



**Reaction to the UK Government Office for Science
Foresight report “Future of an Ageing Population”**

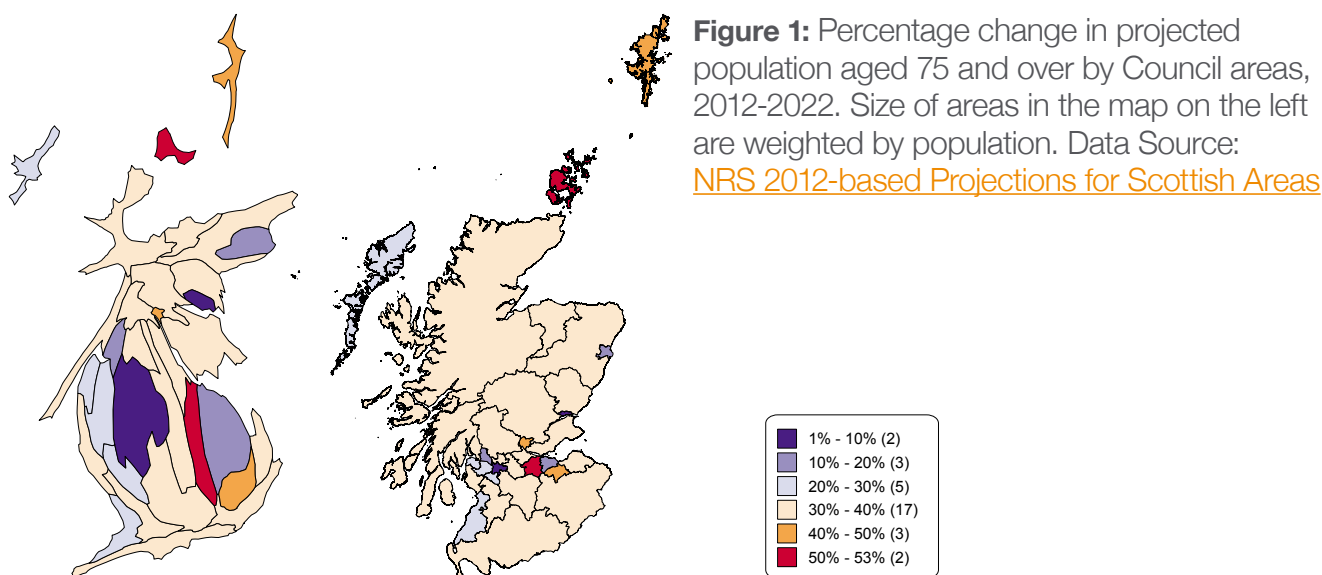
Background

The ageing population of Scotland presents both opportunities and challenges for our society. The Foresight report “Future of an Ageing Population” provides an in-depth discussion of the effects the ageing population will have on the UK, bringing together evidence to aid policymakers to adapt to the demographic change. We also note the recent work of the British-Irish Council demography work sector, led by the Scottish Government (SG), which has looked at the policy implications of both ‘population ageing’ and of an ‘ageing society’. The work sector has explored the demographic drivers shared across the parts of the British Isles and identified the structural conditions that underpin reform and innovation across the policy arena. For this summary, we have brought together a group of experts to analyse the implications of the ageing population in Scotland to highlight issues of particular importance to SG policy. We examine Scotland’s demography and highlight that our population is ageing faster than the population in the rest of the UK. Policies affecting economics, healthcare, the built environment, and transport will all be particularly critical to ensuring that we maintain an active, healthy, and socially engaged ageing population. It will be important to shape policies and attitudes to recognise and maximise the contributions of older people to society, and to promote cohesiveness of society across generations.

Future of an ageing population – Scotland’s Demography

Scotland's population differs from the population in the rest of the UK in several important ways:

- The population is growing at a slower rate, with a projected increase to 2039 of 7% compared to 17% in England;
- Fertility is lower, with an average of 1.56 children per woman compared to 1.82 in England & Wales (total fertility rate), and is currently declining;
- Life expectancy at birth is lower, and projected to reach 82.3 years for men and 85.0 years for women by 2039, compared to 84.4 years and 87.2 years in England;
- Net in-migration is relatively lower but is projected to contribute most (around 90%) to population growth over the period 2012 to 2022;
- The population is ageing at a faster rate: median age (the age at which half the population is older and half younger) in Scotland is currently 41.9 years, around two years higher than in the UK as a whole, and is projected to rise to 45.2 years by 2039, compared to 42.9 years for the UK.



With fewer young adults arriving from Europe, the median age of the Scottish population is predicted to increase.

Future of an ageing population – Scotland’s Demography continued

Trends in fertility and life expectancy are driving increases in population ageing in Scotland, whereas net in-migration (international and from the rest of the UK) is having the opposite effect.

