

FINANCE COMMITTEE

DEMOGRAPHIC CHANGE AND AGEING POPULATION

SUBMISSION FROM RENFREWSHIRE COUNCIL

1. The Council welcomes the opportunity to comment upon the challenges and changes required of local government finances and the current pressures on budgets and growing demands for services. The Council recognises the role and influence demographic trends and projections have when determining the national budget settlements.
2. The Scottish Government's Christie Commission states that the greatest challenge facing public services is to combat the negative outcomes for individuals and communities arising from inequality and disadvantage.
3. An example of the negative outcomes facing individuals and disadvantage in Renfrewshire is the significant disparity in life expectancy levels, this is highlighted in the Ralston area of Renfrewshire where male (81.3 years) life expectancy is 16.4 years greater than life expectancy for males (64.9 years) in the Ferguslie area of Renfrewshire.
4. The Council also recognises and firmly believes that the national budget settlement process is required to take into account the different demographic and socio-economic pressures and changes experienced by local authorities that have significant levels of deprivation.
5. Many of the long term health limiting issues associated with an ageing population occur much earlier in life and in greater numbers within in our deprived communities. In general, the Council experiences across all services significantly higher levels of demand for services from individuals and communities suffering from deprivation.
6. In considering the findings of this research the Scottish Parliament Finance Committee will need to balance the needs of an increasing population of over 65 year olds, with the ongoing and significant cost pressures arising from individuals of all ages experiencing deprivation.
7. In conclusion, the Council reaffirms its support for a requirement being placed upon the national budget settlement process to acknowledge the impact that poverty and deprivation have on the demand for local government services. The Council further reaffirms its support for factors, such as, poverty and deprivation based demands and believes that they should be given more weighting than factors, such as, an ageing population, when distributing and allocating resources as part of the national budget process.

General

What is your view of the effects of demographic change and an ageing population on the sustainability of funding for (a) health and social care and (b) housing services and (c) public pensions and the labour force? What public services will individuals increasingly call on and in what way?

8. The current level of funding is not sustainable given the combined impact of cost pressures arising from the ageing population and restricted public funding. In Renfrewshire the increase in the elderly population is set out below with the increases being most acute in the 85+ age group

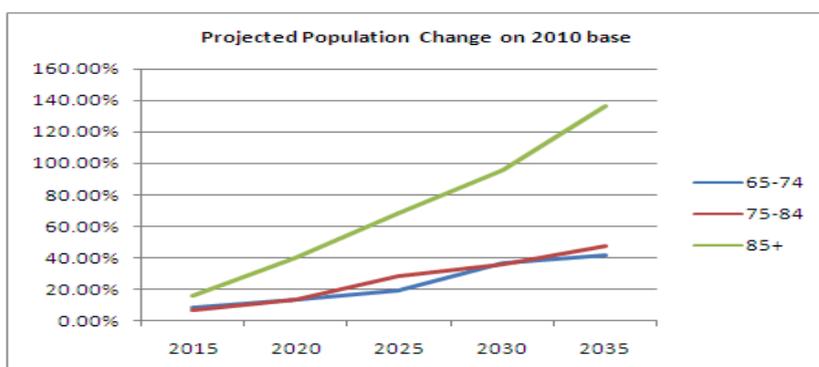
9. Demographic change is one of the main prospective pressures on the Scottish budget. Increased life expectancy over the period 1951 to 2009 has increased significantly. During this period life expectancy of Scottish males increased from 64.4 to 75.8 years. The life expectancy of females increased from 68.7 years to 80.3 years.

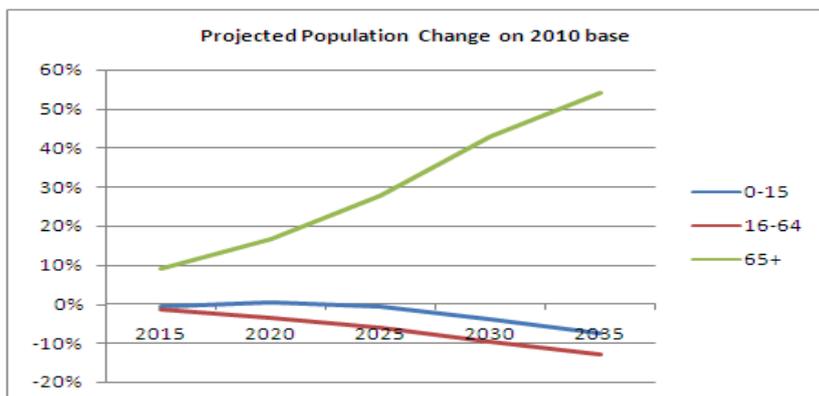
10. The economic impact of increasing life expectancy is used by calculating the “old age dependency ratio” this is achieved by dividing the population aged 65+ years by those aged 15 to 64 years. This ratio broadly measures the number of retirees that have to be supported by each economically active person. The increase in the economically inactive population will put considerable strain on existing welfare systems, which in turn presents the Government with difficult decisions to maintain the welfare system, for example, cutting it back, raising taxes and or increasing borrowing.

