later life ambitions

manifesto

By 2030, there will be almost 13 million people in later life - aged 65 or over. In advance of the 2015 general election, our new campaign aims to encourage today's decision-makers to confront the challenges of tomorrow.

Later Life Ambitions brings together the collective voices of over a quarter of a million pensioners through our organisations – the National Federation of Occupational Pensioners, the Civil Service Pensioners' Alliance, and the National Association of Retired Police Officers. We know the challenges that older people face in today's Britain but we also know that our members have ambitious aspirations for themselves and the next generation of pensioners.

This manifesto lays out their vision. From fair pensions to safe and sustainable care services, accessible housing to regular bus services to promote independence, we know that these policies will require bold and forward-looking action from our political leaders. We also share the views of our members that to do nothing is not an option.

With your support, we want to change the terms of the debate – to focus on the ambitions of pensioners rather than the perceived 'costs' to the rest of society. So we urge you to join us in calling for an aspirational and ambitious future for those in later life.

Mike Duggan
General Secretary
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Clint Elliott QPM
Chief Executive
NARPO

Malcolm Booth
Chief Executive
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Our call:
Universal benefits bring UK benefits

Despite reforms, the pensions system is not the comprehensive safety net that most people expect. The significant drop in income experienced on retirement means that many people, even with modest occupational pensions, fall into pensioner poverty. Age-related benefits which are available to all pensioners, such as free prescriptions and the concessionary bus pass, play a vital role in reducing pensioner poverty and ensuring that older people are able to play an active part in society.

What are universal benefits?

Universal benefits are age-related benefits that are available to all regardless of income.

In reality, there is a fairly limited amount of financial support linked specifically to age. The biggest item of public expenditure for older people is the state pension to which people have contributed – often for 40 years or more.

The main age-related payments are the winter fuel payment, concessions on local buses (assuming there are services to use and people are able to get on and off), a free TV licence at age 75 and (like other groups including children and people with certain medical conditions) free prescriptions and eye tests. As a whole, universal pensioner benefits make up only a tiny fraction of all Department for Work and Pensions expenditure – just 1.5% per annum.

At the same time, there is a considerable body of evidence to suggest that some universal benefits, like concessionary bus travel, may be cost-neutral or even cost-beneficial. For example, the bus pass offers a vital economic lifeline to town centres and other shopping locations which can be accessed by older people more easily and frequently than would otherwise be the case.

The failures of means-testing: Pension Credit

- One third of pensioners who are eligible for the means-tested Pension Credit do not currently claim their entitlement
- This means between 1.2 and 1.6 million pensioners across the UK lose out
- Means-testing is very expensive to administer. The average new Pension Credit application costs £351 to administer in comparison to £14 for the state pension
- The total amount of Pension Credit unclaimed in 2009-2010, the last year figures are available, was estimated to be between £1.94 billion and £2.80 billion

Pensioners understand more than most that times are tight, and that we all have to make sacrifices for the good of our country. However, our members strongly oppose means-testing. All the available evidence demonstrates that means-testing fails to provide the poorest pensioners with the support they need and are entitled to, whether that is because pensioners are not aware of their entitlements, assume they are not eligible or are simply too proud to make a claim. **Universal benefits must therefore be protected.**

If there is no option but to reduce spending on pensioners, the taxation of universal benefits may be the fairest way to ensure that the poorest pensioners get the support they deserve.

The myth of the 'rich' occupational pensioner

- 1.6 million pensioners are living in poverty, and a further 1.1 million have incomes just above the poverty line
- Typical income in the first year of retirement is around £11,000 – about the level of the minimum wage
- Just over half of all pensioners don't receive enough money to pay any income tax and fewer than 4% pay the higher or additional rate of tax

The 'benefits' of universal benefits

- Tackles income and fuel poverty
- Promotes social participation
- Improves health and wellbeing
- Reduces costs on NHS budgets and adult social care

Our call:
Proper planning for pensions

The last five years have seen hugely significant changes in pension policy and provision. These will make a lasting impression on the UK pensions landscape and, more importantly, on the pockets of current and future pensioners. But more needs to be done to make sure that future generations plan for the prosperous and fulfilling retirement that they rightly deserve.

The State Pension

The first step is to increase understanding of state entitlements and communicate a clear message to those approaching retirement. While the recent simplification of the system and the introduction of the Single Tier State Pension (STSP) are to be welcomed, there is concern that this has created a 'two-tier' pensions system. This will see pensioners treated differently depending on whether they are eligible for the new state pension or not.

