



Age is an issue of mind over matter. If you don't mind, it doesn't matter.

Mark Twain



**Steve Thomas CBE
Chief Executive WLGA**



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“UK's aging population is a bigger economic threat than the financial crisis”

Telegraph February 12th 2010



- **Retirement, pensions and medical benefits – all to be paid by a shrinking core of taxpayers**
- **1999 Royal Commission on Long Term Care estimated that the costs of caring for the elderly would quadruple in real terms between 1995 and 2051, from £11.1bn to £45.3bn. Revised to £75bn**
- **Intergenerational equity - An ageing population will skew voting power and political clout to the older generations. The democratic power of the youth vote is shrinking everyday**
- **Credit Ratings- Fitch have warned that population ageing will cause potential GDP growth to decline over the long-term, exacerbating the fiscal challenge**



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“Trees grow stronger over the years, rivers wider. Likewise, with age, human beings gain immeasurable depth and breadth of experience and wisdom”



People are living longer and enjoying longer fuller, healthier lives - this is a massive benefit.

Older people are working longer. They could then use the benefit of their experience and knowledge to fully benefit society.

Social cohesion – Many older people do voluntary work in schools and for charities that is essential work but done for FREE.

Vital role of Older people as carers

Many grandparents are now fulfilling child care roles for their grandchildren as the cost of child care rises. This vital role unifies the extended family and allows parents to work and contribute to the economy.



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Why should we work together – the need for clear unambiguous messages





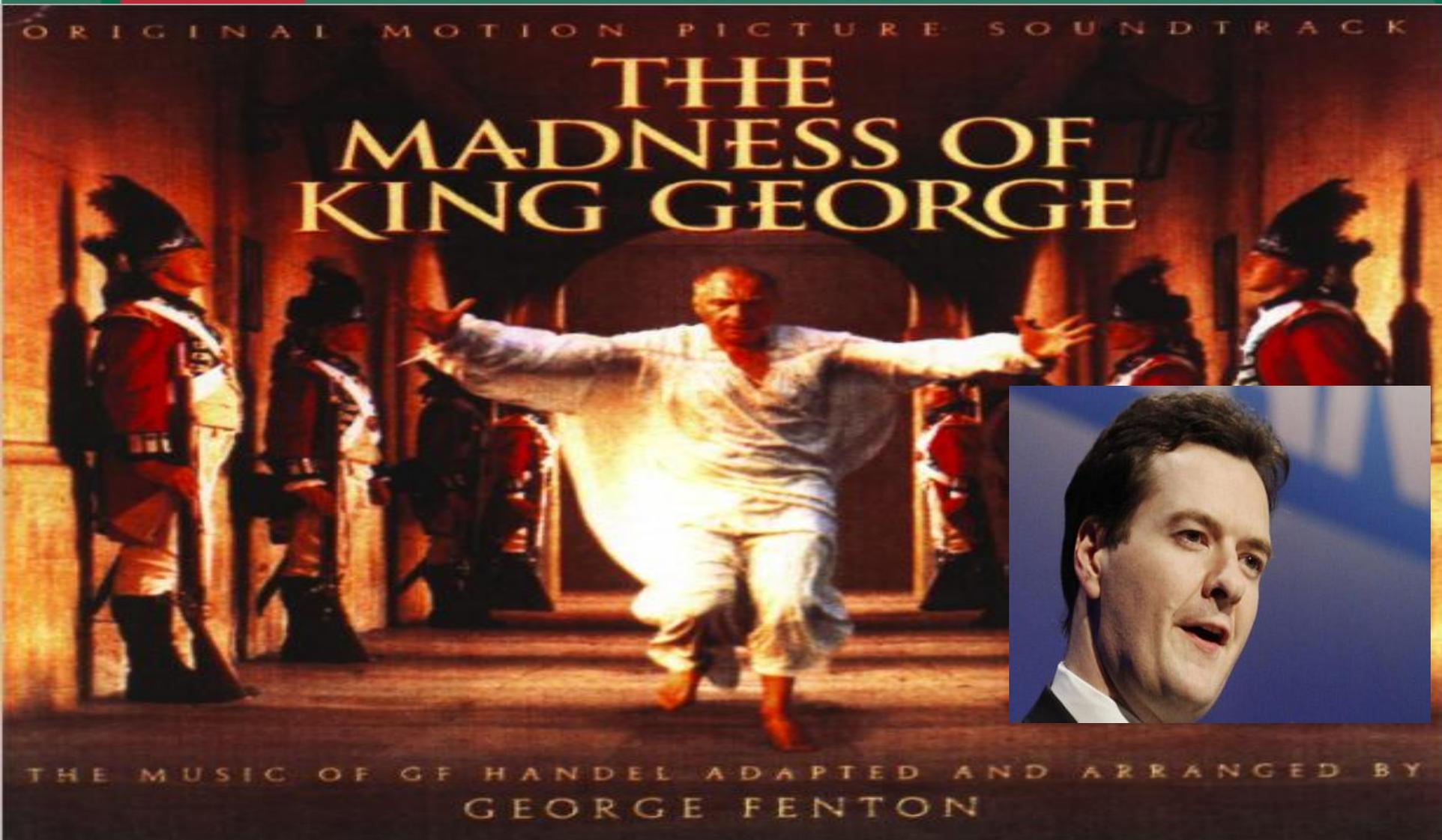
Social Services and Wellbeing Bill – the most important legislation going through the Assembly

