



Review of Information on Societal Trends Influencing the Strategic Direction of the WRAC Association

Version: 1.0
Date: 6 July 2018

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Introduction

This review has concentrated on themes that will have the most impact on the Strategic direction of the WRAC Association in the future namely: demographics, changes in family structures and social needs; reform of care and support for the elderly and disabled; volunteering; digital technology; the economy and the age of austerity. The sources for this information are listed at the end.

From this analysis, we can derive planning assumptions on which to refresh our five-year business plan and review our investment and financial strategies. This report builds on the initial review produced in 2014 where it was stated that we would refresh these planning assumptions periodically in line with our planning process.

Demography

The Ageing Population

Whilst the age structure of the UK population will continue to become older over the next 30 years there has been a slowing of life expectancy. “The rate of increase in life expectancy in the UK has slowed in recent years. In 2014 to 2016, improvements in life expectancy were higher than in 2013 to 2015 although they remained very slight with life expectancy at birth increasing by 0.1 years for both sexes to 79.2 years for males and 82.9 years for females.”¹

A consequence of increasing life expectancy has been an increase in the proportion of the UK population expected to survive to older ages. In 1980 to 1982, 14% of females in the UK could expect to reach at least age 90. In 2014 to 2016, this figure has more than doubled for females to 32%. As improvements in life expectancy have recently slowed in the UK, the rate of increase in the share of the population expected to survive to age 90 has also slowed. The proportion expected to survive to age 90 has risen in 2014 to 2016, increasing by 0.3% females from 2013 to 2015.

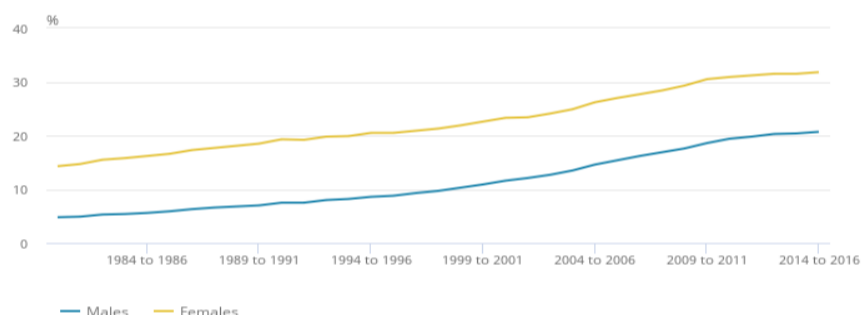


Figure 1 - Percentage of people living past 90 in life tables, UK

The number of those over 65 was 10.3 million in 2010 and was projected to reach 12.7 million in 2018 and exceed 16.9 million in 2035. The fastest population increase has

¹ Sophie Sanders, Population Statistics Division, Office for National Statistics

been in the numbers of those aged 85+. At the same time there will be a decline in the working age population. The ratio between the working age population and those of state pensionable age will change being 3.16:1 in 2010 to 2.9:1 in the 2040s and declining even further thereafter. This is already putting increased pressure on government services at both national and local level particularly in terms of the NHS and care provision.

Older women outnumber older men as life expectancy is better for women than for men although the gap is closing. This outnumbering is most pronounced in the very old age group of 90+. Older women are more likely to live alone and this % increases with age mainly as a result of the difference in life expectancy. Family members provide the majority of social care in the community.

Long Term Conditions

Long-term conditions are more prevalent in older people (58 per cent of people over 60 compared to 14 per cent under 40) and in more deprived groups (people in the poorest social class have a 60 per cent higher prevalence than those in the richest social class and 30 per cent more severity of disease). People with long-term conditions now account for about 50 per cent of all GP appointments, 64 per cent of all outpatient appointments and over 70 per cent of all inpatient bed days.

Treatment and care for people with long-term conditions is estimated to take up around £7 in every £10 of total health and social care expenditure. Projections for the future of long-term conditions are not straightforward. The Department of Health (based on self-reported health) estimates that the overall number of people with at least one long-term condition remains relatively stable in 2018. However, analysis of individual conditions suggests that the numbers are growing, and the number of people with multiple long-term conditions appears to be rising.

