



Economic Affairs Committee

Corrected oral evidence: Preparing for an ageing society

Tuesday 10 June 2025

3.10 pm

Watch the meeting

Members present: Lord Wood of Anfield (The Chair); Lord Agnew of Oulton; Lord Blackwell; Lord Burns; Lord Davies of Brixton; Lord Lamont of Lerwick; Baroness Liddell of Coatdyke; Lord Liddle; Lord Londesborough; Lord Petitgas; Lord Razzall; Lord Turnbull; Lord Verjee; Baroness Wolf of Dulwich.

Evidence Session No. 7

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Questions 104 - 116

Witnesses

I: David Sinclair, Chief Executive, International Longevity Centre; Professor Jonathan Skinner, Director of the Program on the Economics of Aging, National Bureau of Economic Research.

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Examination of witnesses

David Sinclair and Professor Jonathan Skinner.

Q104 **The Chair:** Welcome to the latest session in our Economic Affairs Committee inquiry into preparing for an ageing society. We are delighted to have with us David Sinclair, Chief Executive of the International Longevity Centre, and Professor Jonathan Skinner, research professor of economics at Dartmouth College and director of the Program on the Economics of Aging at the National Bureau of Economic Research. We are grateful to both of you for your time. We are broadcasting this session on parliamentlive.tv. A full transcript will be taken and we will share it with you shortly after the meeting in case you want to make any corrections.

Thank you again for your time. I will start by asking you both a question about pension retirement policies for a general overview, starting with Professor Skinner. How do the pension retirement policies in the UK compare with countries around the world, with specific reference to coping with the challenges of an ageing society? Can you think of any particular reforms outside the UK that might be recommended to improve the fiscal stability of the UK system? I know that is a very broad general question, but over to you, Professor Skinner.

Professor Jonathan Skinner: Thank you very much for the invitation to come and I am delighted to be here. The good news is that employment rates for people aged 55 to 69 have risen from about 43% in 1995 to 57% in 2019. This is based on some excellent research by James Banks and co-authors in a recently published NBER book about retirement around the world. Unfortunately, because of the data limitations, they had to limit their attention to England compared to a variety of other countries. It turns out that, for policies that discourage people from working later, England does quite well. There are no onerous taxes and you do not lose your pension if you work too long, so there it seems like things are in pretty good shape.

There are, of course, a variety of issues, which I am sure you all understand, about the coming fiscal pressures on the basic state pension. As I understand it, one of the proposed changes is to extend the normal retirement age from 66 to 67 or 68, or wherever it ends up.

One of the things that the United States has done with social security is that it has extended what is called the normal retirement age from 65 to 66 to 67 gradually, but they have not changed the early retirement age of 62. The way it works is that, if you retire earlier, you get fewer benefits than you would if you stayed later. I can now speak with some authority on ageing, having experienced it. I get notices from the social security administration that say, "If you retire today, you will get this much. If you wait until next year, you will get this much. If you wait until you are 70, you will get this much". It is actuarially fair, so there is no burden on the Government whether you take it early or late, but for people who are in poor health and can receive their basic state pension only when they are 67 or 68, at least they might get something in return

from the money that they have paid in. That is my one suggestion to think about.

David Sinclair: Thank you again for having me. I have a few thoughts. One thing to reflect on is that we do not have to panic—or not yet. GDP across the EU, for example, in 2021 was predicted to have similar growth for the next 50 or so years, with age-related spending within 50 years up by only a couple of percent of GDP. There is a sense in which we do not have to panic and long lives could be an economic opportunity. One thing to reflect on, of course, is that western Europe and the rich parts of the world have grown economically as we have aged. Ageing is a driver of economic growth, which is worth reflecting on, but health is the big drag. I share the view that the UK is not in a bad place. Our state pension relative to OECD does not offer a particularly high replacement rate. It costs relatively less than in other OECD countries and that is partly because we have a mix of a private and employer system as well, which is not a bad system.

On solutions, clearly the challenge comes with the cost of the state pension as the number of older people increases but also, as Professor Skinner has reflected, there are some issues that come from that with the implications on work and then consumption. For example, the IFS did some work that showed that, as we increased the state pension age for females in the UK, that increased participation in work of men as well because they tended to retire at the same time. There has been some work in Sweden, which has a similar system, as was just mentioned, where you can start to get your pension at 62 and then you do not get your full pension until 67. They have just increased that to 63 and 68. It is striking how much that has increased the amount of employment among 67-year-olds. It is clear that potentially increasing the state pension age in a sensible way can be a powerful driver of work and employment.

What Governments can do on the state pension looking forward is take on more debt, reduce services for younger people, make the pension less generous or increase the state pension age. The challenge for all Chancellors is that every one of those options is pretty terrible, so what you really want to do is drive the ones that will drive growth.

Q105 **Lord Agnew of Oulton:** Good afternoon. I am interested to hear from both of you on models of nursing care around the world that are more cost effective and generally more effective than we have here.

David Sinclair: One thing for us to be careful about is assuming—we often hear about Japan, and we may come back to this, but one of the things about Japan is it got to ageing first. It has not necessarily done it best and I think we can potentially learn from Japan. However, Japan introduced mandatory long-term care insurance that initially you had to pay at the age of 40 and now it has been reduced to 18. It includes funding for low-level interventions and is a pretty solid system but it is already under fiscal strain. Germany operates a social insurance model that covers care.

Frankly, beyond that there is very little going on for care. In most places care is the Cinderella service and is not getting the attention from policymakers. As we will hear tomorrow with the spending review here, the real fiscal challenges for the NHS will be significantly worsened by the fact that we do not have a solid foundation for how we invest in care. The sad question is that I do not think many places do it very well.

One thing to say about the opportunity for the UK is that care is an economy and offers a longevity dividend. It employs huge numbers of people in the UK. It could employ huge numbers of people better and stronger if we can think about how you can use care to drive growth. China, for example, is about to invest \$4 trillion and sees the value of what it calls the silver economy being worth about \$4 trillion. Within that, they are talking about the care sector fundamentally. If the UK can innovate—and we have some leading retirement housing provisions and interesting innovators in care—potentially there is an export as well as an improving quality market here.

Lord Agnew of Oulton: Are these essentially income tax surcharges in Japan and Germany?

David Sinclair: In effect they are; you pay this. The Japan one is probably similar to national insurance that they originally paid at 40 and that is now 18 because the pot was not filling up enough.

Lord Agnew of Oulton: Professor Skinner, is there anything you would like to add to that?

Professor Jonathan Skinner: There is a recent NBER book, *Long-Term Care Around the World*, which I have drawn on heavily. It considers 10 countries, including England, and it gives a nice perspective on where England lies in how much it is spending. For example, the Netherlands spends 4% of GDP on nursing home care, Spain spends less than 1% and England is in between. It is 2%, which is similar to Denmark, Sweden, Germany and Japan, although Japan has many more older people.