- **Emphasis on preventative services in the community**
- **Reduce the need for acute and expensive care**
- **Part 2 – Wellbeing provisions in this Bill and potentially 3 other Bills going through the Assembly**
- **Danger of the provisions being too broad and unaffordable. Local government already has a wellbeing power. Powers and strategies don't necessarily translate into action.**
- **We need the language of priorities - ongoing learning, reduced bed blocking, reablement, independence and dignity**
- **Wales a good place to grow old??**



What next for Public Services?

More 'expansionary fiscal contraction'. Is it the right or wrong approach?

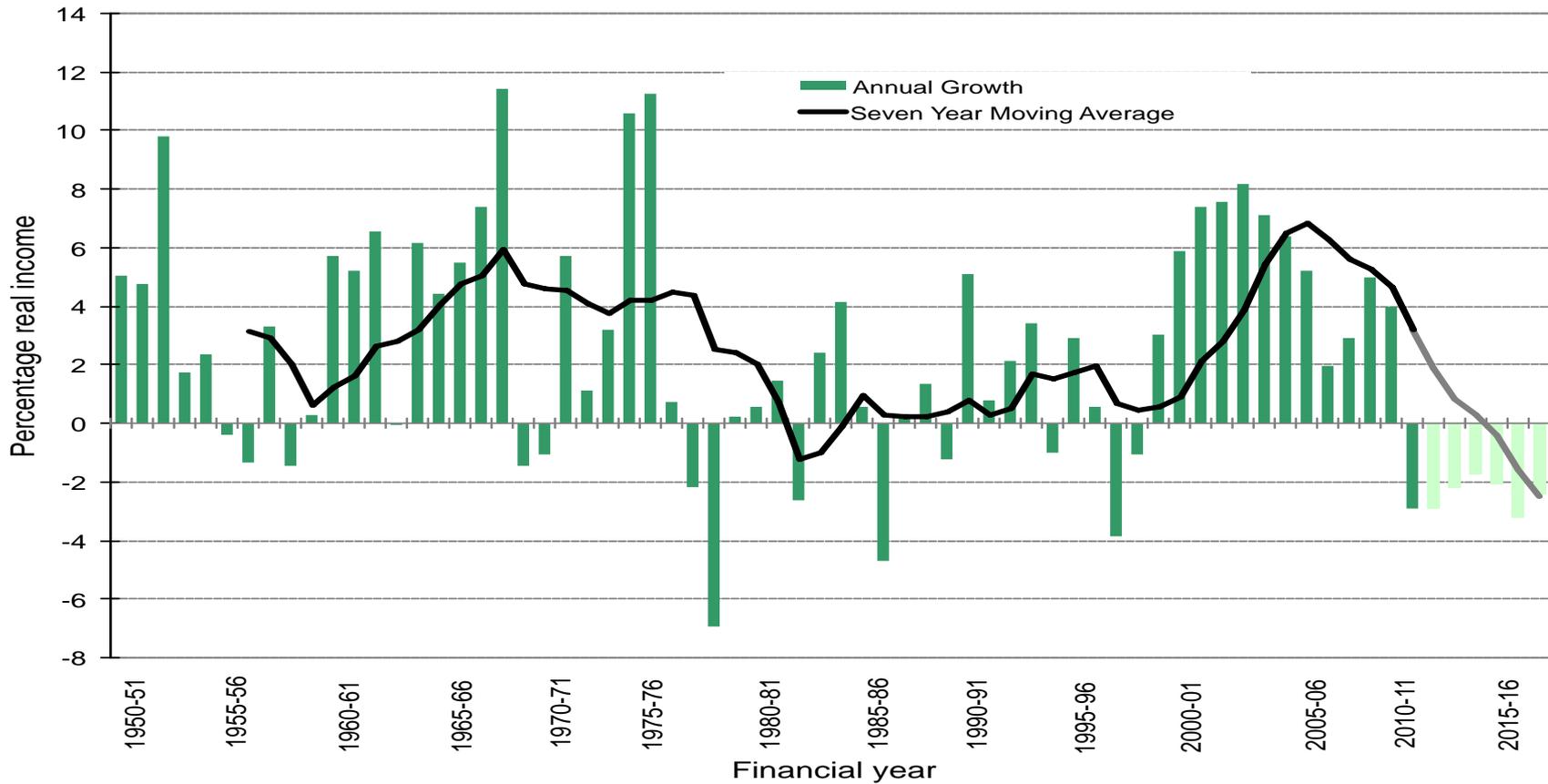




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THE NEXT PERIOD – The scale of forthcoming planned cuts have never been realised by any government since 1945

Figure 3.11. Planned cuts to spending on public services: has it been done before in the UK? (Total spending on public services)





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“The ability to match expenditure and income is the only true path to happiness”.

The politics of all this.



Horrible choices for elected members but they legally have to set a budget

There are no easy solutions – at least 70% of costs are tied up in local government staff.

Un-protected services will be hammered

Blind faith in central government coming to the rescue or a reliance on the public sector to produce a magic solution will inevitably lead to disappointment.

Managing existing citizen expectations will be virtually impossible

Setting new expectations to match and manage the new financial reality will be a real test of political leadership.



And what the First Minister has been saying.....



TUC conference and press briefing 10 June.....

Further cuts to Welsh public spending, warning of "painful" decisions ahead

Context - **Huge debate emerging about protecting the Welsh NHS and acute services.**

Protected areas - including schools, health and universal benefits (free prescriptions etc)

Other areas of WG spending "can be regarded as unprotected". Includes Regeneration, Housing, Culture, Environment etc

