



Newsletter

October 2009 events update

The Social Market Foundation is an independent public policy think-tank. It holds seminars and conferences and publishes pamphlets and books, all of which aim to elucidate the idea of the social market and explain why it is a fruitful source of solutions for public policy problems. Market economies must be social in two senses. First, no sophisticated economy can exist without an overlapping network of institutions in the public, private and voluntary sectors. Second, although markets are the most powerful and effective means of allocating resources yet devised, they can have unwanted social consequences which necessitate public action. It is to this question, defining the proper remit of the market and the state, that the work of the Social Market Foundation is principally devoted.

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Social Market Foundation

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Welcome to this special edition of the SMF newsletter

Recent news

The Social Market Foundation enjoyed another successful party conference season. We hosted over forty fringe meetings across the three conferences, with topics ranging from competition and regulation to the future of the public transport. Some event highlights included:

- **Lord Mandelson's** speech on 'Britain's Economic Future' at our Labour conference keynote event.
- **Vince Cable MP's** debate with SMF Director Ian Mulheirn on 'Where now for the state and the market' at Bournemouth's Liberal Democrat conference.
- **Oliver Letwin MP** and **Theresa May MP** in discussion with **Brendan Barber** of the TUC on welfare to work and economic recovery at our Conservative conference keynote event.

We are very grateful to all those organisations that sponsored our events, and to the speakers and attendees who made them such a success.

SMF autumn/winter programme

The SMF's autumn/winter programme is now well underway. In the next few weeks we will be hosting a number of events across a range of topics, details of which can be found below.

In addition to these events we will shortly be publishing details of seminars on regulation, the financial services industry, volunteering, hospital closures and support for small businesses. To find out more about any of these events and how you can work with the SMF please contact David Furness, dfurness@smf.co.uk or 0207 227 4410.

Forthcoming Events

Can we get Britain working: welfare reform under the Conservatives

Date: 8:45-10:00am Wednesday 21 October
Venue: SMF, 11 Tufton St, London, SW1P 3QB
Speaker: Lord David Freud, Shadow Minister for Work and Pensions
Chair: Ian Mulheirn, Director, SMF

Welfare to work is at the top of the political agenda. Not only has October 2009 seen the introduction of the Flexible New Deal, the Conservative Party has recently announced plans for in 'Get Britain Working' to tackle long-term unemployment. The recession has made more urgent the task of placing jobseekers into appropriate employment, with fresh challenges and opportunities for welfare to work providers.

This roundtable discussion will be led by Lord David Freud, architect of the Flexible New Deal

Figures released in July 2009 revealed that the numbers of long-term unemployed had reached an 11-year high of 528,000. The number of available job vacancies has also hit a record low, with just 421,000 in June 2009 - down by a third from the previous year. Employment services providers may be dealing with many more jobseekers than they originally anticipated in Flexible New Deal contracts. The challenge from October will therefore be to determine the best means of efficiently identifying and addressing the needs of this enlarged cohort of jobseekers.

This roundtable discussion will be led by Lord David Freud, the architect of the Flexible New Deal and an influential voice in the formulation of Conservative party policy on welfare reform. He will be addressing the question of how providers should respond to increasing numbers of jobseekers and giving an insight into Conservative party thinking on welfare to work.

Questions to be addressed include:

- How does Conservative policy differ from current government plans?
- Is the pricing structure for welfare to work providers set out in 'Get Britain Working' the right one?
- What would a Conservative administration mean for the Flexible New Deal?

If you would interested in taking part in this seminar or in sponsoring this event please email events@smf.co.uk or telephone 020 7222 7060

Evaluating options for funding long-term care

- Date:** 4:30-6:00pm Tuesday 27 October 2009
- Venue:** SMF, 11 Tufton Street, London, SW1P 3QB
- Speakers:** James Lloyd, Senior Research Fellow, Social Market Foundation
 Dr José-Luis Fernández, Deputy Director, PSSRU, LSE
 Andy Harrop, Head of Policy, Age Concern and Help the Aged
 Lord Lipsey, Chair, Social Market Foundation
- Chair:** David Brindle, Public Services Editor, The Guardian

The publication of the social care Green Paper, "Shaping the Future of Care Together", represented a significant moment in the ongoing debate on how to fund older people's long-term care. The Green Paper put forward three options for funding older people's long-term care. The first incorporates a 'partnership' approach to state funding which, like the current system, is a means-tested co-payment model, but with public spending on disability benefit payments likely to be reallocated through a 'National Care Service'. The second and third models put forward a voluntary and mandatory approach to long-term care insurance for older people, with the emphasis on giving individuals choice in when and how to pay, including a lump-sum at retirement, through income contributions or as an estate-charge. Multiple questions remain to be explored about the design of such an insurance approach.