Dementia

There is an increased prevalence of dementia throughout the world and it is one of the main causes of disability in later life. In UK in 2012 there were 800,000 people diagnosed with it, of whom 17,000 were under 65 years old. In the over 65s 1 in 14 had it, in the over 80s 1 in 6 and in the 95+ group 1 in 3. It was estimated that by 2012 there will be 1 million sufferers and by 2051 1.7 million and this will be a steady increase over these periods. This will put a further strain on already scarce resources in the health and care services.

Informal Care Provision

Changing patterns in family structures in terms of formation and dissolution e.g. more cohabiting and higher divorce rate - in those born since the mid 1950s makes supporting their elderly relatives more difficult.

Changing work patterns among women also impact on their ability to care for elderly relatives. Many more women are working in mid-life, perhaps returning to work after bringing up a family and more are working beyond 65 and will continue to do so as the state pension age rises and there is pressure on household incomes.

Pressure on Care Services

Demographic and social trends show that demand for social care will continue to grow. In older people there will be people with multiple illnesses and in the working age population those with disabilities and chronic long-term health conditions.

The requirement for age related spending is expected to increase from 20.4% GDP in 2008 to 24.1% in 2020 and 26.1% in 2030 due to the ageing population. At the same time care costs are rising. UK average care costs per week in 2012 were: private room in a care home £536; in a nursing home £738 while the rate paid by council was £475. The average length of stay in residential care was 15 months. Local authorities spend on social care has dropped for 4 years in a row. 87% of them are setting their eligibility criteria at substantial and above meaning those will not get council help with their care if their needs are moderate. Given these cuts in council spending there will be an increasing gap between demand and the provision of services.

Issues for the Elderly

Poverty

In 2009 for people mainly dependent on a state pension the average weekly expenditure for one person was £164.30. This was £20 more than their income. In 2012 75+ age group spent more on fuel than other age group. They spent 7.4% of annual expenditure against the average of 5.34 for all other age groups. Older people are more at risk of fuel poverty due to low income, poorly insulated and insulated accommodation with those in privately rented accommodation most at risk.

Loneliness and Social Isolation

Social and technological change and particularly the increasing use of the internet contributes to older people feeling isolated and lonely. The last time this was reviewed 5.3 million of over 65s had never been on line. This was made up of 39.4% of 65-74 and 65.6 of over 75s who have never used the internet while 29% of people 65+ use the internet daily, 11 % weekly and 4% monthly. This compares to 67% daily, 12% weekly and 2% monthly amongst all age groups.

Older people do not use the internet for a variety of reasons:

- Not aware of its full range of uses
- Lack the skills to access on line content
- Fear of the unknown
- Concerns about security
- Lack of face-to-face social interaction
- Cost

It was found that in the 65+ age group 6% only leave their house once a week or less, 17% of them have less than weekly contact with family, friends and neighbours and 11% have less than such contact monthly. Twelve percent of them felt trapped in their own home. One half of this group consider television their main form of company. Therefore, it is not surprising that 7% of this age group say they are lonely while 36% feel out of touch with modern society and 9% cut off from society. Also older people who are lonely are at a greater risk of developing Alzheimer's Disease.

Veterans and their Needs

The Royal British Legion (RBL) has also refreshed its survey of the ex-service community (original survey was in 2005 and referenced in our previous review) in 2014. The key findings of the survey for us are:

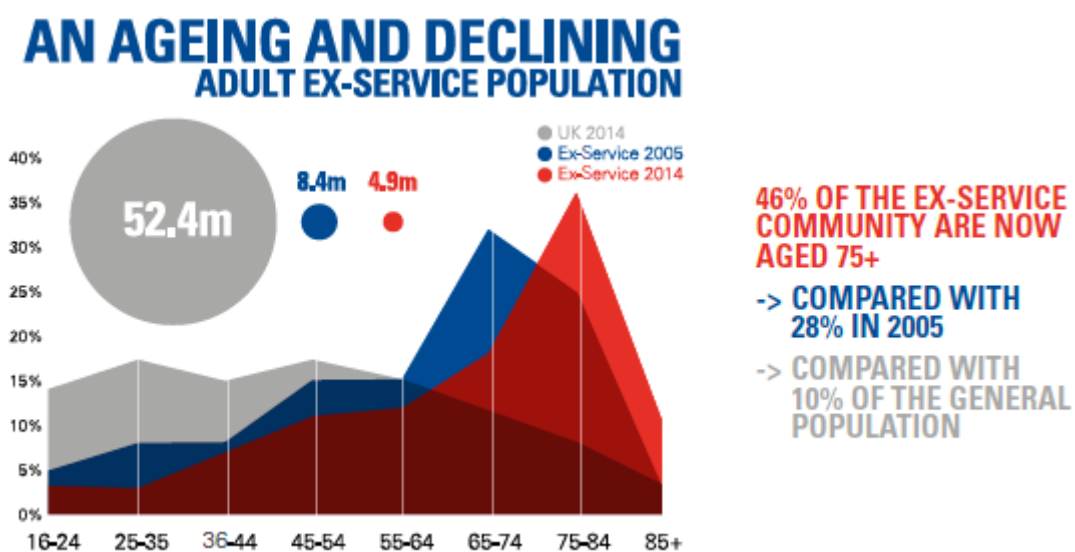


Figure 2 - Adult Ex-Service Population

Key findings:

- The research suggests that there are around 6.2 million people within the ex-Service community in the UK.
- Nearly half of the adult ex-Service community are over the age of 75.
- Around 630,000 members of the adult ex-Service community are likely to be experiencing problems getting around outside the home.
- Large numbers (around 720,000) experience problems with self-care, including exhaustion and pain or difficulty looking after themselves. Mobility and self-care difficulties peak among those aged 75 or over.
- Depression affects around 480,000 members of the adult ex-Service community, around 370,000 report feeling lonely, and around 350,000 are recently bereaved.

What is the size of the ex-service community and what does it look like?

The size of the UK ex-Service community living in private residential households is estimated to be 5,910,000 people, comprising:

- 2,830,000 veterans
- 2,090,000 adult dependants:
- (ex-)spouses/(ex-)partners, widow(er)s and dependent 16-24 year olds
- 990,000 dependent children (under 16).

There are an estimated further 190,000 to 290,000 people living in communal establishments such as care homes, bringing the total ex-Service community to around 6.1 million to 6.2 million people: about 9.5% of the UK population. The ex-Service community has reduced in size by 42% in the last 9 years from 10.17m in 2005 to 5.91m in 2014. In 2014, 46% of the adult ex-Service community are aged 75+, compared with 28% in 2005. In contrast, only 10% of the UK population are aged 75+. Because there are so many aged 75+, members of the ex-Service community are more likely to live alone than adults in the general population.

What are the main health and welfare needs reported by the ex-service community?

Four in ten of the adult ex-Service community has some difficulty with health or wellbeing, equivalent to 2,090,000 people. These are most likely to be health issues (physical or mental) reflecting the self-care and mobility problems affecting older members of the community. Isolation and mental health issues particularly affect those aged 35-54. One in five has unpaid caring responsibilities, which is higher than the national average, particularly among those aged 16-24. One in 20 reports some unmet need for support, rising to one in four among the unemployed.

Information from other sources: Carers

According to Carers UK, there are currently 6.5 million carers in the UK – amounting to one in eight adults – and the unpaid care that they provide saves the public purse £119 billion every year. Research on carers has found that it has a significant impact on their lives. Just over one in five UK adults have seen their work negatively impacted as a result of caring (22%), including 2.3 million who have quit work and almost 3 million who have reduced working hours. Research among carers found that 92% said that caring has had a negative impact on their mental health, including stress and depression.

How healthy is the ex-service community?

Half of the ex-Service community have some long-term illness or disability, most often a physical condition. Prevalence of many conditions has increased since 2005 because of the ageing population, especially musculoskeletal conditions, cardiovascular and respiratory problems, and sensory problems. Those in the ex-Service community of working age are more likely than the general population to report having musculoskeletal problems, hearing difficulties or depression, or some condition that limits their activity. Reported mental health problems have doubled since 2005. Only one in twenty have sought help for mental health problems. Even among those reporting psychological problems, only 16% have accessed help. One in five veterans with a long-term illness attributes it to military Service;

Particularly musculoskeletal problems, hearing problems and mental illness. Over half of veterans aged 25-44 with a long-term illness attribute it to their Service.