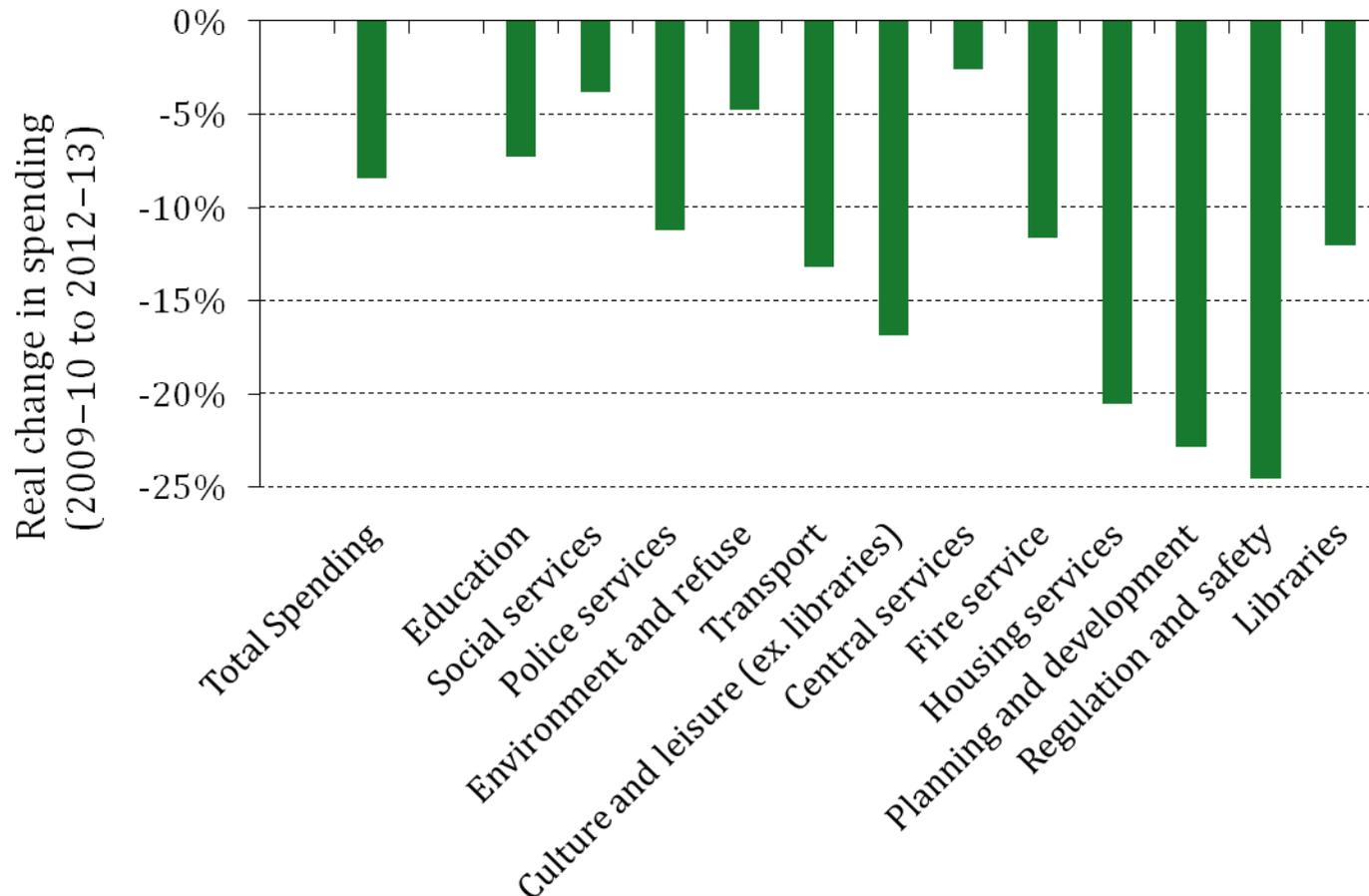
Welsh Government facing a "very stark reality surrounding difficult financial decisions".

Cabinet ministers were holding fortnightly sessions where budgets were being "scrutinised in forensic detail, quite literally line by line".