Under the old system, pensioners will receive a maximum of £113.10 per week, whereas under the new system it will be a minimum of £148.40 per week. While this is good news for those who retire after April 2016, the government needs to ensure that it continues to look out for those on the old scheme, and factors them in to any future policy decisions. **We are calling for this 'two-tier' system to be reviewed and for the incoming government to consider transferring existing pensioners to the STSP on a 'no loss' basis.**

The 'triple-lock' on state pensions, which ensures that pensioners are not exposed to wider economic shocks and are able to safeguard their standards of living, must also be protected.

What is the triple-lock?

The triple is a guarantee to increase the state pension every year by the higher of inflation, average earnings or a minimum of 2.5%. It was introduced to make sure that pensioner income was not eroded by the gradual increase in the costs of living.

The triple-lock is only in place for the duration of this government. Significantly, the recent Pensions Act provides only for an annual increase in the new STSP in line with average earnings. This must be rectified through the application of the triple-lock, so that all pensioners can maintain the value of their pensions relative to the cost of living.

There is also an obligation on the political parties to make sure that those with the least are getting what they are entitled to. Many older people do not claim the state benefits they are entitled to because they do not apply for Pension Credit. Often they believe it is a benefit for the poorest of the poor, rather than for people like them. They do not want to go through an intrusive means-testing process, and we do not believe they should have to. **We strongly support moves to 'repackage' Pension Credit as an entitlement rather than a benefit. Automated payments of Pension Credit may go some way to making sure that this happens.**

Private pensions

Three quarters of people born in the 1950s and two thirds of people born in the 1960s have a private or occupational pension. However, that figure drops to less than half for today's under 30s. Furthermore, 43% of young people aged 20 to 29 have no savings at all other than through the state provision. There are many reasons for this decline, including the rapid retreat of employer schemes, student debt, high property prices and poorly paid graduate jobs. The current pension settlement is a poor deal for young people, particularly given closures of good final salary schemes.

In 1997, final salary schemes, which typically offer more generous retirement incomes than alternative "defined contribution" schemes, made up nearly three-quarters of all private sector pensions but by 2011 this figure had fallen to less than a third.

We have welcomed the introduction of auto-enrolment but the incoming government needs to go further to make savings count and encourage younger people to make provisions for their future. **This means action to reduce the further closures of final salary schemes and a commitment to explore 'shared risk' alternatives such as Defined Ambition schemes.**

Pensions explained

- A **Defined Contribution**, or money purchase, pension scheme is built up through your own contributions, those of your employer and tax relief from the government. Defined contribution schemes provide an accumulated sum when you retire, which you can use to secure a pension income through buying a product called an annuity
- A **Defined Benefit** pension scheme - sometimes called a final salary pension scheme - is one that promises to pay out an income based on how much you earn when you retire. The amount you get is guaranteed, and it will be paid directly to you
- A **Defined Ambition** pension scheme combines features from both and will share risks more fairly between you and your employer

Our call:
Care about care

Many of us will require some level of care when we get older. Whilst life expectancy is increasing, there are also a growing number of people spending later lives unwell, and by 2030 there is likely to be a doubling of the number of older disabled people.

As the population aged over 65 grows, from 8.5 million in 2010 to nearly 13 million by 2030, the need for better care in later life will become increasingly acute. The future of care cannot wait and must be dealt with now.

The Dilnot Commission recognised the historic underfunding of social care in the UK and set out a roadmap for the future. The government used these recommendations as markers for the Care Act in 2014 but many older people and their families do not understand what this means for them.

What were the key Dilnot recommendations?

- A cap on a person's lifetime contribution to their care needs of £35,000
- A £10,000 cap per year on non-care 'hotel costs' (food and accommodation) in a retirement home
- An end to the postcode lottery and a national eligibility threshold for adult social care
- Schemes that allow deferred payments for the costs of care

While some of the core Dilnot principles were adopted by the government in the Care Act 2014, the £35,000 cap was more than doubled to £72,000. The 'hotel cost' cap was put at £12,000, but as the average annual costs for this are between £7,000 and £12,000, many people will continue to foot this bill.

Under Dilnot's plans almost 40% of over 65s would have benefited from a cheaper bill, but the Care Act reduced that figure to 16%.

