

## Consultation response

Ref: 5611

# Public Administration Select Committee: Smaller Government: Bigger Society? Inquiry

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Name: Gemma Bradshaw  
Email: [gemma.bradshaw@ageuk.org.uk](mailto:gemma.bradshaw@ageuk.org.uk)

Age UK  
1-6 Tavistock Square  
London WC1H 9NB  
T 020 8765 7200 F 020 8765 7211  
E [policy@ageuk.org.uk](mailto:policy@ageuk.org.uk)  
[www.ageuk.org.uk](http://www.ageuk.org.uk)

# Introduction

The Public Administration Select Committee is conducting an Inquiry into the Big Society. Following a call for evidence in February 2011, the Committee is now asking for further comments on the most recent developments in this policy area.

Age UK will be responding to the following questions:

- the content of the Open Public Services White Paper
- the consequences of reductions in funding for charities and voluntary groups over the 2011-2012 financial year and beyond
- the proposals for increasing charitable giving in the Giving White Paper.

Age UK responded to the previous call for evidence for this inquiry. While we welcome the opportunity to comment further, we feel the timescale for this response was unreasonable and not conducive to positive engagement.

## Open Public Services White Paper

Age UK broadly welcomes the direction of travel outlined in the Open Public Services White Paper. We have consulted with older people and partners in the Age UK Group, and we look forward to the next phase of the process and the Government's response to the comments and ideas it has received.

Significant numbers of older people (and in particular vulnerable older people) are reliant on public services. Our society is also growing older, with the numbers of people aged over 65 set to rise by over 50% in the next 25 years. People in later life are therefore a particularly important voice on the future design and accessibility of quality public services. Many will also want to play a part in providing solutions. However older people will need and expect the right information and support at the right time in order to be able to fully participate in the opportunities reform may bring.

Yet reform will not happen overnight and the journey of change must ensure that the needs and entitlements of vulnerable older people continue to be met and are embedded into the new world, not lost in the process.

The general principles informing the White Paper are positive and ones which we support. However there are a set of further principles, just as important, that appear in danger of being overlooked. Age UK would urge the Government to ensure that the following points are included as litmus tests of all their proposals.

- Public services are a baseline for organising a resilient society. They are not free-standing functions. They must add value to our communities and promote the growth of social capital.
- Public services must embrace the principles of user engagement and co-design – recognising that responsive and efficient services are guided by an ethos of active public and service user participation.
- Neither promoting competition nor providing a choice of providers are ends in themselves – they are means to an end. The end product must be affordable, quality services that enable individuals to access the right solutions.

- There must be absolute transparency about accountability – accountability to the service user, but equally to the commissioners or elected representatives who are responsible to the community as a whole. In this connection, much more work is needed too on the issue of continuity of service in the event of a service failure.
- Fair access must have regard to equal access. The principles embedded in the equalities legislation need to inform the reshaping of our public services.
- There can be no blurring of the distinction between public services and public functions – responsibility for carrying out public functions must remain clearly located with statutory organisations.

Age UK's response to the consultation supports the objectives described in chapters three and four. We are supportive of both personalised individual services, and the notion of greater local, community and neighbourhood control in the development and provision of services. Our central concern is whether older people will be sufficiently supported, through advocacy, brokerage, information and advice to use this changing regime to achieve the best outcomes. Proposals for greater community and neighbourhood autonomy and leadership must ensure older people are fully included.

Age UK is less confident about the supply side and market-shaping proposals set out in chapters five and six of the White Paper. We are concerned that we are moving down a road where there is not, in many instances, a robust established evidence base and little evaluation of good practice. This is also set within a context where the culture of individual rights and entitlements is rapidly changing.

Age UK's response is part of a dialogue we see continuing. Our starting position recognises that the past is not the future, and that change is required. But whilst we recognise the validity of what Government is trying to do, we want to engage more fully in the discussion of how we will get there.

The third sector is particularly well placed to respond positively to emerging opportunities. Age UK has huge expertise in shaping services around the needs and experiences of older people. However Government must support the sector's aspirations to better serve those that they seek to represent.

### **Key points:**

- Better public services need to be driven by an ethos of public and service user engagement and co-design. Greater choice of provider will not necessarily deliver more responsive public services unless providers and commissioners its value.
- Older people will need to be able to access information, advice and advocacy in able to ensure fair access and make the most of new opportunities reform may offer. This must be provided in accessible formats and appropriately funded.
- Robust regulation will be the cornerstone of open public services. Older people must have confidence, that whatever choices they make, all services meet essential standards.
- Older people must have clear rights of redress if services fail to offer appropriate choices or meet proper standards. We support expanded use of Ombudsmen but there will need to be reform of powers and processes.