Multiple questions remain to be explored about the design of an insurance approach to long-term care

This SMF public debate will therefore address the following themes:

- 'Voluntary versus mandatory insurance': How should politicians choose?
- 'Take-up' - If a voluntary approach to insurance were adopted, which would achieve the highest rates of take-up for insurance: a state-run insurance scheme or a private market in long-term care insurance?
- 'Premium and benefit design' - How should insurance premiums and benefits be set? What would be the implications of a state versus private insurance approach for the design of premiums and benefits, e.g. the use of 'community risk'-rated premiums, flexibility in contributions, minimisation of transaction costs, etc.?
- 'Accommodation costs' - Given that the Green Paper excludes consideration of accommodation costs, are parallel insurance options or equity release schemes required to help individuals prepare for the risk of such costs? How important is it for the government to focus on this issue?
- 'Long-term fix' - Is it correct to argue that in the long-term, the best way to insure against potentially 'catastrophic' costs in the final years of life, such as long-term care, is to spread contributions evenly across the working-age 'accumulation' phase? If so, which options for insuring long-term care for the current older generation would be the most 'forwards-compatible' with a subsequent transition to working-age insurance contributions?

If you would like to attend this seminar please email events@smf.co.uk to reserve a space or telephone 020 7222 7060

Commissioning, pharmacy and general practice: what does the future hold?

Date: 8:45-10:15am Thursday 29 October 2009
Venue: SMF, 11 Tufton Street, London, SW1P 3QB
Speaker: Mark Simmonds MP, Shadow Minister for Health
Chair: David Furness, SMF

The Pharmacy White Paper set out in early 2008 the potential for pharmacy to offer NHS treatment as an alternative to the GP, support individuals with long-term conditions, play an expanded role in vascular screening and develop new services to offer to local commissioners. Clearly pharmacy can play a crucial role not only in delivering better value but in improving the diversity of services available to patients.

There is a challenge for commissioners to make the most of pharmacy services to complement traditional general practice. Mark Simmonds MP will be setting out Conservative party policy on commissioning and pharmacy, with a focus on how hard budgets for GPs might impact on the commissioning environment.

The business case for change must be compelling if reform is to be achieved, and pharmacies have an important role to play in demonstrating the value of their services to the agencies that hold NHS budgets. In the context of a severe economic downturn, there is considerable pressure on commissioners, GPs and pharmacists to make the changes that are needed for the NHS to weather the financial storm.

- What are the current challenges for commissioners in moving services into the community?
- Will the challenge of moving services be greater if commissioning responsibility moves from the PCT to the GP?
- What incentives should be introduced to make sure that commissioners and GPs take advantage of the potential benefits of delivering services through pharmacy?
- How can pharmacy improve its ability to demonstrate a business case for its services?
- What contribution can pharmacy make to improving efficiency and diversity of NHS services?

A buffet breakfast will be provided.

This event is kindly supported by Novartis Vaccines

If you would like to take part in this seminar please email events@smf.co.uk to reserve a space or telephone 020 7222 7060

Mark Simmonds MP will focus on how hard budgets for GPs might impact on the commissioning environment

Increasing take up of Child Trust Funds

Date: 8:45-10:00am Wednesday 25 November 2009
Venue: SMF, 11 Tufton Street, London, SW1P 3QB
Speakers: Dr Rajiv Prabhakar, London School of Economics and the Open University
 Brian Pomeroy CBE, Chair, Financial Inclusion Task Force
Chair: Ian Mulheirn, Director, SMF

A significant social policy innovation of the last decade has been introduction of Child Trust Funds (CTFs). These tax-free savings accounts for children born after September 2002 are designed to encourage saving, increase financial capability, and unlock other benefits identified by the asset-based welfare agenda. All children receive at least £250 from the government for these savings accounts, with the children of poor families receiving £500. Children are able to access the funds built up in a CTF at the age of 18.

Parental engagement is a crucial facet of the CTF policy. First, parents are expected to open a CTF for their new-born child and choose which type of account, and from what provider. Second, parents are encouraged to make ongoing savings into their CTF. However, rates of take-up for CTFs vary. On average, 26% of parents do not open a CTF, and this figure is higher among lower socio-economic groups. Although the government will open a CTF for a new-born child after one year if the parents have not done so, the lack of parental engagement among the most deprived groups is a significant stumbling block for the CTF scheme.

This seminar will therefore explore the ways in which behavioural economics theory may both explain non take-up of CTFs by parents, and provide potential pointers toward increasing parental engagement. The seminar will explore issues of inertia, advice and information, and draw upon focus groups with parents that explored barriers to the usage of CTFs.

Key questions for discussion will include:

- What insights can behavioural economics provide for explaining problems of parental engagement with CTFs?
- Can solutions derived from behavioural economics and applied to other problems of financial behaviour be used to increase engagement with CTFs, such as 'choice framing'?

A buffet breakfast will be provided

This event is kindly supported by the Economic and Social Research Council



If you would like to take part in this seminar please email events@smf.co.uk to reserve a space or telephone 020 7222 7060

The lack of parental engagement among the most deprived groups is a significant stumbling block for the CTF scheme

The Social Market Foundation

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