

## **Social care and Spring Budget 2017: what the Government must do**

In Age UK's recently published *Health and Care of Older People in England 2017* report we showed just how fragile the social care system that millions of older people rely on has become. So the Government must act, but what does it need to do?

Media reports suggest there may be a Spring Budget announcement of some kind, but the problems facing social care are so deep and complex that there can be no quick fix: another 'sticking plaster approach' such as we saw last year would be insufficient to arrest its disastrous decline.

The Prime Minister has recently commissioned an internal Government review of social care and integration, based in the Cabinet Office. This is potentially very important but a lot depends on the breadth of its scope and its underlying assumptions – as well, of course, as what Government actually does in response.

That's why Age UK is setting out a series of principles against which we will judge both the outcomes of Spring Budget 2017 for social care for older people, and any Government statements made on the day about strengthening social care in the longer term.

Social care is used by older people and by disabled adults, and is equally crucial for both groups. This briefing looks at the issues specifically as regards older people but of course, we need a care system that serves all its users well.

### **Let's be clear: social care means 'personal care'**

When we use the term 'social care' in this briefing we are using it in the sense of 'personal care' to help older people with essential activities of daily living: getting in and out of bed, going to the toilet, washing, dressing and making a meal. Previous Age UK analysis has found that 1.2 million older people in England who have difficulty with at least one of these activities are not receiving enough personal care to meet their needs. Full information is in our *Health and Care of Older People in England 2017* report.

So it follows that community resources like lunch clubs and day centres, incredibly helpful to older people though they are as sources of lower level support, are not 'social care'. Age UK and many others are very worried about the erosion of these kinds of community services as a result of council cuts, because they play a valuable preventive role, but they are not what we mean when we use the term 'social care'.

It also follows that when politicians or anyone else talks about the need for 'families to do more' in the context of social care (of which more below), whether they realise it or not they are really asking relatives to undertake personal care for their loved one, which may need to include any of the tasks set out above. They are also asking them to do it without fail, since activities like going to the toilet or getting washed happen day in, day out. Providing social care therefore entails much more than

keeping in active touch with an older relative and giving ongoing emotional and practical support; certainly, help of this kind makes an enormous difference and Age UK would urge everyone to offer it - and many millions of people of course do – but it is not the same as providing ‘social care’ in the sense of ‘personal care’.

### **How Government should proceed**

#### **1. We need a twin-track approach that provides emergency funding for social care in the short term in the Budget to buy enough time for a longer term solution, developed through a wide-ranging review**

Social care needs emergency funding now to prevent its complete collapse and the quantum needs to be sufficient to buy enough time for a review to develop a longer term solution – so realistically enough for 18 months to two years.

The current social care system is being crippled by a number of inter-connected problems, the most glaring of which is its chronic under-funding. However, other problems bedevil it too, such as inconsistent and often poor quality and difficulties in accessing care among those in need of it. In addition, there are acute recruitment and retention problems and provider flight from the council-funded end of the market. Insufficient funding underlies most of these problems but unfortunately, finding a funding solution will now not be enough to resolve them, so entrenched have they become. Thus, we need a review that takes a broad policy approach, one that analyses the problems facing social care as a whole and how they interact and that tackles them in a joined up manner. Making social care financially sustainable is necessary but it will not be sufficient to give us the system older people deserve.

#### **2. Central Government is responsible for developing a longer term solution and for leading a review to generate it, but it should be informed by the views of users, families, commissioners, professionals and providers and engage the public in the question of how to pay for it**

The responsibility for creating a decent, sustainable social care system is first and foremost Central Government’s but users, professionals and many others should have their say and the wider public needs to be fully engaged in discussions about expectations, delivery and funding.

Alongside medical advances, an ageing population is the biggest factor increasing demand for health and social care services. However, it is not fair to ‘blame’ older people for a worldwide demographic trend which we ought to celebrate and which previous governments of all colours have known about for a long time and yet have declined to grip and respond to.

**3. The process of change that a longer term review eventually decides on will need proper planning and realistic resourcing over 5+ years; a formal cross-party approach is an option, but what really matters is that MPs on all sides behave responsibly**

The process of improving social care and moving it onto a sustainable financial basis must be properly planned and realistically resourced, over at least a five year period. This is because it will take at least this long to resolve all the problems facing it and to put the system onto a sustainable path.