Imaginative, integrated solutions

As budgets are tightened, and criteria for funding becomes more rigid, growing numbers of people are being excluded from the care system. While this will reduce short term pressures on local authority budgets, it will store up problems for the future as people lean more heavily on emergency NHS resources. Given the increasing pressures across the NHS, this is an unsustainable direction of travel.

The political parties need to look at imaginative funding solutions, including making honest assessments of how local pressures impact on national budgets, and breaking down silos between health, local government and social care budgets at all levels.

Self-funders are those deemed as having enough money or assets to pay for their own care. They make up 45% of those in residential care homes, 48% of those in nursing homes and 20% of those receiving home care support. Cross-subsidy by self-funders is effectively a 'hidden tax'.

Many people may be unaware of entitlements and support structures available to them. Only about half of local authorities have estimates of how many self-funders are in their local area, leading to decisions that are unfair on self-funders. **Local authorities need to look again at the way they commission care to ensure that self-funders are not disadvantaged in the commissioning process.**

Imaginative delivery of services also needs exploration. Easy to use and accessible technology can help to cut the costs of care and can also bring secondary benefits such as linking those in later life to others in their communities.

Care about our care sector

Many older people have excellent relationships with their carers who work hard and deliver a fantastic service. However, there have been worrying reports of older people not receiving the care and respect they deserve. A motivated workforce in local authorities, service providers and the wider social care sector is critical to happiness in later life.

The Care Act 2014 introduced a new learning and development programme run by the National Skills Academy for Social Care. Given that 23% of social care employers believe there is a skills gap in the sector, and 93% of employees think that services could be improved with greater leadership and management skills, this is very much welcome.

Professionalisation of social care should be a key policy for the incoming government.

Care about quality

The Care Quality Commission (CQC) has been given greater independence from central government to conduct investigations into hospitals and care homes, but this must go further. Only through increasing the level and frequency of scrutiny of care homes and other social care services can confidence and trust for older people be restored.
The number of well-qualified inspectors should be increased and there should be a greater level of monitoring and regulation of care homes and other social care services.

Our call:
Reimagine the future for housing in later life

Whatever your age, where you live matters. The UK is facing a crisis of housing availability with many struggling to get their foot on the first step of the housing ladder. But there is also pressure at the top of the ladder. It is time that we reimagine the future for housing in later life.

There is not enough housing available in the UK, and there is a desperate shortage of suitable housing for those in later life. This means that older people get 'stuck' in large, cold, and inaccessible properties which not only impacts on their quality of life but has a knock-on effect on their children and grandchildren who can't access the family homes they need. According to Shelter, if just 20% of older home-owners moved into retirement housing, 840,000 family-sized homes would be released on to the market.

At the same time, many older people would like to stay in their own homes. But often these homes are just not fit for purpose. All new homes should be 'Lifetime Homes', thoughtfully designed to provide better living environments for everyone, from new mums with buggies, to those coping with illness, or dealing with reduced mobility in later life. **The 'Lifetime Homes' standard is already a reality in London, but we want this extended across the rest of the UK.**

Older people and housing: The facts

- 80% of older people are home owners
- The over 60s hold more than £1.28 trillion in housing wealth
- 57% of all older households (and 68% of older home-owners) 'under-occupy' their properties
- 1% of over 60s in the UK live in later life housing (compared to 17% in the United States and 13% in Australia)
- Between 30% and 50% of baby boomers are planning to release equity from their current property to help fund their retirement

Specific housing for those in later life has suffered from a clear lack of direction from central government. Just 2,500 specialist homes for older home owners are built each year, out of a total of around 125,000 new properties. There are currently no national targets for homes for older people.

This needs to change. **We need a national strategy on encouraging specialised later life housing throughout the whole of the UK.**

We need to make it easier for local authorities to sign off planning applications. Planning guidelines do not support private later life housing; it is treated in exactly the same way as other residential properties.

For example, the Community Infrastructure Levy, a tax on all new development based on square footage, does not account for the fact that up to 40% of a development for later life housing is shared space, such as communal lounges, and is therefore 'unsellable'. This drives up costs, prevents new schemes from being developed and discourages developers. **Housing for later living should not be treated the same as traditional developments. Instead we need a formal planning policy presumption in favour of retirement housing schemes.**

Later life housing delivers the most benefits when it is at the heart of the community, near to shops, community centres and transport and health hubs. However, these prime sites face stiff competition and are often lost to other developers, including supermarket chains and other retailers. As a result, developers are discouraged from building, making it hard for anyone looking to downsize.

