



## **Executive Summary:**

# **A review of the evidence base on older people in Northern Ireland**

**Age NI**

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## Executive Summary

### The aims of the report

- To explore policy initiatives and statistical evidence relevant to older people, in the context of an ageing society and reductions in public expenditure in the UK and in Northern Ireland.
- To contextualise the discussion within a framework that promotes a citizenship and rights based approach to ageing, promoting inclusion and grounded in the principles of independence, autonomy and choice.

**Key Themes:** Poverty; Health and Social Care; Equality and Human Rights

### Introduction

- In 1991, the United Nations Principles for Older People were adopted by the General Assembly as a set of principles (they are not legally binding) intended to influence governmental policy towards older people<sup>1</sup>. The principles encourage governments to organise their services around; Independence, Participation, Care, Self-fulfilment and Dignity<sup>2</sup>. Given the current economic climate and impending reductions in public expenditure, it is important that policymakers bear these principles in mind as they proceed to implement a range of public service reforms. As the UK recovers from economic recession and experiences reductions in public expenditure, it is important to understand the social and economic evidence in relation to older people in Northern Ireland and Great Britain.

### The current social and economic context

- Northern Ireland is entering an era of public spending restraint. How this impacts on public service provision will depend to a large part on the decisions made by the Northern Ireland Executive with regard to the distribution of the block grant. Oxford Economics have estimated that if cuts are applied to all departments equally, this will mean an 8.4% reduction in spending across all services. If health spending is protected at its 2010-11 levels, this will mean a 15% reduction in spending in other departments. If education is also protected (with health) the reduction in spending in other departments will be around 21%<sup>3</sup>.
- The reduction in spending on welfare at the UK level will also have an effect on the living standards of older people in Northern Ireland. Many of the benefits older people are entitled to have received some protection from the UK Coalition government. Despite this the Institute for Fiscal Studies has estimated that changes announced in the 2010 Budget to tax and benefits will mean the poorest fifth of pensioner households in the UK will experience a 2.4% reduction in net income<sup>4</sup>.

### An ageing society

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<sup>1</sup> Help the Aged (2007) Human Rights policy,

<sup>2</sup> United Nations Programme on Ageing, United Nations Principles for older People  
[http://www.un.org/ageing/un\\_principles.html](http://www.un.org/ageing/un_principles.html)

<sup>3</sup> Oxford Economics (2010) *Cutting carefully – how repairing UK finances will impact NI: a report for NICVA*, Oxford Economics/ ERNI

<sup>4</sup> Brown, J. & Lovell, P. (2010) *The Distributional effect of tax and benefit reforms to be introduced between June 2010 and April 2014: a revised assessment*, Institute for Fiscal Studies, Briefing Note BN 108.

- By 2029/30, total expenditure on health, long term care and state pensions is expected to be 2.5% of GDP higher than in 2009/10, although this increase is expected to be partially offset by a decline in education spending<sup>5</sup>.
- The population of both Great Britain and Northern Ireland is ageing but the population of Northern Ireland is younger than in the other constituent countries of the UK<sup>6</sup>. Policy reforms that increase the length of the working life of the individual are expected to reduce some of the pressures on UK public spending by increasing tax revenues and limiting demands for benefits<sup>7</sup>.
- The proportion of older people (aged 50 to state pension age) in employment increased throughout the UK between the mid 1990s and up to the onset of the recession in 2008. However employment amongst older people continued to be lower in Northern Ireland than in other constituent countries of the UK<sup>8</sup>. Women are particularly exposed to the immediate impact of public spending cuts. In the Northern Ireland public sector women account for about 63% of the total workforce and over 75% of part time employees<sup>9</sup>.
- In comparison to younger age groups the unemployment rate for the over 50s remains relatively low in the UK and in Northern Ireland<sup>10</sup>. There has however been a recent increase in long term unemployment amongst those aged over 50. This suggests that older people who are unemployed may be experiencing increased difficulty in re-entering employment.
- Active labour market schemes to help people return to employment tend to have poorer job entry outcomes for older people than younger age groups. Between 2002/03 and 2006/07 just over 25% of New Deal 25+ participants aged 25-29 entered unsubsidised employment upon leaving the programme, in comparison to less than 10% for those aged 50 and over<sup>11</sup>. Recent statistics on the performance of the new Steps to Work programme show the trend for fewer older participants to gain unsubsidised employment persists<sup>12</sup>.