The fact that this process will span more than a single Parliament does not necessarily mean that a formal cross-party approach is required, though that is an option, but it does mean that politicians need to behave responsibly. It is reasonable for the public to assume that MPs on all sides will genuinely seek a way forward on the issue and will not put party advantage above the needs of older people. This is the least that should be asked of them, given the failure over many years of successive governments to face up to the challenge.

**The assumptions and goals that should underpin a longer term review**

**4. Supporting older people to be independent at home for as long as possible should be affirmed as a central tenet of Government policy and underpin the thinking of any longer term review**

The overriding aim of our health and care system so far as older people are concerned should be to help them to sustain their independence, health and wellbeing at home for as long as possible. This is what almost every older person says that they want and it represents good value for the taxpayer too.

One of the most important policy consequences is that we must ensure the system is doing enough to incentivise and support social care in older people's own homes, and to discourage premature admissions to care homes. Care homes are a crucial setting for older people with pronounced needs (of which more below), but there is a risk that some older people go into them too early, especially if they are relatively well off and are funding their own care. They may then run out of money later on, which is traumatic if it means they cannot stay where they are because their council will not pay the fees but instead requires them to move to a cheaper (and often lower quality) setting, once they take over responsibility for paying their bills.

**5. We should aspire to make it *easier* for older people to access social care because delivered well it enhances their ability to cope at home and is cost effective – today the system is too opaque and access to it too bureaucratic, plus it's a post code lottery**

When delivered skilfully, social care is effective in helping older people to live well and can postpone or avoid some demands for expensive healthcare, but at present it is almost as though the system is designed to make it as difficult as possible for older people and their families to find the help they need. This must change.

Recent Age UK research suggests that many older people would prefer to talk about an emerging need for social care at their GP's since this is where they are used to discussing deeply personal issues: this could be achieved, for example, through a co-located service.

If it is to become easier for older people to acquire social care if they need it the system through which it is provided must become a lot more straightforward than it is today to understand and navigate, and the availability of good, user-friendly information needs to be factored in as a central element.

The notion that social care is first and foremost a local responsibility, all or most of the funding for which needs to be raised locally, ought to be firmly rejected: social care is a fundamental public service and central Government cannot escape its responsibility for guaranteeing acceptable standards everywhere, or for ensuring that sufficient funding is available to provide them, wherever an older person lives.

Certainly, there is some scope for local approaches in the provision of care, given the diversity of local needs, but only within a strong national framework that sets 'floor standards' and ensures there is adequate help everywhere. This is not true of the system we have today because it is too much of a 'postcode lottery', one that leaves too many older people with insufficient support or no support at all.

**6. We need to do more to help older people with dementia and their families through the provision and funding of good social care**

Social care reform needs to take into account the large and growing numbers of older people with dementia in our society and develop a much more effective approach to supporting them to live as well as they can. Caring for a person with advanced dementia is exceptionally demanding and asking families to shoulder this responsibility with insufficient back-up, as is sadly the experience for too many at present, is unfair and also a recipe for the care to break down, with potentially tragic consequences for the older person and their loved ones alike.

Care homes are a vital resource for older people with advanced dementia and/or other complex needs: significantly more care home places for older people with pronounced needs are required because an ageing population means demand will rise in the years to come. Similarly, there is a continuing need to upskill staff in

health and care settings to meet the needs of these older people, and to support them in what is a crucial but extremely challenging job.

**7. A public debate about our expectations of families and carers may be helpful but we must be realistic about the practicalities and recognise that the social contract between the State and informal carers is currently ungenerous and that we don't help older carers enough**

There is no reason to fear a public discussion about the role of families and informal care and it may even be helpful in clarifying what we should expect of each other in our society. However, Age UK's experience is that most families do their best and that a significant proportion do a lot more than most of us would consider reasonable. In addition, the practicalities of modern life need to be factored in: most families now depend on dual earners and flexible working is only patchily available. If Government wants to incentivise more informal caring it needs to reform these and other policies accordingly. There are also growing numbers of older people in our society with no close family, showing the importance of decent social care provision being available in every area.