There is also considerable geographical variation in the ageing of the population within Scotland. In general it is lowest in the cities and higher in more rural areas. For example, between 2001 and 2015 the proportion of population aged 65 and over was below the Scottish average in Glasgow, Edinburgh and Aberdeen but above the Scottish average in Argyll & Bute, Dumfries & Galloway and Eilean Siar. Nevertheless, all Local Authority areas are expected to experience an increase in the proportion of population aged 75 and over between 2012 and 2022 (Figure 1). In the Orkney Islands and West Lothian the projected increase is around 50%; in Glasgow and Dundee it is less than 10%. This highlights the importance of internal migration within Scotland, as well as net inward migration to Scotland, to the local experience of population ageing. The out-migration of younger adults from more rural areas leaves a higher concentration of older people and thus accelerates population ageing, whereas the in-migration of younger people, especially to the cities, offsets increases in the number of older people there. New population projections by National Records of Scotland have examined alternative EU migration assumptions and indicate the possible impact of different post-Brexit immigration outcomes on the future population of Scotland. Less European migration is predicted to reduce the number of young adults, thus increasing the median age of the population.



+50% Orkney Islands
and West Lothian

50%: the expected increase in population aged 75 and over in Orkney Islands and West Lothian between 2012 and 2022; in Glasgow and Dundee the increase is expected to be less than 10%.

Economic implications of Scotland's ageing population

The demographic change toward a larger proportion of older people poses some real challenges: many of these have to do with providing reliable sources of income to ensure that older people enjoy an adequate and stable standard of living during their retirement. Pensions provide the main, though not the only, source of retirement income. Both private and public sector pension schemes support retired employees, but both types of scheme currently face significant problems:

- Increases in the retirement age have not kept pace with increases in life expectancy. Therefore, individuals are spending a greater proportion of their lives in retirement.
- There has been a long run decline in the rate of return to risk-free forms of saving, which has dramatically increased the costs of pensions.
- The rate of growth in the economy has been slow since the financial crash of 2008, reducing opportunities to build up stores of wealth to use during retirement. At present, there seems to be little prospect of returning to the rates of productivity growth enjoyed during the 1990s and early part of this century.

Defined benefit pensions, which guarantee scheme members a proportion of their past income, have all but disappeared in the private sector. Even so, many private sector schemes are in deficit, some to the extent that they threaten firm solvency e.g. Tata Steel. Public sector pensions constitute the largest single liability on the Whole of Government Accounts balance sheet (National Audit Office 2016). In 2014-15 the value of these liabilities was £1.5 trillion, substantially in excess of the available assets. The current government has "triple locked" the state pension - it will rise by the maximum of price inflation, wage inflation and 2.5%. It is by far the largest item in the welfare budget, accounting for more than 40% of welfare spending, equivalent to 5% of GDP.

Pension policies set by the UK Government may **disproportionately impact** Scotland in terms of its deprived population of people in their 60s who are not able to work but do not yet have access to their pension (due to raising the pension age). With a rising UK pension age, the SG will be required to provide additional support for **disability related benefits**. Audit Scotland has previously raised the difficulties of funding Scotland's public sector pensions (Audit Scotland 2011). Responsibility for the state pension was not transferred to Scotland under the Scotland Act 2011, but a number of disability-related benefits, payments for which tend to be strongly correlated with age, have been transferred. And Scotland's private sector companies face similar problems to those in the rest of the UK.

Economic implications of Scotland's ageing population continued

Health and social care costs also change with an ageing population. The number of people with long-term health conditions is increasing as the population ages. For example, estimates suggest that the number of people in Scotland with dementia will rise from 80,000 to over 120,000 in the next 20 years. This will have an enormous impact on costs to the NHS, social services, and carers, particularly if we do not adequately plan ahead. The vision of NHS Scotland is 'that by 2020 everyone is able to live longer, healthier lives at home, or in a homely setting'. In 2011, 9% of people living in households in Scotland provided unpaid care to family members or friends, with 44% of them providing 20 or more hours of care a week. If economic pressures force carers into work, this will leave a large gap to fill, which should be considered in public policy.



Estimates suggest that the number of people in Scotland with dementia will rise from 80,000 to over 120,000 in the next 20 years.

Health in later life

Throughout the developed world, life expectancy is increasing by around one year every decade. Life expectancy in Scotland in 2014 was 77.4 years for men, and 81.4 years for women, which lags behind the UK as a whole, and is also one of the lowest in western Europe. There are also stark variations in life expectancy and health status by region within Scotland; areas of lowest socio-economic status have lower life expectancy but in addition a greatly prolonged period of ill-health before death. There is a strong case for prevention programmes for improving health in later life in Scotland, particularly in these regions with lower health status.

