

Financial implications of an ageing population



The Audit Commission is reviewing the financial implications of an ageing population for local authorities.

Older people will make up more than one in three of the population by 2009. However the Audit Commission's recent report, *Don't Stop Me Now: preparing for an ageing population* found that most councils focus on the needs of a minority who need high levels of social care. An invisible majority, who need lower levels of support to live independently, are often ignored. Our new study on the financial implications of an ageing population will focus on how local authorities can plan financially in the medium term so that local services can meet the changing needs of communities.

Background

Don't Stop Me Now recommended that local authorities should improve their awareness of local demographics, should be better informed about the needs and preferences of local older people, and should age-proof the full range of their local services. We also know that local information about financial implications is frequently patchy, particularly outside of social care services. There are tools to assist local authorities in planning ahead; but it is not clear how useful these tools are, or how well they are used.

Objectives

Our study will:

- provide a more robust evidence base for national and local policies - so they can be grounded in a better understanding of real impacts;
- identify good practice in financial planning for an ageing population – so councils can assess their own performance;
- review councils' use of demographic change, service users' experience, and service costs – so councils can target resources, and manage services more effectively, for local people; and
- enable councils and their partners to maximise value for money in planning services for an ageing population and implementing the recommendations of *Don't Stop Me Now*.

Methods

During the study we will:

- investigate and analyse local demographic, cost, and service data in a sample of councils. Councils and their partners will be asked how local strategies on responding to an ageing population are taken into account in financial management;
- collect and analyse national and local financial information on a range of services that might be influenced by population changes;
- review the existing tools and financial data that councils use to plan and manage services for older people;
- analyse councils' medium-term financial strategies, to assess the ways in which they take account of the impact of an ageing population; and
- identify areas of notable practice for inclusion in the fieldwork site sampling and in final outputs.

Timetable

The fieldwork for this study will take place between February and April 2009. Our report will be published in the autumn. Alongside the report there will be practical tools and good practice examples to support councils in understanding better the local implications of an ageing population. We will soon produce a detailed paper reviewing current research and policy, reflecting our early findings. This will be available on our website at:
www.audit-commission.gov.uk/nationalstudies

Contact

We welcome councils' involvement in the study. If you'd like to take part in fieldwork, or would like to discuss any questions about the study, please get in touch with:

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