The way that long-term care is financed in England tends to be more heavily out-of-pocket. The lowest incomes are covered and the highest incomes can afford it; the problem is the middle, where long-term care—the informal care—can be costly and it causes people to stay at home away from their own jobs to look after their mother or father. Other countries can use public funds. For example, in Japan it is about 90% public funds because of this mandatory long-term care, as you mentioned. Private long-term care does not seem to be a starter in any country I have seen. People just do not buy it; they do not trust it. They do not want to think about themselves in long-term care.

I am excited about Japan though. It has restricted immigration so it really has had to substitute into robots and things like that. If you go online and look for Paro, you will see that it is an adorable baby seal—a stuffed baby seal. It is not a real one—do not worry—but it has AI computer chips in it that interact with people with dementia. It coos and is quiet, when you

pet it. It is apparently very effective for people with dementia who would otherwise have to be either sedated or restrained. There is a robot—I have to love this—that can pick people up and drop them down. You hope that the robot does not get out of control. I watched a “Wallace and Gromit” movie recently where the robots got out of control. I believe that, especially with the innovation in the UK for computers and things, that is a potential growth area for helping the caregivers to look after older people.

You would think that people nearing retirement could work in nursing homes, but it turns out that nursing home work is physically very taxing. It involves lifting and caring for people, and so some of the lifting-assist machines that are being developed in Japan basically help people who could not otherwise lift their patients. Again, there is a lot of potential there.

Finally—and again I have to love these stories—the Dutch have a village that is basically walled off and it has a café and a restaurant. It is for people with Alzheimer’s who cannot leave—they cannot wander off—but it replicates the village that they grew up in. I think that having these sorts of communities is also a potential, particularly those that can be built in areas that might have been hollowed out by people migrating away and perhaps in rural areas. I am pretty excited about the potential for technology to address the challenges of taking care of older people in either a nursing home or a home care setting.

David Sinclair: I am a lot less enthusiastic, mainly because, having worked in ageing for 25 years, I know that there have been 20 or 30 White Papers on caring in the UK that have all had a paragraph saying broadly, “Technology will save us from ageing”. We have been hoping for a technological revolution and it has never really happened. There is some amazing tech out there.

It is worth reflecting on the cost of care and the fact that the vast majority of care in the UK is provided by family members and volunteers. In other words, the economic hit of care is driven by mainly women having to look after parents or children. If you can address that, there are significant potential economic benefits.

Japan is interesting—I am huge fan of what Japan has managed in this space. Its healthcare system remains paper-based despite it being one of the most high-tech places in the world. It does not have electronic patient records in the same way. You do not have access to your GP, so no one calls you up for your vaccines. We frequently see the *FT* story about Pepper the robot who is coming to save Japanese care. I think we have to be a bit careful about it.

The real opportunity around care is the low-level stuff. As far as I know, one of the only areas where we have a randomised control trial is grab rails. Grab rails in bathroom work, but none of us put them in until after we have fallen over. I encourage you all to put the grab rail in now—all of us. We put them in late, but they absolutely work. They save money and

cost about £3 or £4. Automated vacuum cleaners, self-cleaning windows and this sort of technology that helps us live a bit more independently and deals with some of the mundane is likely to be more useful.

While some of these robotic things will absolutely get there, and while there is also huge potential for AI, I note that—in a world where we are giving people 15 minutes' worth of support—the suggestion that we will putting £10,000 robots into people's houses when we cannot get beds into people's houses for the last few days of their lives – seems unrealistic. But prices will fall—it may happen. I am a bit more cynical.

Lord Turnbull: David Sinclair, I think you said earlier that in Japan people begin to pay into a fund at an earlier age than they used to, down to 18. Have we queered the pitch here? We have put a demand, which is called student debt, into precisely the place where we would have got that money from. Do the Japanese not have student debt? This levy, student debt and increasing employers' national insurance contributions will overload the system.

David Sinclair: As you may be aware, Japan as a country has 200% debt to GDP and it does not really have a clear plan for how it will reduce that. The risk for the UK is we are defaulting into gradually increasing debt. On the student point, when Japan reduced the age from 40 to 18, one of the issues that came up in debate was not necessarily whether 18-year-olds have the money. Younger people in Japan currently are on relatively low incomes and there are very significant challenges there. It was about the fairness issue, and that is the same in the UK: the fairness of asking an 18-year-old to fund the care of an older person who might be sitting on the vast majority of wealth. That is absolutely the case in the UK, where 96% of wealth in the UK is held by people over 40. It feels hard to be asking 18-year-olds to be paying for the care of older people. I think that that debate will be the same everywhere across the world and that intergenerational inequalities mean that, ultimately, we will have to find a way for older people to fund their own care.

Q106 **Baroness Wolf of Dulwich:** I will go back to something that Professor Skinner mentioned, which is people giving up work because of care responsibilities for older people. This will usually be before they are in a state where they need care 24 hours a day—this sort of long ageing period. We know that this is pretty frequent in this country and we have had indications from other witnesses that people who leave work for that reason are very unlikely to come back. Do we have any sense of whether the UK is relatively good there or an outlier? In countries that have care insurance, does that make any difference to the degree to which the next generation down drops out? Do you have any ideas about how we might make it easier for people to come back? That is a question for both of you but you actually mentioned that particular set of decisions, Professor Skinner.

Professor Jonathan Skinner: I hope you will excuse me if I give you a few statistics. England—again, because of data limitations we are talking about England—is something of an outlier. It is mostly informal home

care—70%—while nursing home care is 14% and formal home care is 9%. For the Dutch, only 19% is informal care compared to 70% in England—formal care is 29% and nursing home care is 29%. Maybe the Dutch go a little overboard on nursing homes, because they are spending a lot of money on it, but generally in other countries there is much less of the burden of informal care of children taking care of parents.

Baroness Wolf of Dulwich: Is that because there is much more in the form of in-between care?

Professor Jonathan Skinner: Yes. There is more formal home care. A good way to think about this from the point of view of an economist is that—I do not only want to maximise GDP but if you were wanting to maximise GDP—you would rather have the dutiful son or daughter go to their job in the banking sector and hire somebody to look after mum rather than have them stay home. Obviously, that is their personal choice, but the mechanisms for formal home care are much less prevalent in England than in other countries.

David Sinclair: I will make two additional points. There is an interesting gender issue here. Women provide most care, but women are also more likely to be working part-time, so women tend to provide care throughout their entire lives and continue to work while they are doing so. There is an interesting issue that, if some men find themselves with a caring responsibility, it may be more likely to pull them out of the workforce than women, because women are already used to managing part-time or different sorts of work.

What gets people back into work as we get older—and there is lots of evidence of this—is not money but purpose, and what we absolutely have to do is drive purpose in work. We will not get people going back to work if jobs are miserable. It is possible to make every job good. We always hear about the financial services industry and others in this space. I was talking to Veolia, the big waste management company, and you get a lot of, “You cannot do waste management when you are older”, but 45% of Veolia staff are over 50. It is entirely possible for us to be thinking about how we redesign jobs, support people and retrain, but it is about how we make jobs good in every sector and a big bit of that has to be in the service industry.