If we were to have a public debate about the role of families and informal care the spotlight would no doubt turn quite quickly to the issue of how the welfare state treats carers, often people in late middle age who give up work in order to look after an ageing relative – typically their mother or father but sometimes a partner or friend. In fact these people usually receive miserly financial support in return and yet they sacrifice their current living standards and their own prospects of living decently in old age as a result. Surely this is deeply unfair and needs to change.

We are also asking far too much of hundreds of thousands of older people who themselves are caring for others – often a husband or wife with dementia and other complex needs. They risk jeopardising their health as well as their wellbeing in the process and in a civilised society we should offer them far more help and support.

**8. Further integration of social care with health is the right direction of policy travel so the outcomes of a longer term review must be framed against this context and in a way that supports its approach**

Despite some recent criticism, further integration within health and between health and care, as articulated in the NHS Five Year Forward View, remains the right approach because it improves older people's wellbeing and outcomes; any process of putting social care onto a sustainable basis must align with this and reinforce it.

Further integration is however unlikely to save much if any money in the form of cashable savings for local areas so it is not an alternative to increased funding - indeed there is a real risk that the process of integration within health and between health and care will stall unless more transitional funding comes on stream.

It follows that while the vision behind Sustainability and Transformation Plans (STPs) is the right one, STPs will not succeed unless GP, community health and social care services are substantially increased and improved in a locality *before* hospital capacity is reduced. NHS England recognition of this is very welcome.

The debate about health and social care usually focuses on delayed discharges from hospitals; this is certainly a crucial issue but it is also important to consider how to join up care more effectively across primary and community health services, social care and the voluntary sector to support older people to stay fit and well, thus helping to prevent some hospital admissions needing to happen in the first place.

### **9. Social care reform must inform housing policy and vice versa – it really doesn't at the moment so a longer term review needs to change this**

Any reform of the care system should inform and be informed by housing policy: we need many more imaginative combinations of housing and care to create a spectrum of graduated help for older people across the country. At the moment the potentially significant contribution that housing could be making to strengthen the care and support of older people is not really being exploited.

Although the Housing White Paper contains some helpful mentions of the importance of considering older people's housing needs in an area, the Government's proposed reforms to the funding for sheltered housing (Local Housing Allowance) run in the wrong direction and should be rethought.

An ageing population means it makes sense for housing policy to require all new build schemes to adhere to lifetime homes standards or other mechanisms for ensuring that accommodation can be easily adapted as an older person becomes less mobile and possibly develops social care needs; at the moment this approach is only optional, aimed at specialist housing only and local viability tests allow developers to avoid implementation altogether.

### **10. Social care reform must engage seriously with workforce planning and that means it must also inform migration policy and be informed by it**

Even after the introduction of the National Living Wage in April, social care terms and conditions will still be pretty poor. Since being a care worker is so demanding, both in care homes and in home care it is not surprising that recruitment and retention are so challenging, particularly in areas with buoyant labour markets where alternative sources of work are available.

Any process of strengthening social care must therefore grasp the nettle of workforce planning and that means that migration policy is relevant too. This is because we know that in some cities in particular, including London, the social care workforce is quite reliant on migrant labour, from both within and beyond the EU. This therefore also means that there is a Brexit angle. Either the arrangements made with the EU after the UK's departure need framing in a way that ensures people from

other EU countries can continue to play their highly valued role in the social care workforce, or a well thought out strategy for replacing their labour needs to be developed and implemented. Of course, similar issues arise in the NHS too and it is crucial that the needs of the social care workforce are not eclipsed as a result.

### **Funding the decent social care system we need**

The central issue that any long term review of social care will need to grapple with is how to pay for a decent social care system, one in which older people and of course disabled adults too can truly place their trust. There are various estimates of how much extra money needs to be found, depending on the assumptions and definitions applied. However, Age UK analysis suggests that an extra £1.65 billion a year towards older people's social care alone will be needed by 2020/21 just to stay in the desperately unsatisfactory state we are in – i.e. because of rising costs and demand – and that to expand the system so it meets all older people's unmet care needs would require an extra £5.75 billion a year by 2020/21. (For full information see Age UK's *Health and Care of Older People in England 2017* report.) In 2015/16 the budget for the whole of the NHS was more than £117 billion. Therefore, the sums required to improve social care are significant but not, in the greater scheme of things, beyond our reach as a nation.

