices to go on rising for ever.

Baby boomers naturally want their children and grandchildren to enjoy the same good fortune they did.

So we need to see fairness across the generations.

We need to defuse the demographic timebomb, and use its energy to power our economy and our society.

That means changing the way we think, work and behave: not just state responsibility, but a wider social responsibility.

It's no longer about what the Government can do for older people.

It's what they can do for themselves, and what we as a society can do together."