Q107 **Lord Londesborough:** I want to follow up on the data that you referred to, Professor Skinner, which I think was the percentage of GDP spent on long-term care. It was generally between about 1% and 4%, Spain being as low as 1% and I think the UK and Japan both being just over 2%. That question was framed on technology but it struck me, in my limited knowledge of the southern European countries, that the culture factor of multigenerational households being far more common than in northern Europe would mean that the burden is carried much more privately by families rather than putting people into care homes. It is a very difficult thing to measure. That is the first part of my question: how much does the culture impact on how much we have to spend?

Japan, from what I know, has at least double the burden compared to the UK proportionately, and yet it is spending the same, which would suggest that technology is a major point, unless it is something else. Is it the culture factor there as well? David said that we hear a lot about technology. I remember hearing about this 25 years ago, but there does not seem to be a huge amount of robotics going on in care homes. How is it that Japan is spending the same proportionately as the UK? Is it technology or is it culture, or is it something else that we are not looking at?

David Sinclair: I do not think we are necessarily always comparing like with like. Even if you were to look at the UK, for example, the cost to the state and to individuals and families of how much care, as well as the benefit of the care, is provided might be driven by whether you own your home and whether that home is adapted for long life. Someone who lives in an adapted house might need two years less of care than someone who does not. Sometimes it is about low-level technology.

As you will have guessed, I am a bit cynical about the “everywhere else is great” message. I am also conscious that in southern Europe there are definitely cultural issues around care, but you sometimes hear similarly about an Asian model. Of course there is not an Asian model of care. There are about 200 different Asian models of care. In China they have had to introduce a law to say children have to look after parents. You do not do this if there is a culture of care.

I think we have to be a bit careful about assuming this, but Carers UK says that people—family members—care in the UK. If your mum is ill, you care and you stop doing what you are doing. We have an amazing resource there and we have to look at how we maximise the value of it. Some countries will have different care home structures. Japan has some amazing care homes with the most amazing sushi. I want to live there now—they are just amazing places—but Japan has huge issues with the number of people with dementia. It is struggling as a result of ageing. The challenge of costs of care is always what are you measuring. The cost to the state as opposed to the individual may be very different.

Professor Jonathan Skinner: There is an interesting study on the introduction of robots. These are not like ninjas walking around. They would consider a pad that measures activity, or measures whether somebody gets up and wanders off, as a robot. It can be very low-tech kinds of things. When they added these, it did not reduce the number of workers at the nursing homes but it meant better retention because they could function more easily. They were not lifting people and chasing after them quite so much. In Japan, one of the ways that they keep costs down is they do not pay the nursing home staff very much. They are among the lowest relative to the median wage in Japan. I am not sure how they continue to get people to come in but that seems to be the case.

You are quite right about Spain that children seem to take more of a responsibility; 60% of care is provided by children in Spain. That is well above what it is in England and certainly in the Scandinavian countries.

Q108 **Lord Burns:** I will say before I ask my question that I have to leave quite soon because there is something in the Chamber that I need to be there for. I want to focus on some of the issues with productivity changes as we move through age ranges. How much do we know about that? Can we separate it between productivity per hour and the number of hours that people are able to work? Are there any broad patterns that we can see are repeated across countries that would help us understand this?

David Sinclair: Professor Skinner, you are much more of a productivity expert than I am.

Professor Jonathan Skinner: That is a wonderful question. The Nobel Prize-winning economist Daron Acemoglu has written a paper recently saying that maybe there is not much of a correlation between the percentage of people over the age of 50 and productivity, looking at changes over time. But then there is evidence that people in their 40s and 30s and 50s seem to be associated with higher productivity, with innovation, with patents, with starting new companies, with start-up companies and so forth.

Perhaps the most pessimistic paper I have seen came out recently is by Nicole Maestas at Harvard and her colleagues. It looked at different states in the United States. Some of them are ageing, such as Maine, some of them are much younger, such as Utah, and they found quite dramatic effects. Every 10% increase in the fraction of the population aged 60 and over decreased per capita GDP by 5.5%. Some of this was because of slower employment growth and some was because of slower labour productivity growth.

From my point of view, it is the kind of thing that you cannot really do that much about. The age distribution is what it is. You hope that the slowing of UK productivity growth since 2008 is not because of ageing, but there are other things that can be addressed. Trying to address making older people more productive is, shall we say, a more productive use of our time than worrying about what will happen.

David Sinclair: Sarah O'Connor has a piece in the *FT* today about mental capacity where one of the points is that on average our mental capacity might decline but for a number of us our mental capacity will remain the same and increase. We were saying outside earlier that, if you ask 10 economists, they might give you 10 different arguments about age and productivity. We have done some analysis that shows areas where you have higher rates of employment of older people and higher rates of employment of young people as well, which links into the point about the lump of labour fallacy—that there is no fixed number of jobs in the economy.

It is really clear if you look at productivity at a local authority level in the UK, and using our global Healthy Ageing and Prevention Index as well, that countries with better lifelong learning outcomes and better preventative health tend to achieve stronger productivity. There is a correlation at least, but there is a very strong argument that a key driver of productivity is not necessarily age—and definitely not necessarily age exclusively—but human capital.

There are things we can do. We can invest in lifelong learning. We can make sure we are vaccinated throughout our lives and keep ourselves healthy so we can continue to work for longer. All these things really are important for us to do and we can do them—they are easy wins.

Lord Burns: I understand the various policy initiatives that one can imagine, but I was searching for what is the base case. We know that, beyond a certain point, the capacity for the number of hours they can work or the number of days per week they can work declines. Even if the productivity per hour remained the same, you will then get some fall-off. For the larger proportion of people who are in the 55-plus age group, one would assume that the productivity increase will be lower.

Professor Jonathan Skinner: I tend to agree with you, which is why I am worried about it, but again there are different opinions.

Lord Burns: I understand the initiatives but what I am thinking of is: what is the case without initiatives, and then to what extent can the initiatives make a difference?

David Sinclair: I do not think I am completely avoiding your question, but we have 1.65 million people between the age of 50 and 65 who are not currently working due to ill health, caring responsibilities and other reasons. It strikes me that a public policy approach that worried more about that than how we address productivity among 80-year-olds would be a much more significant and useful use of public policy. We also have a whole generation of people coming through who are in less good health.

There are, of course, cohort effects here. You might see different ageing. Something that the World Bank or the OECD did last week about “70 is the new 50 and 90 is the new 70”. There is something about, first, how we are adapting but, secondly—I may have come across as sometimes cynical about technology but I will say this—technology allows us to do things that it did not allow us to do before. My grandparents were working on a farm at 85 picking potatoes. They would not necessarily do that anymore because we are pretty good at creating technology that has managed to support us to do things. Technology can help with some of the productivity and maybe we need to think about how the UK’s investment in R&D that will be announced tomorrow can focus on using technology to improve productivity.

Lord Burns: I can understand too that it may be that people do not wish to work beyond a certain age. If one is simply looking at the total hours

worked, it will be affected by that, but people have a demand to have some more leisure and they prefer to take it in the latter part of their life. What we are focusing on also is: for those who decide they want to continue to work, is it the case that they can be as effective as others? I sense the difference.