Shortening the amount of ill health in later life is clearly possible; education, avoidance of obesity, exercise and non-smoking are critical factors across the life course; with a favourable profile, older people can expect to live longer and have a shorter period of ill health and disability before they die. It is also notable that, although people are living longer, meaning that overall more people have dementia, the percentage of people at any given age with dementia is decreasing, likely due to improvements in cardiovascular health. Other countries have employed very successful community-based prevention programmes. For example in Finland, the North Karelia community-based cardiovascular disease prevention programme resulted in dramatic reductions in mortality due to heart disease over 40 years, and a complete closing of the health gap between the region with the programme and the rest of the country (Jousilahti et al 2016).

'Successful' ageing (including protection against cognitive decline and preserved physical function) is also more likely if older people are engaged in purposeful activity and have well developed social networks. There is then, potentially, a double gain for society, as older people who are engaged contribute through that engagement, and also have better health and less need of health and social care.

Productive engagement over the life course with meaningful social roles

Increased longevity means that retirees can now typically expect to live for another two or three decades. Maintaining wellbeing and a good quality of life in the later years is now recognised as involving not only good health and economic security, but also maintaining **social connections**, keeping **mentally and physically stimulated** and having a **sense of purpose**. This can be termed as productive engagement.

‘Productivity’ here includes activity which is not simply economic output but which nonetheless creates goods or services of value – such as housework, home improvement, caring, volunteering, or even playing with grandchildren and informally helping out friends and neighbours. By this reckoning, around 98% of older households regularly undertake at least some productive activity. The phraseology of productivity also counteracts assumptions of older age as characterised by dependency. Public leaders can help to shape **a narrative of ageing** which emphasises social cohesion, no matter people’s capacity to participate; where ageism is robustly confronted; and where older people’s contributions, their historic social and economic inputs, and potential, are all recognised and valued.

One of the key findings in the Foresight report was that **suitable housing, neighbourhoods, and transport** make a large contribution to maximising the wellbeing of the ageing population, and hence the ability to engage with society. A recent report commissioned by the SG’s Chief Architect, Ian Gilzean, highlights the need for appropriate housing, transport, and public spaces in Scotland to encourage active ageing and engagement with society¹. This report highlights the lack of affordability and choice of housing suitable for older people in Scotland.

At all ages, people’s attitudes and self-esteem are significantly impacted by feeling **needed and appreciated**. However, older people often lack the status and identity which foster those emotions because of changed or absent work or family roles in later life. Loneliness can occur at any age but common trigger points (bereavement, retirement, children leaving home, relationship breakdown) tend to congregate in later years. Chronic loneliness harms mental and physical health and can cause destructive behavioural changes: it increases the risk of death and can be compared to a 15-a-day smoking habit.

Public policy can support productive engagement by promoting robust and broad public health and wellbeing **information and advice** which emphasises the need for productive engagement, and by **expanding choices and opportunities** for work, learning, and leisure, especially options for those who need or want to combine these with caring or volunteering responsibilities.



Chronic loneliness can increase the risk of death, comparable to a 15 a day smoking habit.

¹ <https://beta.gov.scot/publications/designing-places-for-an-ageing-population-research-report/>

Conclusions and Key Recommendations

The main findings of the UK-wide Foresight report emphasise that the ageing population presents both opportunities and challenges which should be addressed in a cohesive manner by UK government. Similarly, the British-Irish Council demography work sector highlights the importance of considering our future demography in policy making and the importance of intergovernmental collaboration on measuring and understanding demographic trends. In this short report, we have provided evidence of the extent and specific implications for the ageing population in Scotland to aid the SG in thinking proactively about how our ageing population affects many aspects of society. We hope the SG will use evidence to inform policy which promotes an engaged older population and intergenerational cohesiveness to maximise contributions of all members of our society. We recommend:

- Promote a **national conversation about attitudes towards age** to promote the wellbeing of older people, celebrate and maximise their contributions to society, and **create cohesiveness between generations**.
 - Review policies and publications by SG to ensure there is not a negative sentiment towards older age.
 - Review policies to ensure that they do not unfavourably affect unpaid carers. For example, there may be unintended consequences of policies promoting more of the population being in paid work that would negatively impact carers. Policies could be designed to mitigate such unintended consequences.
 - Recognise the importance and value of informal care throughout the lifespan. Public agencies and government could encourage adoption of employment practices that support part-time work combined with caring responsibilities throughout the career path, to allow families flexibility to suit their circumstances.
 - Promote intergenerational cohesion and alternative ways of supporting older people. For example, home help support is inadequate in some areas, which has knock-on effects on hospital stays etc. Community networks, buddy systems, and mixed-aged communities would help avoid isolation and provide support.
 - **Technology and innovation** can support cohesiveness; for example, young people could be engaged in skills transfer activities training older people to use the internet. Older people can inform how such technologies can be best developed to maximise benefit and accessibility for the whole community.
 - **Start young** – encourage the production of materials for schools to help children and young people understand the opportunities and challenges of an ageing population, and the importance of intergenerational cohesiveness for Scottish society.