11. The General Register Office Scotland (GRoS) has calculated old age dependency ratios for local authorities in Scotland. GRoS figures for 2010 highlight that Renfrewshire has 25% more 65+ year olds than 15 to 64 year olds, this figure is estimated to increase to 42% by 2030.

12. Old age dependency ratio figures across Scotland highlight that all local authorities will experience proportional increases in the over 65 year old population. The figures also highlight wide differences in the level of 65+ year old increases to be experienced by local authorities across Scotland, for example, in 2010 Glasgow had 19% more 65+ year olds than 15 to 64 year olds compared to Dumfries and Galloway which had 35%. It is also estimated that increases in over 65+ year olds will be greater in rural based local authorities when compared with urban based local authorities, for example Glasgow is anticipated to have 26% more 65+ year olds than 15 to 64 year olds by 2030 and Dumfries and Galloway anticipated to have 61% more 65+ year olds than 15 to 64 year olds by 2030.

13. The Scottish Government may want to consider the budgetary implications for local authorities who are experiencing significant increases in 65+ year olds as part of the national budget settlement process. In addition and as outlined in more detail below, the Scottish Government should also consider, in particular, the different demographic and socio-economic changes experienced by urban local authorities with significant levels of deprivation across Scotland as part of the national budget settlement process.





Renfrewshire - Projected Population by broad age groups

	2010	2015	2020	2025	2030	2035
All ages	170250	170842	171133	171006	170218	168822
0-15	30274	30006	30369	30033	29151	28056
16-64	111559	109858	107625	104647	100448	97029
65+	28417	30978	33139	36326	40619	43737
Older People						
65-74	15691	17057	17826	18749	21407	22175
75-84	9574	10261	10892	12268	13045	14107
85+	3152	3660	4421	5309	6167	7455

14. Significant levels of additional investment (in Renfrewshire almost £4m over the past 5 years) have been required to support demand on care at home and care home budgets.

15. It is anticipated that increased pressure on public services will be placed on health and social care services as more elderly people will live longer and live with chronic illnesses, such as dementia.

16. Increasing demand will also be placed on housing providers for properties that meet the needs of a growing elderly market, for example, providing more adapted housing and supported accommodation with associated care packages.

Further, what planning is being done, or should be done, to address this?

17. To sustain current levels of provision, local authorities must plan to meet the increased demand and costs associated with the growing economically inactive elderly population. Council service providers will have to decide how to meet the costs of these new additional pressures on current budgets via a combination of increased taxation, redesigning services and or reducing service provision. These issues are currently dealt with through the Council's strategic financial and service planning arrangements.

18. Throughout 2012, a Strategic Needs Assessment (SNA) is being undertaken across all public, private and voluntary sectors in Renfrewshire. The SNA will assist in providing evidence based planning to meet future demographic needs and demands on local service provision by informing headline strategic policies such as the Community Plan, Single Outcome Agreement and the operational plans of local public agencies.

What weight should be given during the annual budget process to demographic trends and projections?

19. Renfrewshire Council recognises the legitimate role and influence that demographic trends and projections should have when determining the national budget process. As it is projected that demographic change will place additional pressure on demand for Council services this should remain a key influence on budgetary decisions.

20. Nationally through the Scottish Budget setting process and distribution process of resources within the local government settlement process, the influence of demographic trends and projections is recognised.

21. However, there is a requirement for the sophistication of this to increase in order to better recognise the influence deprivation and socio economic factors have in addition to pure demographics in terms of the demand for Council services. Many of the long term limiting health issues associated with an ageing population and which drive demand for many local government services occur much earlier in life in more deprived areas and there is a requirement for this particular aspect to be better recognised in the distribution of resources across the country.

22. Locally, the annual budget setting process takes account of demographic related cost pressures, subject to mitigating demand management activity.

23. The Council's strategic financial and service planning arrangement processes are specifically weighted and designed to monitor and plan to address pressures on services resulting from demographic and socio-economic change.

24. In terms of older people this relates to an operational focus on reablement services, telecare, effective procurement and responsive and flexible homecare to sustain older people at home.