David Sinclair: It partly depends on what you are doing. I was talking to a company the other day who said, "We have redesigned a job and moved people from X to Y". I used to do work with BT and a long time ago now it introduced a system where it had a group of really smart engineers who were fed up with climbing up poles and standing in the rain but were the people who remembered what the BT socket looked like in 1972. It put those people at a triage level—a second level of a telephone call centre. The bit they loved about the job was talking to people, so it gave them the opportunity to still do that bit of the job but they did not have to stand in the rain—and they were using their very skilled technical knowledge in that way.

One of the things we need to think about is how we redesign jobs. I was talking to someone on a building site recently who said they are reliant on older workers to teach younger workers and there is a role to support—to make sure we have mixed ages. On the productivity point—this is a very odd example but it is worth flagging—there have not been many studies in this area but McDonald's did a really interesting one in the early 2000s, I think, where it put a group of teenagers in a McDonald's restaurant, put a group of older people in a McDonald's restaurant and put a mixed-age group in a McDonald's restaurant. The one with the highest productivity was the mixed-age group.

There is something about how we do that and it is clear in the UK that some industries are not age diverse. In ILC we were very proud, when Baroness Greengross was our chief executive, that there were 10 members of staff in their 80s, 70s, 60s, 50s, 40s, 30s and 20s—yet there are sectors like PR and tech that only have people in their 20s and 30s, and this is a problem.

Lord Burns: It is like construction, which has a similar pattern.

Q109 **Lord Razzall:** You are touching on the thing that I wanted to bring up, which is age-friendly jobs. What do you think our experience has been here, and what is the experience overseas, of the equation of age-friendly jobs? You have touched on it earlier.

Professor Jonathan Skinner: There have been a couple of studies. On definitions, age-friendly jobs are ones that people like me could reasonably do.

Lord Razzall: They are things like sitting on this committee.

Professor Jonathan Skinner: Exactly—and running the country. I am talking about reservation agents, human resource jobs and other things that do not require a lot of sustained physical activity or lifting. The least age friendly, as you mentioned, include concrete and cement workers,

carpenters and painters. There has been a rapid growth in age-friendly jobs. There was one study in the United States and another in South Korea, which is very rapidly ageing as well.

The problem is that these age-friendly jobs are being filled by younger people disproportionately because they are kind of attractive jobs it turns out for a college graduate. More female-friendly jobs that may be more flexible, which is another part of being age friendly, are not being set aside for older people. Maybe there are still people up on the electric lines. Unfortunately, care giving for older people will be a growth industry, particularly after 2030, and I should mention that nursing home care has not hit us yet. That hits us when Keith Richards finally goes to a nursing home and that may be in 2030. Unfortunately, at this point that is not an older person-friendly job, which would be a perfect thing, until there are enough tools for older people to use. The only thing that is growing, which could help, is gig jobs: Uber and things like that. There is great potential but—

Lord Razzall: Is there any difference between different countries?

Professor Jonathan Skinner: The experience seems to be very similar, at least to my reading of the studies.

David Sinclair: To speak up on gig jobs and then more broadly, we have seen an increasing number of women working past the state pension age part-time and this is probably driven by the Etsy effect—by more platforms that allow people to sell their products and expertise, and more women to do that. That is a good thing. There is a difference between an age-friendly job and an older person-friendly job, significantly, and you are touching on this.

We should be creating jobs that force us to walk up stairs and force us to stand up; that means that when we cannot drive to work we should be using active travel. We are killing with kindness. We are making it much more likely that we are all going to be incapable of doing work in the future because we have removed physical activity, as I said before, even from things like farming. We need to find a way of reinventing, bringing physical activity back into work. An example I think we heard from one of your previous sessions was about the redesigning of motor companies' production lines, which happened decades ago now. Perhaps it highlights the lack of progress that we are still using that same example 20 years on. The interesting thing about that is that maybe we should be making them harder not easier. We need to be thinking about whether we will still be working into our late 60s and 70s—we need to be working longer.

On your question about what else, the UK is again head of the game with the default retirement age. I still find it astonishing that you go to certain very advanced countries—places like Japan and Portugal—and they have retirement ages. It is interesting that we still use the term "retirement age" here in the UK and yet we have no retirement age, so one could stop using "retirement age" and use the words "state pension age". You could argue that it is Bismarck's fault in the first place.

Lord Razzall: Why?

David Sinclair: Creating a state pension age at a set age has got to a point where we expect that that is a retirement age, so I suggest using "state pension age". We were ahead of the game. The UK has been a bit ahead in flexible and hybrid working and that potentially offers benefits for older workers. Home working is an interesting one. There is fairly mixed evidence. It might allow someone to work longer but the limited evidence we have so far is that, for example, people are walking significantly less. Doing a bit less physical activity and not leaving your house is potentially a problem.

The other thing to perhaps flag is that I think there are lots of big and small employers who would like to do more to make their jobs age-friendly, and sometimes there are barriers in the way. I will give a very quick and simple example. We are a 10-person organisation. If we wanted to invest in the occupational health of our staff, potentially we and our staff would be taxed for doing so. It is a very random example but it highlights the challenges that companies have. If we want to give our staff a flu vaccine, we have to buy them a voucher rather than reimburse them—a completely unnecessary bit of paperwork. We cannot pay for a Covid vaccine because it is over the trivial benefits £50 limit. We could find ways of supporting employers to invest in health by making slight changes in the tax system.

Lord Razzall: Is there any difference between men and women in this area?

David Sinclair: There are differences in what men and women do and their work through their lives. One thing to flag is that women—this is often said, and it might be just a trope—potentially retire better than men. One of the reasons for that sometimes is because men are more likely to have worked away from where they live and they do not have the same relationships at the school gate. A friend of mine who was in his 80s started volunteering with me. He was in his mid-70s when he stopped his business importing cloth and he went home and said to his wife, "What are we going to do today?" and she said, "I do not know what you are doing. I am going out for a coffee with my friends". Particularly men who have in the past found themselves a victim of mandatory retirement have just gone to the point of, "I am working, and now I am not working".

The really key thing is preparing. If we can support people to think about what they want to do post-retirement—men and women—that potentially links into the part-time versus full-time. Work has not filled as much time and, therefore, it is not as big a shock if you drop from full-time to part-time.

Q110 **Lord Turnbull:** Professor Skinner, you have referred to the phenomenon where the median age of doctors is growing. The first thing is that the median age of all jobs is growing, so is that significant? Secondly, we have had this toing and froing with how we tax the pensions, or

contributions to pensions, of doctors. Have we messed this up? Just when we should be encouraging more doctors to stay working in the NHS, we have done precisely the opposite; we have virtually chased them out. I have lost track of where the story now stands. I think we have made some alleviation of this problem, but is it permanent or is there still more work to be done?