### Income and Poverty

- The proportion of pensioners in the bottom two quintiles of the income distribution was higher in Northern Ireland than elsewhere in the UK in the period 2006-2009. Between the late 1990s and the middle of the last decade the proportion of pensioners in poverty declined across the UK. Progress appears to have largely stalled since this point however and in Northern Ireland the proportion of pensioners in low income has started to rise and remains higher than in the other constituent countries of the UK<sup>13</sup>. The proportion of older people who are fuel poor

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<sup>5</sup> Office for Budget Responsibility (2010) *Pre-budget forecast-June 2010*, p. 59

<sup>6</sup> Office for National Statistics (2010) *Table 1.2 Population: constituent countries of the UK*

<sup>7</sup> Barrell, R. et al (2009) *How to pay for the crisis or macroeconomic implications of pension reform*, National Institute of Economic and Social Research.

<sup>8</sup> Dini, E. (2009) 'Older workers in the UK: variations in economic activity status by socio-demographic characteristics, household caring commitments', p. 12, *Populations Trends 137*, Office for National Statistics

<sup>9</sup> Equality Commission Northern Ireland (2008) *Monitoring Report No. 19*

<sup>10</sup> McQuaid, R. et al (2010) *Employment inequalities in an economic downturn*, Equality Commission Northern Ireland.

<sup>11</sup> Northern Ireland Audit Office (2009) *Review of New Deal 25+*, p. 24, NIA 111/08-09

<sup>12</sup> DEL (2010) *Steps to Work statistical bulletin – statistics from September 2008-June 2010*

<sup>13</sup> DWP (2010) *Household Below Average Income 1994-95-2008-09*

increased in Northern Ireland between 2001 and 2006<sup>14</sup> and the overall proportion of all households experiencing fuel poverty remains higher in Northern Ireland than England, Scotland or Wales.

- Maximising the take-up of Pension Credit has been suggested by the Institute for Fiscal Studies as likely to be the most cost effective means for addressing low income amongst those aged 65 and over<sup>15</sup>. Yet improving the take up of means tested benefits amongst older people in Northern Ireland, as in the rest of the UK, remains challenging<sup>16</sup>. The caseload take up for Pension Credit in NI for 2009 is estimated to have ranged between 66 % and 79%, with expenditure take up ranging between 73% and 84%. The total amount of weekly unclaimed income was estimated as ranging from £1.18 to £2.26 million per week<sup>17</sup>.
- In Great Britain the DWP is piloting automatic payment of Pension Credit which could improve take up. Research examining the attitudes of older people to the introduction of automatic payment indicated some concerns around privacy, security of data and accuracy, but was largely positive with many respondents expressing the view that it would be a means to tackle non-claiming due to stigma and lack of awareness about entitlements<sup>18</sup>. Currently, no such pilot is being trialled in Northern Ireland.

### Health and Social Care

- Though the population is ageing, this does not necessarily mean that the costs of care will be unsustainable. While estimates may predict the size of the population over the age of 65 in the future, it would be wrong to assume that the age-related level of need for health and social care services will continue to be the same as at the present time.
- The DHSSPS (NI) estimates that the cost of treating the population over the age of 65 will grow by 30% over the next ten years<sup>19</sup>.
- The average annual cost of providing health and social services to an adult male or female ranges between £1,000 and £2,000 up to the age of 64 years. It ranges between £2,000 and £4,000 for a man or woman aged between 65 and 79 years, rising sharply for a person over the age of 80 years, to a maximum of £12,000 for a woman aged over 85 years<sup>20</sup>.
- Future health and social care expenditure will depend on the health of the population. Men and women in Northern Ireland at age 65 have a similar life expectancy to other areas of the UK and a comparatively good, healthy life

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<sup>14</sup> NIHE (2006) *Northern Ireland Housing Conditions Survey – main report 2006*

<sup>15</sup> Brewer, M. et al (2007) *Pensioner poverty over the next decade: what role for tax and benefit reform?* Institute for Fiscal Studies, Commentary no. 103.