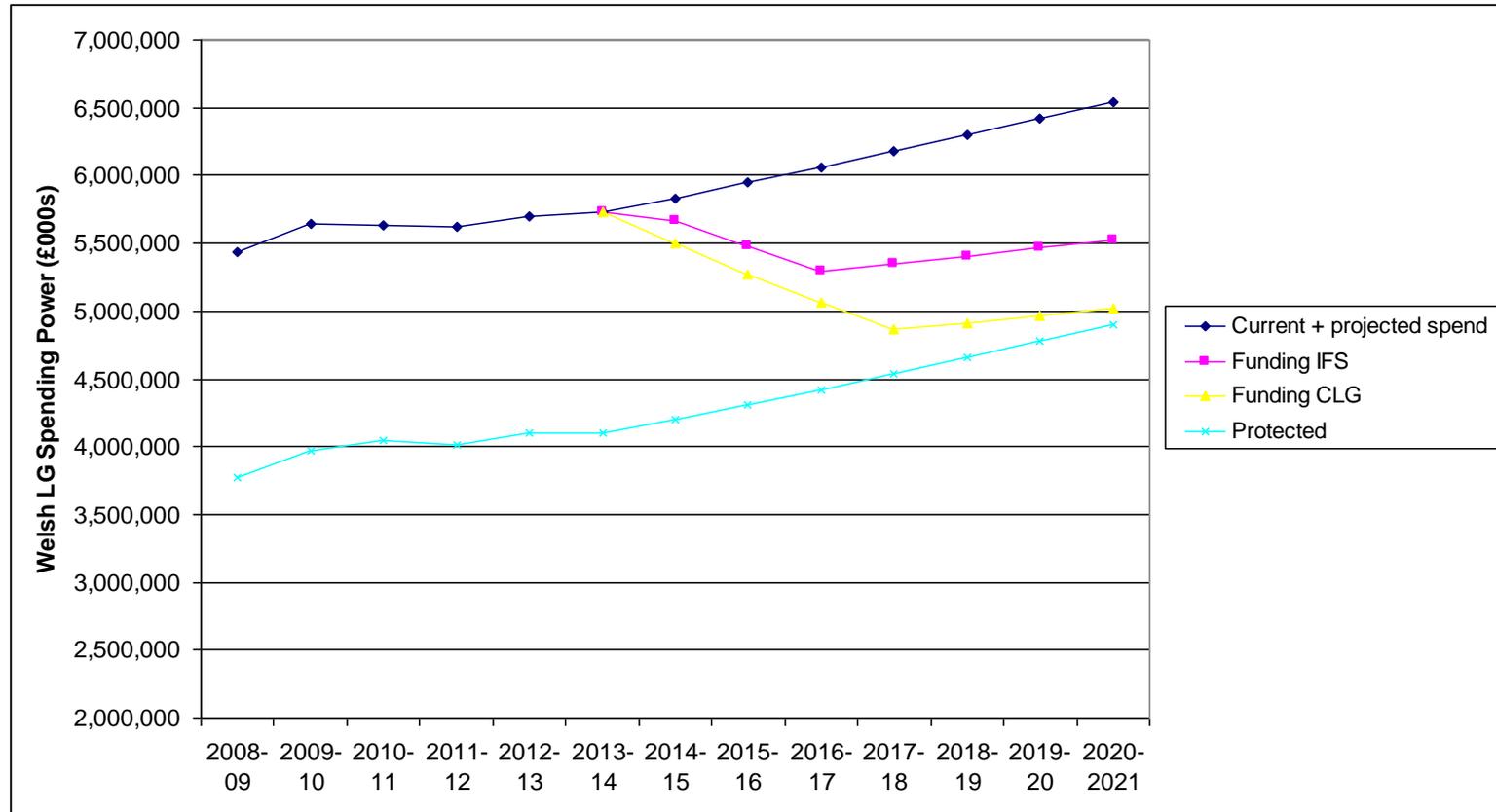
What's going on - Who wants to be in a non statutory service?

This may reflect prioritisation of services due to rising demands, statutory obligations or Welsh Government targets





Graph of Doom - what does the future hold? (under construction!)





A real squeeze over time on non protected services



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If overall spending on services was to be reduced by 18%, limiting the reductions in overall spending to half that level (9%) in areas that have so far been relatively protected – social services, environmental services and refuse, and education – would require cuts of 52% in spending on all other services. EG - what is the point of concessionary fares if transport is cut?



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The next five years will define the future shape of public services in Wales



**Not Yet
Out of the Woods**



Is it as scary as it looks or can we successfully navigate through this?

It's behind me...

Isn't it..?