Professor Jonathan Skinner: Yes, I think there is definitely more work to be done. It is surprisingly hard to find statistics on what is going on with the workforce, but it appears that the percentage of those aged 50-plus has risen from 16% in 2011 to about 25% currently. At the same time, there has been an increase in physicians, of whom two-thirds come from outside the UK, and they tend to be younger. My sense is that there are more physicians in their thirties and also more physicians who are ageing and approaching retirement. That is the concern.

The other concern is for specialised physicians. Geriatricians are trained to address the problems of older people. We know that there will be a lot more older people, yet I read a report that said that 36% of consultant geriatricians are expected to reach the age of 65 in the next decade, with 54% reaching the age of 60. There should be more attention paid to training geriatricians. It is not high profile; you may not have your office on Harley Street, but it seems like an important thing to get ahead of, just because it takes a while to train in this specialised area.

On keeping physicians to continue their work, I am not as knowledgeable about the tax consequences of working late. I suppose the idea would be that they may get bumped into a higher marginal tax rate, but I defer to my English colleague.

David Sinclair: In our Healthy Ageing and Prevention Index, which compares 153 countries across the world, we find that countries that have more doctors perform better. There is a starting point that we need doctors, and every country needs doctors.

We have more older workers. The pensions issue is a really tough one. Essentially, doctors found themselves poorer from continuing to work because of the taxation of pensions. However, it is very hard politically and publicly to feel sorry for people with very high pensions, so there is a political versus a practical thing. Rather than focusing on that, doctors who I talk to say, "Improve the quality of work and we will stay—invest in allied health professionals". We have had a revolution in public health driven by pharmacy. In the UK and other countries, pharmacy absolutely has a really important role to play in preventive services. As I said, we need to remove disincentives for employer investment in health. There are interesting questions, particularly—and we may talk about it later—on provision in rural and coastal areas, with more of us having moved to those areas as we get older and not having enough provision. That is a significant problem, which we may come back to.

One thing to flag is that you may have seen our former Prime Minister Tony Blair recently advocating for the use of AI in health. It absolutely

has a role to play, but one of the doctors we work with said, "This is all very good, but it takes me 10 minutes to turn my computer on in the morning". There are some fairly basic things about quality. If doctors knew that their basic computer systems were going to work for them and they had good basic infrastructure and nice surgeries, I suspect that would play a big part in keeping people there as well.

- Q111 **Lord Turnbull:** Can you give me help with a problem about how we measure GDP? If over a 20-year period the number of women who had previously been at home with children started getting paid work, that would increase how we measured GDP. The amount of work being done in the economy would be exactly the same. The productivity of each individual in the economy may be exactly the same, but we would record it as an increase. If we get to the point where we have these big choices, do we want to keep women in the workforce and, if it means bringing in other people to do the job at a lower price, would that boost GDP? Do we want some measure of GDP from which you have purged the simple short effect, and what would that GDP look like?

David Sinclair: You are right, one of the things that we often forget about with carers is that someone has to do the care. It has a valuable contribution. As I say, there is an allied economic benefit to it. One thing to reflect on that as well, though, is that 20 years ago you had organisations like the New Economics Foundation talking about alternatives to GDP. Now you have organisations like the World Economic Forum and Legal & General talking about it. It is really clear that GDP does not measure particularly well the economic outputs that we are delivering, and often measures the wrong things; it measures pollution as a positive, for example, potentially.

There is a very strong argument to think about how we drive alternative measures—but you are right, it does not solve the fundamental problem that someone has to do the care. I guess the question is how can you get the most efficient way but also one that delivers the best care for people, for all of us who will use it.

Professor Jonathan Skinner: I will briefly follow up. GDP is not a perfect measure. Say a parent went to work, that parent would start paying taxes; they would hire someone to come and look after either their parent or their child, and that person would presumably pay taxes, if they reported their income. So that would doubly increase GDP, even though the caring is still being done—but on tax issues, that is not such a bad thing. In theory anyway, the person taking a job someplace else is making more than they are paying their caregiver, so that also speaks to comparative advantage. They are doing the thing that, at least in this flawed capitalist society, is viewed as being more valuable. I cannot speak to whether that is a good thing, or on the ethical or philosophical groundwork, but it does have real effects for the ability to pay for social services, because it allows you to raise taxes.

Lord Turnbull: Do you think it is the case that GDP as we measure it is more closely related to the public finances than if we were measuring the

work done in the economy?

Professor Jonathan Skinner: Yes, that is fair to say. People use GDP to look at short changes over time, because those factors such as implicit or informal care are not likely to change as much as the market salaries or the income of individuals.

Lord Burns: There are two issues here, are there not? One is whether GDP measures the right things at all—and that is the issue about pollution. The second issue, which I think Lord Turnbull is really getting at, is that you can see how sometimes more activity takes place within the market economy and at other times less takes place within the market economy. You can easily design ideas based on people moving to different jobs, whereby the same amount of activity is taking place but some of it is now in the market and some is not. That has an implication, very often, for taxation, but it might not have much of an implication for the standard of living of the society.

David Sinclair: There certainly are some countries where, on the surface, it looks like they have very low rates of employment of older people but they have a very high informal economy, so there are people continuing to work and be paid, but that is not necessarily within the formal economy.

Q112 **Baroness Liddell of Coatdyke:** It is generally acknowledged in the UK that we have a housing crisis. I think we are looking at housing stock rising by about 1% per annum, which creates great difficulty. There are those who argue that that is because so many people are not downsizing in later life. Do other countries have to face that kind of problem? Has anybody come up with an answer to it? Here some people point to stamp duty, which might be a disincentive, or to the lack of retirement communities, because we do not have much in the way of retirement communities here. I am Scottish, and we have even fewer in Scotland than there are in England. What is the way out of that difficulty?

David Sinclair: We have regional housing issues, of course. There are parts of the country where we do not have the same pressures as we do in London and the south-east, but you are absolutely right about the shortage of good alternatives. There is a slight risk that I will not get the facts right, but I think it is about 17% of people in the US end up in retirement housing. In the UK it is 3% or 4% or 5%. Our market has not delivered that.

The average age at which we buy a house has increased significantly. But what has happened that I think is having an impact across the housing market as a whole is that we are moving less through our lives, significantly less over the last few years. That might be driven by ageing, and the fact we have more older people and they are not moving at all and are staying in the same house for a long time.

We would probably use the language of rightsizing rather than downsizing. It sounds pedantic, but I think it is more about we make sure

we are in the right home. For some people, it might be a bigger home, with family members and so on.

The housing market in other countries like Germany has a very strong rental sector. Renting in old age is not a bad way to do things. It is a good way to decumulate your assets when you move from owner-occupied to a rental, as long as you have a guaranteed tenure and protection. If we can make sure we have the right regulation around rental, there is potentially an economic gain there, not least because people are likely to spend more as well in old age. Japan and Italy have different sorts of issues. In Japan, you have houses that are built for only a very short term, 25 years or so, and there are lots of houses in Japan and Italy that are essentially worthless, because there is not enough population relative to the number of people who want them.