There are some clear priority groups:

- The oldest and most infirm, particularly widow(er)s living alone. They have clear support needs (physical and emotional) to live independently and avoid isolation.
- The divorced and separated. This younger age group (typically 35-54) may be less visible, but they can be at risk of isolation and psychological problems.
- Those aged 16-54 with health problems relating to their military Service, and the youngest and most recently discharged from military Service. They can face problems with the transition to civilian life, with a potential for psychological and alcohol problems, and may be unwilling to seek help.

What are the financial and housing needs of the ex-service community?

Income for the adult ex-Service community has increased from 2005 ahead of inflation, to an average of £21,000 per year. This disguises much lower increases for those aged 25-44. Pensioner incomes are below the national average. A quarter of those of working age receive means tested benefits. Households containing working age adults in the ex-Service community are over twice as likely to receive sickness or disability benefits as UK adults in general. One in ten reports some kind of financial difficulty, equivalent to 430,000 people. However, there are key sub-groups of the community who are more likely to report financial problems and deprivation:

- Working age households with dependent children, particularly divorced parents, with the burden greater for women
- Those with long-term illness and disabilities, particularly dependent widow(er)s, and
- Young singles, who are more likely to take on debt. Payday loans are used by around 20,000 16-34 year olds.

Two in ten of the ex-Service community had turned the heating down or off, despite it being too cold (a measure of fuel poverty). This is lower than the national average, but still equivalent to around 870,000 people.

What are the work and training needs of the ex-service community?

The ex-Service community is more likely to be out of work than the general population. Those of working age (aged between 16-64) are less likely to be employed than the general population aged 16-64 (60% vs 72%), slightly more likely to be unemployed (8% vs 5%) and more likely to be economically inactive (32% vs 22%). Breaking this down further, working age veterans are less likely to be in work (63%) than men in the UK general population (77%) and dependants, who are mostly female, are also less likely to be in work (56%) than women in the general population (67%). Altogether around 700,000 members of the working age ex-service community are not in work, consisting of:

- Around 120,000 veterans and 20,000 dependants who are unemployed
- Around 130,000 veterans and 110,000 dependants who are not looking for work, and
- Around 160,000 veterans and 160,000 dependants who are retired or in education.

Of those of working age within the ex-Service community, one in ten has no formal qualifications, doubling to two in ten of those aged 55-64. Groups that may need further support and training include:

- Those aged 45-64 who are less qualified and less confident in computer skills
- Those aged 16-34, particularly the recently discharged who may lack transferable skills, and
- Female veterans, who tend to be less confident in their skills.

Specific issues within those of working age

The survey results also highlight a number of specific issues, which appear to affect the working age ex-Service community disproportionately, compared with the general population:

- Veterans aged 16-64 are more likely than the general population of the same age to report a long-term illness that limits their activities (24% vs 13%).
- Working age veterans report living with a number of conditions, including depression (10% vs 6%), back problems (14% vs 7%), problems with their arms (9% vs 5%), legs or feet (15% vs 7%), difficulty hearing (6% vs 2%) and difficulty seeing (5% vs 1%), at a higher rate than the general population of the same age.
- Those of working-age (between 16 and 64) are less likely to be employed than the general population aged 16-64 (60% vs 73%), more likely to be unemployed (8% vs 5%) and more likely to be economically inactive (32% vs 22%).
- Altogether around 700,000 members of the working age ex-Service community (aged 16-64) are currently not in work.

Government Initiatives / Policies

Care Services

In the Health and Social Care Act 2012 (which is still valid), the Government set out its plan for reforming care and support services. It wanted to create a system that:

- Maintains older and disabled people's independence
- Inform people on how to live well so can plan ahead and prevent care needs arising
- Make elderly and disabled people better connected to those around them

In tackling isolation and loneliness, it wanted to strengthen support within communities Through such activities as befriending services and the use of time banks.