- Voluntary and community groups can play an invaluable role in providing services or supporting people to access services and manage their needs. However Government must work with the sector and ensure it has the support it requires.
- It should always be clear that where independent agencies carry out statutory functions ultimate responsibility lies with the statutory body responsible. Age UK opposes any measures to devolve statutory functions to independent bodies if the effect makes it difficult or impossible for people to secure their statutory rights.
- There is scope for neighbourhood councils to take on greater control of public services. However they will clearly need to have information and advice readily available help understand their rights and how they should be exercised. Support should be tailored to local circumstances to ensure some areas are not excluded for realising these opportunities.
- Neighbourhood councils need to provide a representative view of their neighbourhood. However even with appropriate support, there will still need to be safeguards in place to ensure rights and services for vulnerable older people are protected.
- Government should be cautious in extending the purchaser/provider split across public services. It must look to examples from successful case studies, use pilot schemes and assess suitability and sustainability.
- Government must also ensure that it does not adopt a rigid approach to commissioning at any level. Processes must always be flexible, appropriate to deliver the outcomes required and proportionate.
- We strongly welcome recognition within the White Paper of a role for the public sector in intervening to prevent institutional failure. We fully support the six overarching principles for continuity regimes it sets out.

## Reductions in funding for charities and voluntary groups

Age UK has been gathering information from local Age UK partners to discover how cuts to funding from statutory bodies, such as Local Authorities and PCTs are affecting their services for older people, and to see how they are responding to the challenges that these cuts are imposing.

We have found that most local Age UKs have experienced funding cuts this year. While the scale of these cuts varies, the message coming back strongly from local Age UK's across the country is that cuts are having a detrimental effect on services for older people, putting the less affluent and most vulnerable at risk.

A wide range of services are coming under increasing pressure, including day care, hospital discharge, bathing services, meals on wheels and help at home. In some instances this has resulted in service closures. Others have had to impose restricted opening hours, reduced places, staff cuts, or have been forced to introduce charges for services that had previously been provided free of charge. Some of the changes

that they have been forced to implement have made it much more difficult for older people, especially those on low incomes, to use the service.

Many local Age UKs express a fear that these cuts will have an even more serious and detrimental impact in 2012-2013 and beyond, once the cushioning effect of transitional funding grants is curtailed or removed.

Some changes necessitated by funding losses have had immediate effects on older people; other consequences are less tangible, but are no less severe and far-reaching:

- Reduced access to information and advice
- Loss of a sense of belonging
- Loss of dignity and independence
- Increased feelings of isolation and loneliness due to the loss of activities and opportunities to be active, loss of befriending
- Increased feelings of vulnerability/loss of support and consequent loss of 'peace of mind' provided by contact with others (particularly at day centres)
- Deterioration of mental health and well being
- Increased risk to physical health due to inability to pay for services previously provided without charge
- Increased poverty – less help dealing with financial issues (bills and benefits), having to pay/pay more for activities and services which were previously provided free of charge

These cuts are being implemented at a time when demand for services is actually increasing. Older people are having to meet a much stricter set of criteria in order to access local government funding for a number of key services, resulting in more and more people being referred to Age UK.

As many of the Age UK services which are being affected are preventative, the fear is that if these are removed or reduced, many older people will suffer declining health and wellbeing and will consequently be forced to rely more and more on NHS services as their needs increase.

## Giving White Paper

Age UK broadly supports the initiatives in the Giving Green Paper, and would obviously be happy for the scale of giving – of both time and money – to increase in coming years. We welcome an approach that is based on greater community involvement, encouraged through empowerment and greater access to information.

However we also recognise that, particularly among major donor communities, government intervention can be a powerful policy lever to tackle the enduring stagnation of philanthropic giving. As a recent commentator remarked, “as we’ve got richer, we have not become more generous”<sup>1</sup>; we see the combination of governmental, charitable and citizen-led action as the best way to reverse this trend.

In order to catalyse a culture shift in giving, Age UK believes more consideration needs to be given to the following to encourage more people to give more money:

- People give to people: If social norms are going to be created around giving there needs to be a focus on improving people's ability to take part, as well as encouraging them to take part through incentives. There will need to be a suite of interventions, including refreshing traditional methods as well as embracing social media.
- Recognising different approaches to placing funds: Private foundations will continue to be an important source of funding, but their approach to placing funding may need to be incentivised to direct funds in less popular service areas.
- Focus on legacies: More attention should be given to the potential to incentivise more legacy giving, such as through reform of inheritance tax.

We also need to ensure that volunteering is more inclusive. Later life is a time when people wish to volunteer, but still only a minority participate. There is practical support the government can provide the sector to get more people, including those in later life, involved:

- Removing myths and burdens: There are myths and burdens to volunteering that need to be removed. For instance, some voluntary organisations believe people over 75 cannot participate because they would not be adequately insured, when in fact more flexible insurance is available.
- Volunteer management is not cost free: Public bodies must ensure volunteer management costs within funded programmes are properly costed for the level of volunteering being delivered. Whilst volunteering is freely given, it is not cost free.
- Training and community development: There needs to be ongoing investment in the voluntary and community sector to give them the ability to involve volunteers effectively and in greater numbers. Effective volunteering requires well-managed volunteering. This is particularly important for more complex roles, such as in health and social care.
- Digital inclusion: Social media offers exciting new ways for people to give time and money. However, in the UK 60 per cent of people over the age of 65 have never used the internet. Whilst progress needs to continue on digital inclusion, in the meantime alternative communication methods should always be provided and information must be accessible to all.

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<sup>i</sup> Martin Brookes, New Chief Executive of New Philanthropy Capital, page 9 of Third Sector magazine, 1 March 2011