What we have not done—and there may be some opportunities with the new combined authorities to think about this, and the existing one—is to plan for demography. The manifestos of all political parties for the last 20 or 30 years have said we need more housing in the UK. The housing Bill going through at the moment says it is up to local authorities to think about age. I think that is a mistake. Central government should be thinking about how you drive a debate around demography here. Politicians have typically said, “We want to build 300,000 houses a year” or whatever. We never really manage it; when people are elected they say, “That is all right, but not in my constituency, they need to go somewhere else”. Once that is then done, there is very little focus on what those are, or how you adapt to the fact that our housing stock needs to be better. We need more houses that are appropriate for us all as we age. That means building to lifetime home standards and it means removing, as you say, the barriers to moving and encouraging people to think about alternatives.

I mention Baroness Greengross again, because she talked about this a lot. She moved from a townhouse into a flat because she said she could not spend 40 years telling people to move and then not do it herself. There is something about us all starting to think about this. Housing is part of the challenge. To get the housing market working for younger people, you need to convince older people to go into the right houses, which means you need the right supply of those properties. That cannot be just top end—it has to be at all levels.

Professor Jonathan Skinner: To briefly follow up, baby boomers are known as “generation stuck”, and there is not a lot of rightsizing or downsizing. In fact, often as not, when older people sell their houses, they buy something bigger. An interesting study surveyed people and asked, “Why are you getting something bigger?” People said, “I need room for my grandchildren”. They want to be ready, if family comes back.

The approach is two-pronged. In Australia there is a system called the downsizer super contribution whereby, if you sell your house, you can take the capital gains and drop them into your pension. For people who are fairly far along in age, the revenue cost of putting something into a

pension is not that much more than if you just tax it regularly, but it more easily allows them to put it into safe assets like bonds where the tax will not eat it up. That is one possibility.

Then also, I am not sure how many of these developments take place, but in Japan the Nagayama approach looks at the hollowed-out satellite cities where the population is falling and nobody has families anymore. Basically, the private-public would buy up a couple of blocks and create older people's communities, with a café where you could go—and, if something is not working, you can complain about it. They are making a concerted effort to make a community rather than buy one flat at a time.

My parents stayed for many years in an extended care facility which provided food and, as people got sicker, they moved to increasingly helpful healthcare to the point where they ended up in the nursing home and then, beyond the nursing home, the hospital. They did not have to move anywhere, and spouses did not have to drive anywhere, because they could walk over and visit. Maybe some of that larger-scale housing would provide more of an incentive to move out.

Baroness Liddell of Coatdyke: I must admit that the Australian model seems interesting. I know a lot about Australia, but I did not know about that. It seems sensible. Is it a new development?

Professor Jonathan Skinner: I do not know. "Downsizer" is certainly an interesting name, but it makes sense.

Baroness Liddell of Coatdyke: Absolutely.

The Chair: As long as you are not just selling it to your own kids, I guess.

David Sinclair: That is an important point as well. One economic issue with housing and the fact people are not moving is that lots of people are sitting on housing wealth and are not able to use it. At the same time, lots of younger people would like to get on the housing ladder. We have products like equity release and things, but could the smart people in the Treasury not come up with better and other mechanisms for people to transfer some of the wealth from their housing to children and grandchildren? At the moment, because people live so long, they do not inherit until they get to their mid-60s. I suspect that you could find models that were fiscally neutral for transferring wealth from housing into younger people before you die rather than after, which could have a huge economic value.

I live in Bognor Regis on the south coast, which has lots of old people in very wealthy estates in parts of it. What happens when the baby boomers die? That is your Keith Richards issue. We have a mismatch between supply and demand at a regional level, but we are likely to see certain bits of the country with relatively high house prices and the vast majority of them are owned by older people. Will the children want to move there? Clearly, we have a growing population so it is unlikely to collapse, but we

might see a difference in where people want to go, as a result of that.

The Chair: Lord Londesborough, do you have a follow-up?

Lord Londesborough: Yes. I am wondering whether the UK is labelled as a country that is obsessed with property ownership. I do not know if international data backs that up, but I am looking at this pretty startling data on housing from Professors Crook and Whitehead. I do not know if you are familiar from the conversation in our briefing papers, but I will give you the highlights.

Almost 30% of all households in this country that own or rent their homes are 65 or over, and 80% of those own their own homes outright. Most of these, 67%, live in relatively large homes, meaning more than two spare bedrooms, yet over half of them live alone. I realise that I may be compounding some percentages, because I am reading out a paragraph. It strikes me, following Baroness Liddell's comments, that we need mobility and not to have taxes that get in the way of that, such as stamp duty. That is potentially a large issue here, because there is a lot of inefficiency. The old cliché of old people living lonely existences in large, drafty, energy-inefficient homes is borne out by these figures. I am not asking you to go through all our European counterparts, but is this a particular UK issue, compared to other countries, in that we have high proportion of ownership and a lot of single elderly people living on their own?

David Sinclair: The UK is unique in our attraction to "our home is our castle". The isolation and loneliness point highlights the need for us to make things easy, and not just by the way of tax. Some retirement housing providers will, for example, go and take lots of digital photos of all your stuff and clear your attic, and there are practical reasons why you might not want to move as well.

In some ways, we are different, but there is a big opportunity for the market and people creating new and interesting products in this space. It needs to start with making retirement housing, whatever that looks like, whether it is a flat or whatever, as attractive to a 70-year-old or a 75-year-old as student accommodation is to an 18-year-old. Students do not go in there for the nice painted walls; they go in there for the company, the relationships and the annoying neighbours. We spend too much time creating places that look nice but not enough time creating community.

I lived in Romania for a bit, and one thing is worth reflecting on there. I lived in a block of flats with 14 widows and another couple and me in 16 flats. Every day, these 14 widows sat on the bench outside, chatting to each other, and once a week they cleaned the communal areas. They were all alone and their husbands had all died, but they created a community. Housing should do that, and for too many people it does not at the moment.

Lord Londesborough: We are told the UK is almost alone in the developed world in having so few retirement communities, which is the

flipside of that.

The Chair: Lord Turnbull, you had a quick follow-up?

Lord Turnbull: I was having a conversation with someone about a situation where Granny is in a large, probably four-bedroom, house. It is much too big for her living there on her own. Looking at the level of the family, what is the best strategy that they should follow? Suppose it is a £1 million house. You could sell that and buy a flat for half that price and you would then have £500,000 to invest. The return you get on the investment, which is taxed, may be nothing like the return you get simply for sitting in that house, possibly freezing. The tendency is to say, "As a family, we will all be better off if we try to keep you in that house where the tax regime is so much more favourable than we could possibly be with the money you get from it".

Professor Jonathan Skinner: Generally, trying to avoid taxes or seeking higher returns—to me as an economist—should always take second place to what is best for granny and where she would be happiest. This idea of being able to take the capital gains and put it in a pension, where it can accumulate at least tax-free, would mitigate that—although I should mention that Australia has the same problem with moving people on. It has not been the magic wand to cure all the problems. It is difficult for somebody who has lived in a house for 50 years and feels a real bond to it when the kids or the grandchildren say, "You have to move, it is too big." It is tough.