We are calling for the zoning of areas for later life housing, and for local authorities to be required to allocate specific sites for retirement housing in their Local Plans.

Crucially, we also need to change hearts and minds. We need a cultural shift around what retirement housing means and the benefits that it brings. **This needs to be kick-started by financial and tax incentives for those looking to downsize. A first step towards this would be the exemption from Stamp Duty Land Tax for pensioners looking to downsize, which would help stimulate the market and free up valuable family-sized homes.**

Obstacles to downsizing

- Lack of suitable, smaller properties available
- Stigma attached to 'retirement housing'
- High costs of moving, such as Stamp Duty Land Tax
- High costs of property, including restrictive practices, exit clauses and exit fees
- Lack of awareness
- De-cluttering existing homes is too big a task

The benefits of later life housing

- Reduces worries about repairs and maintenance
- Provides a safe, sociable and supportive environment, reducing loneliness
- Helps people live independently for longer
- Protects against the effects of cold homes and fuel poverty, and reduces bills
- Reduces hospital admissions and the strain on NHS resources and local authority budgets
- Releases under-occupied housing

Our call:
Keep pensioners moving

Decent, affordable public transport can make all the difference for older people, providing a vital link between their friends, family and local community, and enabling them to retain their independence.

10 million older people in England now own a concessionary bus pass and the scheme has been universally welcomed. Figures from the Campaign for Better Transport show that the average concessionary bus pass is used over a 100 times a year, with the poorest pensioners using their bus pass the most. Crucially, for every £1 of public money spent on the scheme, £1.50 of economic activity is generated.

However, the difficult economic climate has taken its toll on local bus markets, with cuts reducing the number of services available. Some local authorities such as Hartlepool, Darlington and Southend now spend nothing at all on public transport.

This has resulted in a significant reduction in the availability of concessionary bus services for older people. There are growing concerns about poor frequency of daytime services in rural and more isolated areas, as well as vastly reduced services in the evenings and weekends. In short, there is no point in having a bus pass if there are no buses to use it on.

Cutting services and reducing spending is a short-sighted approach. It risks isolating older people in their communities and restricting their ability to contribute positively, whether that be reaching part-time employment opportunities, providing childcare for grandchildren or spending their well-earned retirement income in local high street shops. **Long term investment in bus transport is urgently required.**

Benefits of the bus pass

- 45% of bus pass use allows older people to contribute directly to the economy, through shopping, eating out or leisure activities
- In 25% of cases the bus pass was used to undertake voluntary work or unpaid care work
- Free access to buses encourages users to be more physically active, which saves the NHS money by reducing inactivity related illness

Ensuring a positive user experience on local transport is as important for older people as having the service available.

Recommendations made by the Transport Select Committee to **make bus travel a positive experience for all, particularly those with physical impairments or disabilities**, must be driven forward. This includes the phased retrofit of buses with audio-visual information systems and a requirement that all new buses entering service have appropriate audio-visual systems installed. All local authorities should have a statutory requirement to provide and maintain minimum standards of accessibility for older people to a supported bus network.

Simplicity and ease of use is a key consideration for older people. Currently the concessionary bus pass can only be used on local buses in the country of issue with limited concessions allowing travel to locations across the border. In contrast the bus passes issued in Northern Ireland allow full access to public transport in both Northern Ireland and the Republic of Ireland. **Older people should be able to use the concessionary bus pass throughout Great Britain, across national borders between England, Scotland and Wales.**

In 2012 the government conducted a pilot which allowed senior and disabled concessionary bus pass holders to receive discounted rail fares on selected routes, without a railcard. Whilst this was a success, the scheme was not extended. The Senior Rail Card currently costs £30 per year for those over the age of 60. This is confusing, and the additional cost does not encourage older people to use the railways.

We support the simplification of concessionary travel and are calling for the ability to use the concessionary bus pass as the Senior Rail Card.

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I recognise the contribution pensioners make in my community.

I join them and the next generation of pensioners in committing to an ambitious future for Later Life by:

- Listening to, and expressing, the views of pensioners
- Recognising that 'universal benefits' bring UK benefits
- Planning properly for pensions
- Caring about care
- Reimagining the future for housing in later life
- Keeping pensioners moving with accessible, affordable public transport

Signed: .... Postcode: ....

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