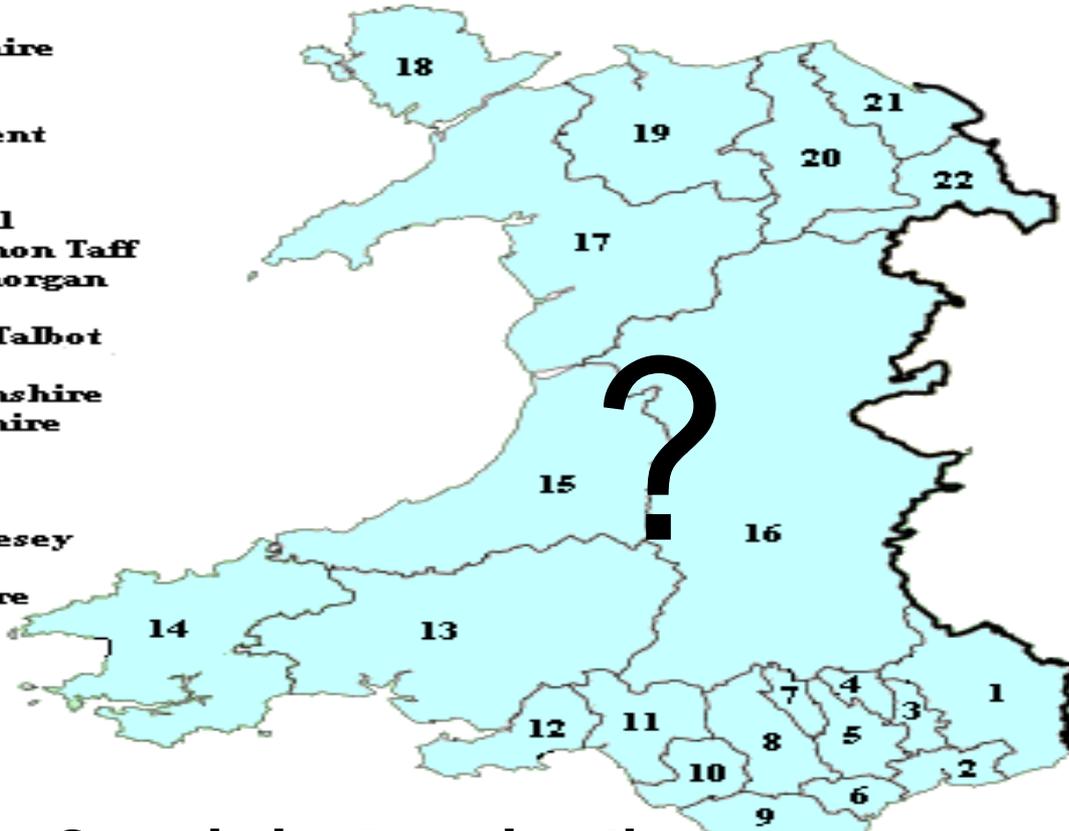


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Is the map going to change?

Unitary Authorities of Wales

1. Monmouthshire
2. Newport
3. Torfaen
4. Blaenau Gwent
5. Caerphilly
6. Cardiff
7. Merthyr Tydfil
8. Rhondda Cynon Taff
9. Vale of Glamorgan
10. Bridgend
11. Neath Port Talbot
12. Swansea
13. Carmarthenshire
14. Pembrokeshire
15. Ceredigion
16. Powys
17. Gwynedd
18. Isle of Anglesey
19. Conwy
20. Denbighshire
21. Flintshire
22. Wrexham



Public Services Commission to review the governance and delivery arrangements of public services in Wales and make recommendations on the most effective delivery of those public services”.



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The Social Care elephant



***“I’M IN THE ROOM BUT NO ONE EVEN
ACKNOWLEDGES ME!”***



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Finding the savings and transforming services

- Integration of health and social care
- Much more focus on telecare
- Keeping people out of hospital – address the wrong balance between hospitals, community health and social care
- If you protect health funding then protect social care!
- The community as a service provider - Libraries, pools, public toilets and museums.
- Are there services you want to see protected – the role of council tax





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If all else fails - A new approach to funding





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Thanks for listening

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