Lord Turnbull: The grandchildren may say, "It may be too big, but it is better off for us as a group to find ways of keeping you there. You may live in a tent, but we will make that comfortable".

Professor Jonathan Skinner: Yes and no. They could bring in somebody to look after Granny. Housing prices may not go up for ever, especially as the baby boomers start selling off their grand mansions. If 30% of houses are owned by people 65-plus, you can be pretty sure most of them will come on the market in the next 20 or 30 years.

David Sinclair: Clearly, it is up to the individual, as opposed to the family, and we need to think about that. London is a particular problem where there is little supply. I would argue that creating demand for good products will encourage people to want to move.

I went to an amazing scheme run by a company called Audley in Clapham, where there is a public restaurant, a private restaurant and a bar. It overlooks Clapham, and they are next to bars and right next to the tube station. They have swimming pools and gyms. Yes, it is top end, but moving from your £2 million house in Clapham to a £1 million flat is a good choice for some people. If we have more products that are appropriate for mid-market as well, it will absolutely encourage people to move. They will be saying, "When can I go in?"

Lord Liddle: In parts of the country where people's children have moved

away from home, they want to stay in their large house so their children and grandchildren can come and stay with them from time to time. I suspect that is a big motive for older people. We do not have retirement villages where you can have accommodation for your kids and grandkids to come and stay.

Professor Jonathan Skinner: We used to stay in a guest cottage when we visited family, so I completely agree.

David Sinclair: Let us not generalise. Lots of older people do not want grandchildren to come back to their houses, particularly at Christmas. They might say, "Is it not time for you to go now?"

Q113 **Lord Petitgas:** We have a shortage of housing in the UK. What I am hearing is quite interesting. Strategically, right now it is the invisible hand or no hand at all, but we are building houses as we go. In an ideal world, if AI was running the country, it would say, "It may not be for young people that we need to do these 300,000 houses a year. Maybe we should organise it in a different way." That is a pretty radical idea. I am not aware that we are building a lot of retirement communities in any shape or form. In an ideal world, we would push as much as we can these people out of their homes, through tax or through less stamp duty, then try to coax them into these great new areas that are more conducive. That is the growth opportunity. There will be more growth in the need for that than there will be growth for young people, looking at the demographics.

David Sinclair: It is not just retirement communities. There are only so many premiership footballers in Deansgate to buy those expensive flats. We need to be thinking about how to get older people into the flats in city centres. City centre flats with concierge services are great places to age well; that absolutely has a strong market potential. The challenge that that sector has had is that it is sometimes easier to sell a big block of flats to Hong Kong or Singapore than it is to convince someone to move from a four-bedroom house in Islington into a nice flat in the centre. It strikes me that fiscal and other reasons might readdress that balance. However, you are right, there is a huge market potential.

Q114 **Lord Lamont of Lerwick:** I want to ask you about the evidence that some people think that midlife mortality is increasing in certain countries and health worsening. This is mainly thought of as being the US and UK. In the US, evidence shows that working-age adults have been dying at higher rates than their peers in similar countries. In the UK, midlife mortality has been increasing for people between 45 and 54, while at the same time, instead of improving, death rates are stagnating among younger groups. Do you agree with that? What do you think the implications of that are for the general issues that we are discussing here?

Professor Jonathan Skinner: It is a good, concerning question. Unfortunately, the United States leads the way when it comes to rising mortality. I have done some research on this to try to understand the

widening divide between people with and without college education. It turns out that the midlife mortality rates of people with college education have been steadily declining. It is only the people who do not have college education, in some states way more than in other states.

The concern is what happens when these people who are in midlife, who have a lot of chronic disease and are often in pain, reach 65 and become quite a bit older? A recent study by David Cutler at Harvard and others looked at this issue and found that a lot of people are in good health proceed through, but people who 20 years ago would have gotten sick at age 63 are now getting sick at age 58. The onset of these chronic diseases is much earlier.

Great Britain has this flattening as well. It is not as severe as in the United States. What that suggests or predicts is, again, widening disparities in health and longevity, perhaps by income—but in the United States we find really strong divides by education. That brings one back to this idea of perhaps, for these people who are chronically ill, being able to tap into some of their retirement benefits earlier because, if they are not working in their 50s, they will not be working in their 60s either.

Lord Lamont of Lerwick: What is the cause of this? Is it economic change or deindustrialisation?

Professor Jonathan Skinner: This is a contentious issue. In a recent unpublished paper, my colleagues Ellen Meara, Chris Foote and Luke Stewart and I found that the leading predictor of these midlife mortalities is the county-level smoking rate. Some of that is causal, just because smoking causes a lot of problems everywhere, and all kinds of diseases, not just lung cancer. In fact, lung cancer is only a very small part of it. However, it is indicative of an isolation and the fact that some people have referred to smoking-related diseases as a death of despair in the sense that they are not part of a community that avoids unhealthy behaviours. That may be true as well.

I noticed that Glasgow has a smoking rate that is twice that in London, and they also have quite high mortality rates. Again, is this a symptom of larger issues or is this a cause that is more difficult to determine? Those kinds of health habits are important. It turns out that smoking is far more important than obesity or lack of exercise. It seems to be the proverbial smoking gun, if I may.

Lord Londesborough: Are you referring to the US here?

Professor Jonathan Skinner: This is US data.

Lord Londesborough: In this country, the rate of smoking has tumbled. I do not have the figures, but obesity is regarded as the number one burden for the NHS.

Lord Lamont of Lerwick: It is true about Glasgow as well.

Professor Jonathan Skinner: Yes, but this is interesting because it has also tumbled in the United States.

Lord Londesborough: Yet healthy life expectancy in the US has taken a very big dive.

Professor Jonathan Skinner: Part of that is deaths of despair—it is addiction to opioids and drinking and things like that. There is also a lagged effect of smoking. From the studies by Dr Doll of physicians in England, those who smoked and those who did not had pretty much the same mortality rates until 25 or 30 years on when, all of a sudden, the smokers started dying off. It is the smoking that you did in the 1990s that is coming home to roost.

David Sinclair: The actuarial profession will make exactly this point. Even if you banned smoking tomorrow, it would take a long time to have impact, because the harm is already done. Our global Healthy Ageing and Prevention Index shows—it was the Covid year, so it may not prove the same going forward—that we were living eight months less in 2022 than we were in 2019 across the world, and healthy life expectancy had fallen by seven months. In the UK, the UCL has done work that shows that baby boomers were one and a half times more likely than previous generations to have major health conditions. People in their 40s and 50s are expected to live longer but in poorer health.

The Glasgow effect is interesting, but it is not just Glasgow. Our global index shows that some parts of the UK have lower healthy life expectancy than some of the world's poorest countries. Glasgow has a healthy life expectancy of 55.5, which is the same as Eritrea. Belfast has a healthy life expectancy of 55, which is just above Burkina Faso. Blackpool has a healthy life expectancy of 54.5, which is slightly lower than Angola. We have significant challenges with healthy life expectancy in parts of the UK.