Economic Backdrop

Economic forecasts vary but there is agreement that in the medium term the UK faces considerable challenges and the 2010 decade will be one of fiscal consolidation, debt reduction, weak economic recovery, higher taxes, marginal growth in incomes and deteriorating delivery of public service due to major restraints on public spending. We are currently in this age of austerity with uncertainty, complex risk and vulnerability. We now

know that the Government did not meet its deficit reduction targets and cuts in departmental budgets have continued.

We will have to see how predictions will continue particularly post Brexit. The government has acknowledged that underfunding of the NHS has taken its toll. Recent announcement of £20bn funding will still only keep up with inflation on a 3.7 % level.

“In an interview with the BBC, Prime Minister Theresa May announced that the NHS in England will receive an extra £20 billion a year by 2023 as part of the expected 70th anniversary ‘present’. While some of the finer details still need to be revealed, the announcement means that the current £114 billion budget will rise by an average of 3.4 per cent annually, starting with an initial 3.6 per cent rise for 2019-20 and 2020-21, and then 3.1 per cent for the next two years, and 3.4 per cent in 2023-24. While undoubtedly welcome, the increase remains less than the 3.7 per cent average rise the NHS has had since 1948. It is also short of the four per cent extra a year that Health Secretary Jeremy Hunt has been campaigning for.

The Prime Minister has requested NHS England chief executive Simon Stevens to work with senior doctors to come up with a 10-year plan to ‘tackle waste, reduce bureaucracy and eliminate unacceptable variation’ in the health service. The plan does not include wider parts of the whole health budget, such as training, stop-smoking clinics and other preventative services, which represents roughly 10 per cent of the overall health budget, which has left some critics questioning whether the amount will be enough.”²

The IFS concluded that the Spending Review’s impact was regressive as the cuts in public services would hit the poor and jobless hardest and with the lack of jobs in the private sector the number of poor would grow. It estimates that these austerity measures mean that 1 million more people will be living in absolute and relative poverty with the stagnation of incomes. The rise in food and utility prices has tightened the squeeze and the Bank of England has warned that more than one in two people with unsecured debts are struggling to cope.

At the same time as this poor economic outlook the Government has brought in Universal Credit aimed at increasing incentives to work rather than be on benefits as well as reducing fraud and errors. The pressure on local government budgets will continue. Both the Bank of England and the Office for Budget Responsibility forecast inflation to be close to the target of 2% for the next few years and any rise in interest rates will be gradual and not reaching the 5% level seen before the financial crisis.

Change in State Pension

In 2016 there were a number of changes made to the State Pension. The new State Pension is a regular payment from Government that most people can claim in later life. You can claim the new State Pension at State Pension age if you have at least 10 years National Insurance contributions and are:

² Health Business UK – [Announcement of NHS Funding 2018](#)

- a man born on or after 6 April 1951
- a woman born on or after 6 April 1953

If you were born before these dates you will get the [old State Pension](#) instead. There are more changes planned. From 2019, the State Pension age will increase for both men and women to reach 66 by October 2020. The Government is planning further increases, which will raise the State Pension age from 66 to 67 between 2026 and 2028. The State Pension age is going to be kept under review, which means that it could change again in the future, depending on different factors, such as changes in life expectancy. This will affect our ex WRAC community the most.

Volunteering

The government strategy previously looked at volunteering i.e. what acts as a drag on people volunteering and what changes can be made to allow more people to volunteer. It found that bureaucracy and limits on expenses deterred people. It acknowledged that people lead busy and/or unpredictable lives which made regular voluntary commitments difficult. It suggested making volunteering fit more easily with people's lifestyles by using digital technology to coordinate the booking of local people interested in giving time and resource and to establish a national database of volunteers. An extension to this was seen in using technology such as that of TripAdvisor, Facebook or LinkedIn to help volunteers build up personal reputations and testimonials to provide "Giving CVs". It explored the use of credits for volunteering such as time banks, and complementary currencies. In addition, it enhanced the celebration of volunteering specifically through honours and awards and wanted to encourage volunteering among the "baby boomers" on reaching retirement.