<sup>16</sup> DWP (2010) *Income related Benefits Estimates of take-up in 2008-09*

<sup>17</sup> A2B (2009) *A2B Benefit Take up initiative - Mid-term evaluation report*, Peer Consulting and Economic Research and Evaluation

<sup>18</sup> Kotecha, M. et al (2009) *Older people's attitude to automatic awards of pension credit*, p. 4, Research Report No. 579, Department for Work and Pensions, HMSO

<sup>19</sup> DHSSPS (Oct 2010) *Strategic Resources Framework: Health and Social Care Expenditure Plans for NI by Programme of Care and Key Service 2009-10*

<sup>20</sup> DHSSPS (Oct 2010) *Strategic Resources Framework: Health and Social Care Expenditure Plans for NI by Programme of Care and Key Service 2009-10*

expectancy, but the lowest disability free life expectancy<sup>21</sup>. As a consequence a higher level of need for health and social care services is anticipated in Northern Ireland than in other areas of the UK.

- Poor health and well being is linked to poverty, inequality and exclusion<sup>22</sup>. Recent rises in the level of poverty in Northern Ireland are therefore worrying. Within Northern Ireland, health outcomes in deprived areas are generally worse than in Northern Ireland as a whole<sup>23</sup>.
- Future expenditure will also depend on the efficiency of services. Hospital statistics for 2009/10 in Northern Ireland show that, while numbers of admissions of older people to hospital increased last year, numbers of beds decreased. This was achieved through an increase in day procedures and a decrease in average length of stay in hospital<sup>24</sup>.
- Support services for those discharged from hospital (similar to the 're-ablement packages' announced for England in Oct 2010) decrease demand on hospital services. Many support and preventative services are delivered by the third sector<sup>25</sup> and the quality and sustainability of these services is likely to be put at risk by any reduction in core funding.
- Models of social care provision include decisions on the relative distribution of costs between public and private sectors and the relative weighting of services between institution based care and home based care. In 2008/9 the number of older people in Northern Ireland who were fully funded - receiving 'care packages' – was 15,104: 9,485 (63%) for institution based care and 5,619 (37%) for intensive home based care<sup>26</sup>.
- In 2008/9, Of the 9,485 people funded for institution based care, 6,579 (69%) were in nursing home care and 2,906 (31%) in residential care<sup>27</sup>.
- In 2008/9, 17, 252 people over the age of 65 received home based care. Of these, 5,619 people received 'intensive care packages' and over 11,000 people received lower levels of care) from under 5 hours to 10 hours per week<sup>28</sup>.
- The number of people in Northern Ireland with Dementia is estimated to rise to 60,000 by 2051<sup>29</sup>. The cost of informal care for the families of those with dementia is said to be approximately 38% of the total cost of care. Any cuts to dementia services will likely add to demands for informal care and increase the contribution made by families to meeting the total costs of care.

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<sup>21</sup> Iparraguirre J. L. (2009) *Public expenditure on older people in NI*, Belfast: ERINI

<sup>22</sup> Allen, J. *Older people and well being*, Institute for Public Policy Research

<sup>23</sup> DHSSPS (2009) *NI Health and Social Care Inequalities Monitoring System: Third Update Bulletin 2009*

<sup>24</sup> DHSSPS (2010) *Hospital Statistics 2009/10*, Belfast: DHSSPS (NI)

<sup>25</sup> Stone E. (2010). *Response to the Scottish Government Finance Committee Inquiry: To consider and report on how public spending can best be focussed over the longer term on trying to prevent, rather than deal with, negative social outcomes*, York, Joseph Rowntree Foundation

