The Health Foundation's response to the Fabian Society inquiry: roadmap to a national care service

12 September 2022

About the Health Foundation

The Health Foundation is an independent charity committed to bringing about better health and health care for people in the UK. Our aim is a healthier population, supported by high quality health care that can be equitably accessed. We learn what works to make people's lives healthier and improve the health care system. From giving grants to those working at the front line to carrying out research and policy analysis, we shine a light on how to make successful change happen.

Key points

- Good social care support should help people to lead independent and fulfilling lives. Currently, this is not always the case. The adult social care system in England is on its knees, scarred by decades of political neglect. Many people go without care they need or pay high costs for care, some experience poor quality care, staff have low pay and poor working conditions, and unpaid carers are plugging the gaps.

- Demand for social care is likely to grow. Our population is growing and ageing – and disabilities and long term conditions are increasingly prevalent. We estimate that 600,000 more staff will be needed by 2030/31 to improve services and meet demand for care.

- The current government's 'vision' for social care fails to address fundamental problems in the sector and ensure we have a sustainable care system for the future. A National Care Service must address three immediate priorities: expanding and improving services; improving jobs in the sector; and increasing state protection against care costs.

- We estimate that an additional £9bn a year by 2024/5 is required to meet the needs of an ageing population, improve access to care, and enable local authorities to pay care providers more to improve the quality of care and increase pay for staff.

- Additional funding for social care is necessary but insufficient to address problems in social care, including low pay for the workforce. A new government must develop a fully funded plan for supporting and growing the care workforce.

- Plans to introduce a cap on care costs will protect some people from catastrophic costs but are less fair and generous than originally proposed. Options to expand state protection against costs include lowering the cap to create a more universal social care system in England. Without more comprehensive reform and additional funding, social care will remain a limited safety-net.

Introduction

Good social care support should help people lead independent and fulfilling lives. Currently, this is not always the case. The adult social care system in England has been scarred by decades of political neglect. Politicians have not planned ahead to ensure that everyone who needs care receives it and that care improves over time. When the pandemic hit, spending per person on social care was lower in real terms than a decade earlier and successive governments had failed to deliver much-needed reform. The impacts are clear: many people go without care they need or pay high costs for care, some experience poor quality care, staff have low pay and poor working conditions, and unpaid carers are plugging the gaps.

The Conservative government's current plans on reform and funding for social care are not enough to change this picture. Last year, its ten year 'vision' for the sector set out some additional funding and important reforms to social care funding, including a 'cap' on the total an individual has to pay towards their care costs over their lifetime and an extension of the means test. We welcome the introduction of a cap, which will protect some people against catastrophic costs. But reforms to the charging system are less fair and generous than originally intended, significantly reducing protection against large costs for people with lower wealth. Current plans stop well short of fundamental changes needed to improve social care.

Future demand

Demand for social care in England is likely to grow. The total UK population is projected to grow to 69.4 million in 2028 and 72.4 million in 2043. Our population will age – the proportion aged 85 and over is projected to almost double from 2018 to 2043. And the number of younger adults needing care because of a disability is likely to continue to grow. The proportion of people aged 18 to 64 reporting a disability in the UK increased from 14% in 2007 to 18% in 2018 – a total rise of 35% when combined with population growth.

The relationship between burden of disease and social care need is complex. But the proportion of people with multiple long term conditions in England is projected to almost double between 2015 and 2035. The implications of these demographic changes for services and the workforce will be uneven. The older population is not equally spread and people in deprived areas are more likely to have multiple conditions, at younger ages.

More people will be needed to provide care. In 2021, the Health Foundation projected over 600,000 additional full-time equivalent (FTE) staff would be needed in social care in England by 2030/31 to improve services and meet expected demand. Recently, Skills for Care estimated that the number of social care posts would increase by 480,000 (27%) by 2035, if the workforce merely grew in proportion to the number of people aged over 64 in England.

Reform priorities

Without more comprehensive reform and significant additional funding, the social care system will remain a limited safety-net. A National Care Service must address three priorities: expanding and improving services; improving jobs in the sector; and increasing state protection against care costs.

1) Expanding and improving services

There are currently high levels of unmet need for social care. Requests for support increased between 2015 and 2021 but the number of people receiving publicly funded long-term care fell by 3,000 during this period. The recent charging reforms mean that more people will meet the means tested threshold for receiving publicly funded services and some

people will be protected from catastrophic care costs. But many people will still have to pay for care themselves, turn to family and friends, or go without.