Conclusions and Key Recommendations continued

- Promote the engagement of older people in **purposeful activity**. 'Successful' ageing, including preserved physical function and protection against cognitive decline, is more likely if older people are engaged in purposeful activity. There is then potentially a double gain for society, as healthier older people who are engaged contribute through that engagement, and are less in need of health and social care.
- Invest in life-course sustainable infrastructure (housing, transport, built environment) to allow people to stay in and contribute to their communities for longer. For example, provide more affordable housing suitable for older people.
- Encourage volunteering, physical activity programmes, partnerships and intergenerational initiatives to engage older people in community-based activities.
- **Narrow the gap** in later life health experience – tackle health inequalities
 - There are inequalities in health and access to care in clusters of deprivation in urban areas and in more isolated rural areas that should be considered in developing health and social care policy. Technology can be harnessed as part of tackling inequalities, for example in providing remote medical advice for people in rural areas.
 - Bold public health initiatives such as the smoking ban, minimum pricing of alcohol, and encouraging an active lifestyle, have fantastic effects on improving health and functional capability at all ages, which carry over to older age.
 - Involve older people more in their healthcare decisions and balancing risks, making the preventative health agenda empowering for individuals by involving them in designing the solutions for their own health challenges. For example, we can embrace the idea of acceptable risk of perhaps falling in the home against being forcibly placed in a care home.
 - Encourage a **more nuanced use of medical guidelines** and practice that is tailored to individuals and their needs.
- Consider the ageing population in **economic policies** such as pensions and benefits
 - The onus for pensions lies particularly with the UK Government for setting the general direction of pensions policy. However, Scotland needs to be mindful of the impacts of these policies that may disproportionately affect Scotland due to rising disability-related benefits. It is important that both governments take a consistent, fair and transparent approach.
 - Transparency is a key condition: recent interventions, such as the raising of the state pension age for females by the UK Government, may have increased the affordability of the state pension, but poor communication of the measure has caused real suffering for women who did not anticipate the policy change. At a time when previously unthinkable measures such as a reduction in benefits to existing retirees are beginning to be discussed in relation to some pension schemes, it is important that government promotes an open dialogue which explains clearly the costs and benefits of different policy decisions both in the present and the future.

Working group

Professor David Bell (University of Stirling) <http://rms.stir.ac.uk/converis-stirling/person/11421>

Professor Elspeth Graham (University of St Andrews) <https://www.st-andrews.ac.uk/profile/efg>

Dr Nuala Gormley (British-Irish Council) Senior Principal Research Officer, Scottish Government
<http://www.gov.scot/Topics/Research/About/Social-Research>

Professor Tara Spires-Jones (University of Edinburgh)
<http://www.scottishscience.org.uk/members/dr-tara-spires-jones>

Professor David Stott (University of Glasgow)
<http://www.gla.ac.uk/researchinstitutes/icams/staff/davidstott/>

Derek Young (Age Scotland) <http://www.ageuk.org.uk/scotland/>

References and further reading

Audit Scotland (2011), "The Cost of Public Sector Pensions in Scotland"

http://www.audit-scotland.gov.uk/docs/central/2010/nr_110210_public_sector_pensions.pdf

British-Irish-Council Demography work sector report, 'Population-Ageing-Population: Policy Implications', December 2016

<https://www.britishirishcouncil.org/publications>

Chief Architect, Scotland (2016) "Designing Places for an ageing population"

<https://beta.gov.scot/publications/designing-places-for-an-ageing-population-research-report/>

Foresight report: "Future of an Ageing Population" (2016). UK Government Office for Science

<https://www.gov.uk/government/publications/future-of-an-ageing-population>

Jousilahti *et al.* (2016) 40-year CHD mortality trends and the role of risk factors in mortality decline: The North Karelia project experience. *Global Heart* 11: 207.

<http://dx.doi.org/10.1016/j.gheart.2016.04.004>

National Audit Office (2016) "Evaluating the Government Balance Sheet: Pensions"

<https://www.nao.org.uk/wp-content/uploads/2016/06/Evaluating-the-government-balance-sheet-pensions.pdf>

National Records of Scotland projected population statistics (2016)

<https://www.nrscotland.gov.uk/news/2016/projected-population-of-scotland-additional-variants-using-alternative-european-union-migration-assumptions>

WHO Global Health and Ageing report (2015)

<http://www.who.int/ageing/publications/world-report-2015/en/>