No doubt any longer term review will want to look at a wide range of options for providing sustainable ongoing funding for social care. Below are a series of considerations that Age UK thinks should be borne in mind in approaching the task:

- Anyone can develop a need for social care, even the fittest after a catastrophic fall, so we should all have a role in funding it and we should do so in a broadly progressive manner that protects those on low incomes, just as is the case with other public services
- It has always been understood that social care should be paid for through a partnership between the individual and the State and this principle should continue to be upheld. It could be given practical expression in many different ways; for example, by the State standing behind a system that allows us all to share the risk of having to fund significant care needs in later life, if we develop them
- The logic behind this 'risk pooling' argument is that the chances of developing significant social care needs, and the extent of these needs if they do occur, are highly unpredictable. Because of this, and the fact that most of us don't want to think about future care needs because they are such a frightening prospect, only relatively few people are willing or able to save enough money from their wages or salary to pay for a risk that may well never crystallise
- As a matter of principle, Age UK favours a funding approach which minimises the stress and uncertainty for older people when they develop care needs.

Policy debates about social care often fail to take into account the upset and sadness associated with this stage in an older person's life, and of course their close family's too if they have one. This means that the State's contribution to the costs must be clear and predictable, and easy to access.

- Any proposals for change must factor in just how much older people are already paying under the current system – and for a service that may in any case not be reliably good:
  - The average cost of a residential care home place is now in excess of £30,000 a year. The cost of home care depends greatly on how much of it you need; however, bills can easily run to several hundred pounds a week if an older person needs several care visits a day – say to help them get out of bed in the morning, fix a meal at lunchtime and get back to bed in the evening.
  - Even among those older people who are in such great need and who have so few financial resources that they do meet the means-test for a free or subsidised care home place, in 1 in 4 cases their family ends up contributing to the cost to the tune of between £25 and £100 a week through the infamous 'top ups regime'<sup>i</sup>. This is meant to allow an older person's family to pay more for an enhanced level of quality but in our cash-strapped system it is often just another way of extracting additional money from families for a very ordinary care home place; indeed, it may be put to a family in such circumstances that they have no choice but to find this cash because there is no care home available locally for their loved one for which the council can afford the fees
  - Those who have to fund their own care home place because they do not meet the very tight means-test conditions (of having more than £23,500 worth of assets) are paying a 'care tax' equivalent to about £4,800 a year on average per resident in 2016/17 as a form of cross-subsidy to care homes and the State, according to industry experts Laing and Buisson. This is because the State is not paying the true cost of care for those residents they do fund.
- Under certain, very restricted circumstances the NHS becomes liable for funding the costs of social care for an older person, but the system through which this happens – which is called NHS Continuing Healthcare – is labyrinthine and navigating it often adds to the distress of an older person and their family at an already difficult time. The NHS Continuing Healthcare process should be overhauled as part of any proposals to strengthen social care so it is fairer and clearer for older people and their families
- Any proposals for change as regards the funding of social care must be informed by a factual understanding of how income and wealth are distributed across our older population and indeed across our society as a whole. For example, airy talk by some commentators of how supposedly well off our older people now are should not obscure the fact that for more than half of

current pensioners, their State Pension remains their main source of retirement income and on average is worth only around £7,000 a year

- Any supposition that older people can fund their care by withdrawing money from their private pension needs to bear in mind that many of today's older people have no private pension at all; that of those who do the median such pension is modest, especially among women; and that their pension savings can only be spent once and if spent on care then they will not be available for other things, above all the core purpose of covering day-to-day costs. In addition, in the case of a couple, if one person spends much or all of their pension pot on social care then they risk leaving their surviving partner completely high and dry in future.

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<sup>i</sup> Laing and Buisson *County Care Markets Market Sustainability & the Care Act 1<sup>st</sup> edition 2016*