What data is collected (and what should be collected) with respect to (a) health and social care and (b) housing services and (c) public pensions and the labour force, and what use is made of this (or should be made) to forecast what funding will be needed?

25. The Council in planning and forecasting funding of services takes into account up to date population statistics, service uptake and demand, inflation and internal and external cost data.

26. Principal data sources for the Council in planning and forecasting the funding of services are; the General Register of Scotland for population statistics, Office of National Statistics for Local Labour Market data analysis, the Scottish Government's Scottish Index for Multiple Deprivation and Scottish Neighbourhood Statistics websites.

27. The Scottish Household Survey, Scottish Health Survey and Scottish House Condition Surveys are also used to forecast and plan future Council funding.

Health and social care

To what extent are preventative policies such as the [Change Fund](#) key to addressing demographic pressures on the provision of health and social care?

28. Preventative policies play an important part in addressing demographic pressures on the provision of health and social care. Renfrewshire Council welcomes the opportunity the Change Fund allows to facilitate a move in the balance of care from institutional to home settings and has made a number of improvements already that have reduced the need for institutional care.

29. Policies such as the Change Fund are very significant, not only in terms of the additional funding available, but in the opportunities it presents for jointly developing services across health and social care and understanding respective roles and interdependencies.

30. The Change Fund has allowed local investment in areas of elderly population growth and provided funding to target areas, such as, home care to support dementia and end of life care, community nursing support, reablement activity both in hospital and at home, together with recognising the importance of support for carers and building community capacity. The issues around the interface with acute services remain an area for ongoing improvement and development.

31. The need to support people to live longer more independent lives at home is recognised and is the key aim of the Change Fund. Further consolidation and development of flexible and responsive care at home and community health services with a reablement focus are required, with appropriate levels of carer support in place to underpin this. Planning however needs to focus on the role of communities, and of informal supports to help support independence moving forward.

32. Preventative measures in relation to housing and housing support (such as Care and Repair services and the provision of housing adaptations) play a small but important part in helping to relieve the pressure on health and social care services. Such preventative services can often be provided at a relatively low cost but can be enough to enable an older person to remain independent and safe in their own home without the need for more expensive health and social care.

To what extent are the pressures on health and social care a consequence of an ageing population as opposed to other health challenges such as obesity?

33. For social care services in Renfrewshire the principal pressure arises from an ageing population; the impact of increasing obesity levels although reflected in the need for specific working practices and increased resourcing, it is not a significant cost driver at this time.

Housing

What is likely to be the main pressures on both the public and private housing stock arising from demographic change and what action should government and other public bodies be taking now to address this?

34. At a time of limited funding for new public housing, the pressure will be on social housing providers to make best use of existing stock and to ensure existing specialist accommodation for older people is fit for purpose and can meet future needs.

35. In terms of actions government and other public bodies should be taking now, Renfrewshire Council is already undertaking a range of actions in relation to its own stock. For example:

- The Council is in the process of converting one multi-storey block of flats into housing suitable for older people and those with mobility difficulties, with many of the features of sheltered housing (peer living, security, lifts to the upper floors, a social space for tenants). A local lettings initiative will be used to allocate homes to ensure those housed within the block have the most need for those facilities. A similar initiative has already been undertaken successfully in four other multi- storey blocks.
- The Council routinely carries out adaptations in Council properties where a need has been identified. Expenditure in this area is around £500,000 per year. In addition through the Council's programme of works to achieve the Scottish Social Housing Standard by 2015, adaptations to meet tenants' needs are being identified and undertaken as part of this programme. This ensures that tenants' needs are met and will expand the range of adapted homes available for future use.
- The Council is participating in a pilot project, being funded by the Scottish Government and run by the Glasgow Centre for Inclusive Living and Ownership Options, to create a

register of accessible homes. This should help social landlords ensure that adapted properties are available to those who need those adaptations the most.

- The Council will shortly be reviewing its existing sheltered housing complexes to identify improvements or changes required to ensure they are fit for purpose and can meet future demands and aspirations of older people. It will also review its Extra Care developments to ensure anticipated outcomes are being met.
- The Council has recognised that information and advice and support to move home are important in helping older people make moves to the most appropriate housing for their needs. Renfrewshire's Change Fund will provide funding for a Housing Options Advisor post which will assist older people to find suitable accommodation that meets their housing and care needs and who can provide practical assistance to help an older person move where that is the most appropriate option.
- Renfrewshire Council is expanding its telecare service to additional tenancies to allow older people to remain safely in their own home.