<sup>26</sup> DHSSPS (2010) *Adult Community Statistics, 1 April 2008-31 March 2009*, Belfast: DHSSPS(NI); DHSSPS (2010) *Domiciliary Care Services for adults in NI*, (based on one week in Sept 2009), Belfast: DHSSPS(NI) Community Information Branch

<sup>27</sup> DHSSPS (2010) *Adult Community Statistics, 1 April 2008-31 March 2009*, Belfast: DHSSPS (NI)

<sup>28</sup> DHSSPS (2010) *Adult Community Statistics, 1 April 2008-31 March 2009*, Belfast: DHSSPS (NI); DHSSPS Community Information Branch (2010) *Domiciliary Care Services for adults in NI*, (based on one week in September 2009), Belfast: DHSSPS (NI).

<sup>29</sup> DHSSPS (2010) *Improving Dementia Services in NI: A regional strategy*, Consultation paper

## Equality, inequalities and human rights

- The Equality Act introduced in April 2010 in Great Britain will (from 2012) strengthen protection against discrimination in access to goods, facilities and services by prohibiting unequal treatment on the grounds of age. Northern Ireland needs similar legislation if equal treatment is to be promoted and exclusionary practices<sup>30</sup> addressed.
- Developments in the expansion of the digital economy may inadvertently contribute to older people's exclusion from accessing more affordable services (financial, leisure, educational health etc) by virtue of the fact that they are less likely to use the internet. The proportion of people in all age groups accessing the internet in Northern Ireland has risen during the last 10 years, but individuals aged over 60 remain less likely to access the internet than younger age groups<sup>31</sup>.
- Attitudes amongst the general public towards older people in employment have become more positive over the last thirty years<sup>32</sup>, but age discrimination continues to be perceived by older people themselves as a barrier to employment. There is some evidence that despite the introduction of legislation to tackle age discrimination in employment some negative attitudes and recruitment practices persist amongst employers with regard to hiring older people, although this varies within and between different sectors of the labour market<sup>33</sup>.
- Differences and inequalities in wealth in older people's incomes, pension rights, savings and assets reflect the accumulation of advantage and/or disadvantage over the life course<sup>34</sup>. If poverty and exclusion in later life are to be reduced then policy should consider how to promote inclusion across the whole lifecycle of an individual.
- There is some evidence that though institutional ageism within the health services has decreased, some health care professionals hold ageist views about older people, which may result in a limited choice of treatment<sup>35</sup>.
- The lack of statistics on dementia and on other mental health problems among minority ethnic communities in Northern Ireland<sup>36</sup> is concerning and may contribute to less responsive and appropriate services for some (potential) service users.
- The proposed introduction of mental capacity legislation in Northern Ireland will enhance the rights of older people whose capacity may be impaired due to dementia or other health problems. Unless it is accompanied by a fully funded advocacy service it will only offer protection to those who can afford to pay for legal service.

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<sup>30</sup> Fitzpatrick, B & Kingston, I. (2008) *Older people's access to financial services*, The Equality Commission for Northern Ireland

<sup>31</sup> Northern Ireland Statistics and Research Agency (2010) *Continuous Household Survey*

<sup>32</sup> Park, A. et al (2010) *British Social Attitudes – the 26<sup>th</sup> Report*, Sage, London.

<sup>33</sup> Barnes, H. Et al (2009) *An ageing workforce: the employers perspective*, Research Report No. 468, Institute for Employment Studies

<sup>34</sup> Hills, J. et al (2010) *An anatomy of economic inequality in the UK: Report of the National Equality Panel*

<sup>35</sup> CPA (2009) *Ageism and age discrimination in secondary care in the United Kingdom*

<sup>36</sup> Bamford Review (2006) *Living Fuller Lives: Report of the dementia and mental health issues of older people expert working committee*, Belfast: DHSSPS (NI), S. 2.15.