Baroness Liddell of Coatdyke: There used to be lots of factories in Glasgow. I can remember as a child seeing these big factories. I never smoked.

Q115 **Lord Liddle:** We have just been discussing the question that I was going to ask, about how important regional inequalities are in the way people age and the main explanations for that. If I may be anecdotal, I was knocking doors in the Hamilton by-election near Glasgow a fortnight ago and met some chap who was on his way out to see his wife, who was in an old people's home. I helped him to the bus because he could hardly walk. I asked him how old he was and he said he was 62. In my experience, these inequalities are certainly big.

David Sinclair: One example we may have not talked about is coastal inequalities. Chris Whitty has made a big thing of this in the last few years. Older people disproportionately live in seaside places. They do not necessarily have access to the same healthcare because of issues with the number of dentists and doctors who want to work there. More

significantly, if you have a stroke, you need a service very quickly, and most of the stroke services are not in coastal areas—they are in cities. We have a problem that people have moved to or not moved from coastal areas in old age; it is not just our housing, as we were talking about, but our healthcare that has not adapted. We have significant issues with how to get someone quickly to support services in the coastal areas. As I say, Chris Whitty is keen to explore what public policy can do.

Across Europe, in central and eastern Europe there is an interesting situation whereby outward migration of younger people means that you have a slightly different demographic balance, driving fairly rapid ageing. However, there are potential things that can be done. Canada offers interesting services that attempt to reach remote populations with prevention and care. You can do things like that. One area with huge potential is hospital from home services; they are growing in the US where they are starting to take more and more services directly to people rather than going to physical infrastructures. I suspect that some of the low and middle-income countries will not build hospital infrastructures in the way we have built them here. We will be looking at how you use 5G technology plus technology at home, and that has huge potential for some of these poorer communities.

Lord Liddle: Again anecdotally, when I visit Spain and Italy on holiday, I am always struck by the number of very old women across the social range. The figures show that their life expectancy is good. Why are they not affected by regional inequalities in the way that we are in the UK, where there are such big divergences in healthy living and all that?

Professor Jonathan Skinner: I hesitate to jump into an analysis of Italy, but there is a very large difference in the quality of healthcare and, I believe, in longevity between northern and southern Italy. In other words, if you are down in the boot, in Puglia or places like that, at least from the studies I have seen, the quality of the healthcare is not particularly good.

I want to come back to this issue about the very large differences in where older people are living. As David said, in regions such as Norfolk, east Devon and Dorset, nearly a third of the population is 65-plus, in contrast to most of the rest of the country, where it is closer to 10%. I am worried about the mismatch between healthcare services and the population of older people. I do not know what the statistics are but sometimes, if you see a community where seven of the physicians are approaching 65, you can reasonably predict that in the next 10 years they will be retiring. There is this idea of a linchpin physician, that is somebody at the centre of physician networks and knows who to refer their patients to. When you lose them, you can lose that continuity of care. Again, you can find that out beforehand. You do not have to wait until it happens. If you know the ages of the physicians, you can make a pretty good guess as to when they will retire and start thinking about having a better match between the physician-supplied primary care

geriatricians and what are clearly, as in these coastal communities, ageing patients.

Lord Agnew of Oulton: David, you mentioned one region in this country that had a comparable age death rate to Angola. I did not hear which one it was.

David Sinclair: Blackpool's healthy life expectancy is 54.5. Angola's is 54.8. Of course, within Angola there will be significant variances as well. It highlights the opportunity in how and where we can invest. Where do the Government invest your buck to deliver the return? Before the last election, the Conservative Government announced a positive initiative; they invested £40 million or £50 million into preventive health initiatives. That says to me that that should go to places like Blackpool, where it might have a more significant impact and return than in other areas.

To come back on your question about men versus women, of course a bit of it is that men were historically more likely to drink heavily and smoke, in certain places, and that will be part of the driver as well.

Q116 **The Chair:** I will ask one final quick question to you both. As people who study international comparisons in this area, you have given us some excellent examples from Japan, Australia, Holland and elsewhere. Are there any other countries, or policy areas within particular countries, that you would point us to? Not that one can naively just parachute practice elsewhere into this country—but people often mention Iceland and Singapore. I am sure that you have studied these. Would you point us to anything in particular that has not come up so far? It is a horrible question, I know, at the end. I apologise.

Professor Jonathan Skinner: I recommend not looking at Singapore. It has very low costs of long-term care, in large part because so many families hire help from Malaysia right next door, and the help looks after people as they get older. There is a tremendous advantage there in taking pressure off the long-term care system.

David Sinclair: This is where the real opportunity is for the UK. Nowhere really smashes everything. Singapore is interesting. It has a mandatory 40% pension scheme, but you can draw it down for housing as well. It has a solid scheme, but there is no safety net. If you fall through the gaps, you are potentially in a significant place. Places such as Iceland are interesting. Different countries are better at different things. Iceland, for example, is pretty good around older workers.

We find that countries that do best on our index—and there is not much we can do about this—are smaller, with smaller population sizes. Maybe there is something around the role of regional governments; maybe government at a more local level can help. Smaller countries work; our top 10 is Iceland, Switzerland, Sweden, Singapore, Norway and Australia, countries with small populations. They invest in health and prevention. Countries at the top spend more money on prevention, health and preventive health more broadly. We see that, if you spend more money

on health and preventive health, you work more, volunteer more, care more and spend more. That for me is core.

We have talked about more doctors investing in universal health coverage. They are all things that we can start to see, but I would not say there was any country that you would say is the perfect place. Some are good for income, and some are better for health. Perhaps to finish with some final advice, the US remains one of the wealthiest countries in the world, but it does pretty poorly on our index because of its life expectancy and healthy life expectancy. It does very well in happiness. Japan does pretty poorly in happiness, despite being number one in life expectancy and healthy life expectancy. You can see that even our top 10 have a lot to do.

The Chair: Okay. Thank you both very much for such a wide-ranging set of remarks. We are grateful to you both. In particular, I am thankful that you brought up Keith Richards, because now we have an excuse to put Keith Richards into our final report. As a Stones fan, that is quite a nice thought.

Lord Agnew of Oulton: Can I ask a quick thing? Professor Skinner, you mentioned a few questions back a report showing the comparative fall in GDP relative to average age of states, and you mentioned Utah and Maine. Could you send the link of that report to our secretariat? It sounded quite powerful. I am interested in lifelong learning. David says we should not waste time teaching 80-year-olds, but in the big zone between 55 and 70 there is reskilling, and we could be heading in that direction. Was Utah the old one or was it all the other way around?

Professor Jonathan Skinner: The Mormon Church is very active in Utah, and Mormons have a lot of children.

Lord Agnew of Oulton: They are the young ones?

Professor Jonathan Skinner: Yes, they are the young ones.

Lord Agnew of Oulton: Will you send us the link?

Professor Jonathan Skinner: I will send a few papers along.

The Chair: We may have a couple of other follow-up requests for things you mentioned. Thank you in advance for that. Anyway, we thank you again very much. With that, I can say the meeting is now concluded.