36. It should be recognised however there will be limitations to the use that can be made of existing social rented stock to help meet older people's housing needs. For example 40% of Renfrewshire Council stock is tenement flatted properties. This house type is in general unsuitable for various types of adaptations above ground floor level. There are also competing priorities for social housing, for example to meet other housing needs such as homelessness and overcrowding.

37. There remains a need for specialist accommodation for older people, for example to meet the needs of those with dementia. Renfrewshire Council also recognises a growing need for accommodation to meet the needs of older people with mental health issues.

38. Yet the resources available to invest in new affordable housing have fallen in recent years. (Renfrewshire's three year resource planning assumption for new affordable housing equates to just under £5million per year from 2012/13 – 14/15, compared to allocations of between £14.6m in 2009/10 and £7.96m in 2010/11).

39. Therefore despite actions to make best use of existing stock, there will be limitations to this. There needs to be an increase in resources available to invest in new build social rented stock to allow a number of housing needs, including those of older people, to be met.

40. In terms of private housing, the Scottish Government's "*Age Home and Community: A Strategy for Housing Scotland's Older People 2012-2021*" notes that older people (owners) can find it more difficult to maintain their homes. This has implications for the future condition of private housing stock as owners' age and for older people's health and ability to remain in their own accommodation safely and securely.

41. The pressure will be on public bodies and the government to help older owners maintain, invest in and adapt their properties to meet their changing needs as they age.

42. Current actions to address this include funding Care and Repair services that provide advice and assistance to older owners, for example through the Small Repairs services and help to organise major repairs. Renfrewshire's Change Fund is providing funding for an Older Persons Handyman service based within Renfrewshire Care and Repair that will undertake small maintenance jobs for older people in all tenures.

43. The Council also provides funding for owners who have an assessed need for an adaptation. Expenditure in this area is around £300,000-£400,000 per year. Pressure is likely to arise in funding of adaptations in the future as demand grows. For many older people, relatively small scale expenditure on adaptations such as wet floor showers and handrails are

sufficient for them to live safely and independently in their own home. The Government should recognise the importance of this kind of preventative spend and continue to fund and support organisations in providing adaptations.

44. The Government's strategy notes that many older people have considerable amounts of equity in their homes but often have low incomes, which do not allow them to make adaptations or improvements. We note within this strategy the Government's intention to make it easier and safer for older people to access the equity in their homes.

45. Not all older people however have substantial equity in their home, particularly those in some ex Right to Buy stock. There is a need for both central and local government to look at how new low cost home ownership developments for older people can be funded and delivered.

What adaptations will be required to the existing housing stock to provide long-term care and to what extent should the design of new builds take into account the possibility that the home may be used for care purposes in the future?

46. To provide long term care, homes should be easily accessible and adaptable, with sufficient storage space and room to accommodate a carer if required and should be energy efficient. As noted above, existing housing stock is not always suitable for adaptation. It is therefore important that new build design takes into account the possibility that the home may be used for care purposes in the future. Developers should be encouraged to build such housing - the features that make a home suitable to provide long-term care noted above can appeal to a wide range of people, for example families and those wishing to work from home and not just older people.

Pensions and labour force

What is the likely impact on the public finances within Scotland of demographic change on public sector pension schemes and what action is required by the Scottish Government and other public bodies to address this?

47. An ageing population has clear implications for the future costs of public sector pensions as pensioners of the future would be expected in general to live for longer and therefore draw pension provision for a longer period. It is therefore important that the Scottish Government, public bodies and associated pension bodies work closely together to ensure that pension arrangements remain fair and equitable to those who are actively contributing to secure their financial future in old age whilst at the same time remaining financially sustainable for the public purse. For example action has been taken in recent years across the local government pension scheme in Scotland which has made a range of changes including introduction of tiered contribution rates, changes in the annual accrual and changes in retirement age arrangements etc all of which have assisted in improving the long term financial sustainability of the pension funds and ongoing costs to employers.

48. Significant variations do exist across the public sector pension arrangements in relation to the costs and the benefits for employees and creating a level playing field as part of assisting the overall public finances is something which may be considered appropriate. Balancing the modernisation of pension arrangements with long term financial sustainability will remain a key challenge across the public sector and assessing and developing further options for modernisation around future pension provision should continue to be actively considered on a regular basis as part of long term financial planning arrangements within the public sector.

What should be the balance within public policy of support for older people who wish to remain in employment versus creating opportunities for youth employment?

49. In terms of discretionary economic development and employability activity and spend then the priority is certainly on the creation of employment opportunities for young people. Renfrewshire Council is cautious and careful in relation to ensuring that they are not reducing employability support to older people and that the new and additional job creation programmes are only in relation to stimulating new and additional opportunities for young people and specifically don't displace older people in the process.