A decade of funding cuts (particularly affecting the most deprived areas) have also affected the financial viability of social care providers. The amount local authorities are able to pay towards somebody's care in care homes is less than it costs to provide it. Many social care leaders report that providers in their area had closed, ceased trading, or handed back contracts, affecting the people they care for. Funding pressures also limit the development and spread of innovative and more relational approaches to care. Councils often have to commission care by the minute – with little space for people's voices or choices.

When people do access services, their quality of care is variable. People are often cared for well. But some care services remain consistently poor quality or are getting worse. The CQC has highlighted the declining quality of mental health, learning disability and autism services in particular. There is evidence of unacceptably poor care and instances of abuse remain.

Tackling unmet need and improving care will require significant additional investment. Currently, promised funding for social care is barely enough to meet growing demand for care over the coming years – let alone improve care and provide more to people who need it. We estimate that an additional £9bn a year by 2024/25 is required to meet the needs of an ageing population, improve access to care, and enable local authorities to pay care providers more to improve the quality of care and increase pay for staff.

Investment alone will be insufficient to address these problems. Currently, governance and accountability arrangements in social care are complex. Department of Health and Social Care holds national policy responsibility for social care but not for financing local authorities who commission publicly funded care. There is far less national oversight than the NHS, which contributed to failures in the pandemic response in social care. But nationalising social care – bringing its provision into public ownership – would not necessarily improve services[1] and would be costly and time-consuming. There are 17,900 providers of social care in England and most are independent. For example, just 10% of care homes for older people are run by local authorities or the NHS, 76% are for-profit and 14% are not-for-profit. National policymakers should focus on the mix of other options they have available to improve social care, including through stronger government intervention or regulation.

National policy must support providers to innovate services. There are existing examples of new forms of care, such as Shared Lives (a national home share scheme) and Somerset Carers (a place-based platform enabling relational support). A national care service could include a national framework setting out the values and parameters that enable small-scale solutions to spread. Our work on improving health services illustrates the need for national bodies to provide individual providers with a shared vision for change, as well as ensuring that local health and social care systems have enough resources, time and autonomy.

---

[1] The limited evidence base on the relationship between provider ownership type (public, private or third sector) and care users' outcomes does not suggest that public ownership would necessarily improve outcomes in social care. Studies from the COVID-19 pandemic did not find a correlation between ownership type and infection rates. Qualitative studies find that social care commissioners and providers describe problems with employment conditions and quality of care in all provider types.

Support for unpaid carers
Most social care is unpaid and informal. The UK has a high level of informal care compared to other OECD countries. Publicly funded social care may be provided alongside unpaid care. And social care supports carers directly, with grants, services and advice. Cuts to these services mean that it is likely that carers are going unsupported.

Health Foundation analysis before the pandemic showed that the quality and outcomes of social care services for unpaid carers varied. Half of carers accessing support said that caring had caused them financial difficulties and a quarter reported developing health conditions because of their caring role – this was worse for carers of younger adults than carers of older people. Carers of younger adults may have fewer resources because they are more likely to be younger themselves, female and have additional caring responsibilities.

Caring responsibilities are not shared equally. Analysis from the pandemic found that nearly 70% of carers providing 20 or more hours of unpaid care each week were women. Carers with Bangladeshi, Caribbean, Indian and Pakistani ethnicity were also more likely to provide very high levels of unpaid care. Carers providing this level of care also reported worse health and over 60% had multiple long term conditions.

Expanding access to direct support for carers and resourcing a sustainable social care system can help unpaid carers live healthy lives, balance caring with other responsibilities, and access breaks. Our analysis also shows that government support for unpaid carers must better reflect their diverse needs. For example, carers of younger adults are more likely to need support remaining in employment or education, as well as accessing state support. And greater attention must be paid to the needs of carers from ethnic minority groups.

2) Improving jobs in the sector

A breadth of skills and experience is needed to deliver good care. But the skills of the social care workforce are not adequately recognised or rewarded. Only half of staff directly providing care have a social care qualification. And progression may not be deemed worth it – there are only small differences in pay between care workers and senior care workers. Pay and employment conditions in social care are unacceptably poor. For example, the mean annual pay for care workers in the independent sector is £17,900 per year; zero-hours contracts and poor work conditions are prevalent.

Low pay and poor conditions in social care contribute to chronic staffing problems. Vacancies in England now stand at 165,000. Turnover rates are high. Provider organisations report increasing difficulties recruiting staff, with fewer applicants for jobs making it hard to find the right person for a role. Staff shortages affect quality of care – for example, local authority leaders recently reported that around 1 in 20 people accessing social care services were not offered their preferred care option due to recruitment and retention issues.