The statistics on volunteering are positive in that the Institute for Volunteering Research, Community Life Survey in 2013 identified a significant rise in volunteering since 2010/11. In 2013/13 29% of people volunteered once a month a rise of 4% while 44% volunteered once a year a rise of 6%. What the survey could not tell whether this was a one off or part of a wider trend. The Institute's research in 2008/09 showed that women are more likely to volunteer than men and the 38-49 age group was the most likely to volunteer formally i.e. in official groups, clubs and charities. The younger age group were more likely to volunteer informally i.e. providing unpaid support usually to family and friends.

The Digital Age

The internet has changed the way people go about their daily lives. Its use decreases with age and increases with income. ONS statistics in 2018 show that:

- In 2018, 90% of adults in the UK were recent internet users, up from 89% in 2017
- 8.4% of adults had never used the internet in 2018, down from 9.2% in 2017
- Virtually all adults aged 16 to 34 years were recent internet users (99%) in 2018, compared with 44% of adults aged 75 years and over
- 20% of disabled adults had never used the internet in 2018, down from 22% in 2017
- Northern Ireland is catching up with the other UK regions in recent internet use, reaching 86% in 2018; however, it remained the region with the lowest recent use

Adults with a disability

Estimates of adults with a disability, as defined by the Equality Act 2010, are presented from 2014. The term “disabled” is used to refer to those who self-assess that they have a disability in line with the Equality Act. These should not be compared directly with the estimates for 2011 to 2013, which are defined by the Disability Discrimination Act (DDA) 2005.

Generation gap narrowing in recent internet use

In 2018, almost all adults aged 16 to 34 years (99%) were recent internet users. Since the survey began in 2011, adults aged 75 years and over have consistently been the lowest users of the internet. In 2011, 20% of adults aged 75 years and over were recent internet users, rising to 44% in 2018. However, recent internet use in the 65 to 74 age group increased from 52% in 2011 to 80% in 2018, closing the gap on younger age groups. Recent internet use by retired adults has increased by almost 25 percentage points since 2011, to 64% in 2018. Recent internet use by adults who were economically inactive, increased by 18 percentage points over this period to 88%.

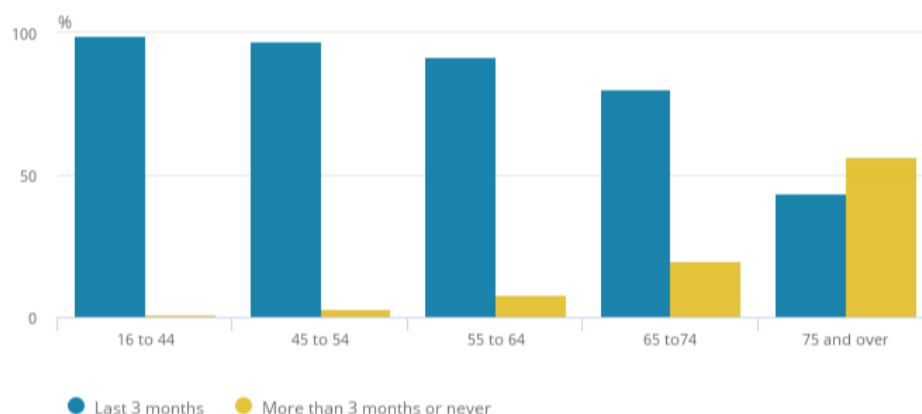


Figure 3 - Internet users by age group, 2018, UK

Men are more likely to use the internet than women

The proportion of men who had recently used the internet in 2018 was higher than women, at 91% and 89% respectively. In 2011, the proportion of men who recently used the internet was 82%, compared with women at 77%.

The difference in recent internet use between men and women was larger in the oldest age groups. Of those adults aged 65 to 74 years, 82% of men and 79% of women were recent internet users. Furthermore, 51% of men aged 75 years and over were recent internet users, compared with 38% of women in this age group.

Women aged 65 to 74 years showed the highest percentage point increase in recent internet use when compared with other age groups, rising from 47% in 2011 to 79% in 2018.

Overall, there was still a higher proportion of women who had never used the internet at 9.7% compared with men at 7.1%.