Employers and local government cannot tackle workforce problems in social care alone. Co-ordinated action from central government is needed. A new government must prioritise developing a fully funded 'people plan' for adult social care, setting out how many staff may be needed in future and how they will be recruited and retained. This must include options for improving staff pay.

Increasing pay will require additional funding (see section on Improving and expanding services). And, since the current system leaves it up to local authorities to incentivise higher pay or care providers to pay higher rates, any additional investment must be accompanied

by other measures to ensure it reaches staff. This might include a sector-specific minimum wage, sectoral wage board, or new standards built into provider contracts—though these and other measures need to be looked at in the round as part of a comprehensive strategy for supporting and growing the care workforce.

3) Increasing state protection against care costs

Under the current social care system, people face great uncertainty about the future care costs they may incur, sometimes having to sell their homes to pay for care or spend their savings. These risks are not spread evenly across the population. And many people end up paying for some of their care because state support is heavily means-tested.

In other parts of the economy, people are protected against these kinds of risks by insurance – provided by the private sector or the state. For example, the NHS provides insurance against the costs of health care, paid for primarily through taxes. Private sector insurance for social care is not a practical option. Government must play a fundamental role in providing people with protection against social care costs, pooling risks across the population.

There are various options for the kind of protection offered under a national care service:

- One approach is for the state to provide **universal and comprehensive social care**, with the state covering individual care costs, a bit like in the NHS. The cost of this would vary depending on what is included in the state's 'offer' – for example, the level of social care need and types of support covered. In 2019, we estimated that up to £12bn a year would be needed if the state covered the costs of everyone receiving adult social care services in England (assuming all self-funders were eligible for publicly funded care and not including the likely additional costs of meeting unmet need that would present because of the policy change).
- An alternative is for the state to provide **basic protection against care costs for everyone**. For example, in Scotland, the state provides free personal and nursing care to people in their own homes and contributes towards costs for those in care homes. Support is provided regardless of someone's assets if a needs assessment identifies that they require support. In 2019/20, introducing the Scottish system in England would have required around £4bn, growing to £5bn by 2023/24.
- The current government's approach is to insure against risks at the other end of the spectrum to the Scottish model, **protecting individuals against catastrophic care costs**. Under the capped cost model (proposed by the Dilnot Commission in 2011), people with sufficient means pay their own care costs up to a cap. After that, the state pays (though some costs – like accommodation in a care home – are not included).

The current government approach and using the capped cost model flexibly

An important advantage of the capped cost model is that it has been legislated for in the 2014 Care Act and planning has begun for its implementation. In 2021, the government announced that it would operationalise the cap and make the means test for accessing local authority support more generous (from October 2023). These changes – funded by a new health and social care levy – significantly expand state support for social care costs.

The Care Act set out that all personal care costs (including publicly funded support for people with low assets or income) would count towards a cap. But under a government amendment to the Care Act earlier this year, means-tested social care support does not count for an individual's progress towards the cap (set at £86,000). This significantly reduces

protection against large costs, particularly for people with only modest wealth. Those in less wealthy regions would see the biggest erosion of protection. The amendment also affects support for younger adults, meaning they could continue to pay for their care for decades.

In the short term, amendments to the cap could be used to help provide greater and fairer protection for people against social care costs. For instance, reverting to the original version of the policy would provide greater protection for people with lower levels of wealth. And the cap could be combined with other reform proposals, such as free personal care or full coverage for certain groups. For example, the Dilnot Commission recommended free state support for people entering adulthood with care needs, rather than subjecting them to a means test – since the cap generally does relatively little to help younger adults who rely less on self-funded care as they tend to have fewer assets than older people.

Over the longer term, the cap could be used flexibly by government based on political choices about the balance of responsibility between individuals and the state – as well as more pragmatic decisions about how much cash they are willing to spend. A universal and comprehensive model, for instance, could be achieved by lowering the cap to £0 – providing everybody with publicly funded care if their needs met nationally agreed eligibility criteria.

Relevant resources

- ‘Public perceptions of health and social care: what the new government should know’, Public Polling, September 2022
- ‘Does the cap fit? Analysing the government’s proposed amendment to the English social care charging system’, Report, February 2022
- ‘Workforce: recruitment, training and retention in health and social care’, Select Committee inquiry response, January 2022
- ‘Spending Review 2021: what it means for health and social care’ including latest funding gap estimate, Analysis, November 2021
- ‘The value of investing in social care: What are the benefits of further funding for reform to adult social care in England?’ Briefing, October 2021
- ‘Health and social care funding projections 2021’ including latest workforce projections (pages 69-70), Report, October 2021
- ‘Social care for adults aged 18-64 in England’ Report, April 2020
- ‘What should be done to fix the crisis in social care?’ Long read, August 2019