Older adults are less likely to use the internet

In 2018, 8.4% of adults had never used the internet. Of the 4.5 million adults who had never used the internet in 2018, more than half (2.6 million) were aged 75 years and over. Since 2011, the percentage of adults aged 65 years and over who had never used the internet has declined by 27 percentage points. This compares with a decline of 5.6 percentage points in adults aged 16 to 64 years. Lapsed internet use by adults aged 75 years and over rose from 3.9% in 2011 to 7.3% in 2017, before falling to 5.7% in 2018. While there has been an increase in recent internet use in adults aged 75 years and over, they remain the age group with the highest proportion of lapsed internet users.

Other popular uses include accessing information on health and public services, over half the population used the internet to read newspaper and magazines, selling on line via sites and using services related to travel and accommodation.

The use of social networking sites has continued to grow. The cost, lack of skills and lack motivation can prevent people from going on line. Yet there are clear benefits from doing so:

- Access to employment opportunities
- Access to saving money for consumers and therefore higher standards of living.
- Average household savings by using the internet was £560.
- Access to information such as public services, charities
- And it can ease social isolation for those older people who go longer than a week without seeing family, friends or neighbours

Digital products are increasingly more affordable and transportable and the technology easier to use. The government, both central and local, want to get more people on line by providing access in libraries, community hubs, CABs and perhaps even GPs surgeries and improving broadband connectivity because public bodies as well as private companies see economies to be gained through greater use of the internet. This will mean those not able to get on line will be further disadvantaged.

Information Sources 2018

Office of National Statistics (ONS) [National Life Tables, UK 2014-2016](#) – latest publication
The Kings Fund - [Long Term Conditions and Multiple Morbidities](#) Report
The Royal British Legion (RBL) - [The UK ex-Service community: A Household Survey](#) 2014
Health Business UK – [Announcement of NHS Funding](#) 2018
Internet Users UK – [ONS Report](#) 2018
Age UK – [Change in State Pension](#) 2016
House of Commons Library “Population Ageing – Statistics” 10 Feb 2012 ONS statistics
RLB Decade of Change Mar 2011
Age UK Later Life Fact Sheet Feb 2014
[Alzheimer’s Society website](#)
White Paper “Giving” May 2011
White Paper “Caring for our Future: Reforming Care and Support” Jul 2012
Kings Fund “Paying for Social Care Beyond Dilnot” May 2013
Institute for Volunteering Research Community Life Survey 12 Feb 2013
Bank of England Overview of Inflation Report Feb 2014
Office for Budget Responsibility Economic and Fiscal Outlook Mar 2014

Planning Assumptions derived from the updated Societal Trend Analysis

- 1.** Based on our veterans living to 90 (slightly reduced average life expectancy in 2018) we still need to provide support to them for another ~ 50 years albeit on a reducing scale in the later years of this period as the number of beneficiaries declines.
- 2.** Increase in 65+ Age group and particularly over 85s i.e. those most likely to require residential care and increase in dementia again often resulting in specialist residential care in later years. This may lead to a rise in the number of beneficiaries seeking help with care home costs particularly where families are not able to support them. This has been evidenced from the grant applications coming through.
- 3.** Continued economic hardship particularly for the elderly, disabled and jobless working age and continued limited state support for the elderly, disable and jobless of working age. For the foreseeable future.
- 4.** Needs of the 65+ veteran age group will remain the same at least until 2023 and will be reflected in the needs of our beneficiaries. These needs will focus on care, mobility, house and garden maintenance, depression, loneliness, bereavement and financial difficulties. Social contact provided by the WRAC Association continues to be important.
- 5.** Many of those over 65 do not use the internet therefore digitisation and lack of enough contact with family and friends will continue to make many of this age group feel lonely and isolated. Although this is improving. Many of the under 65 age group will access information through the web and will be familiar and in many cases use social media.
- 6.** Inflation to remain at current levels for next few years and interest rises will be gradual and not exceed 5%. Inflation is higher for elderly and disabled people than the rest of the population and any increase in awards based on inflation must take this into account.
- 7.** Volunteering seems to be increasing and for the younger age groups this means fitting with their busy lifestyles and a preference for giving informal assistance rather than belonging to an organisation. Although formal charity work continues to be important.
- 8.** The scope of the digital world will increase making every day activities easier to fit in with busy lives, less time consuming and done on the move.