

Social care reform and funding (England)

May 2019

The social care system must be reformed to guarantee high-quality support for everyone who needs it and sufficiently funded to enable current and future generations of older people to lead fulfilling lives.



'My sheets have not been changed in about six months, and my pyjamas haven't been changed this year. My care workers don't have time for cleaning, washing or changing me.' – Anonymous respondent to Care and Support Alliance survey

What is social care?

Social care is broadly defined as help, care and support for people with a wide variety of needs due to disability, illness or other life situations. It includes personal home care such as washing, dressing and preparing a meal; adaptations and equipment to help people live independently at home; and 24-hour care in a care home or a housing-with care-scheme. It does not include care provided by the NHS, for example such as care in hospital or district nurses coming into your home. Unlike NHS care, social care is not free: under the Care Act 2014, the State has a duty to support people needing care, but their finances are assessed and most people will have to pay some or all of the cost (see also *policy position on social care assessment and eligibility*).

It is widely accepted that the way in which the state supports and funds people to meet their needs is not working effectively. The Care Act

Key statistics

£216 million

Age UK estimate of the real terms fall in local government spending on older people's social care between 2014/15 and 2017/18¹

£2.21 billion

Social care client contributions from older people in 2017/18²

14.3 %

Estimated increase in the number of older people needing care between 2010/11 and 2016/17³

Social Care Reform and Funding England May 2019

simplified some aspects of the social care system by consolidating existing legislation, introduced a national standard assessment process, and embedded “wellbeing principles” to guide how care is delivered, but it did not answer the questions on how to ensure sustainable funding for care. It included a lifetime cap of £72,000 on the cost of funding your own care, as opposed to the current situation where you must spend all your assets down to £23,250 before getting any financial help, but implementation of the cap was delayed and then cancelled.



The impact on older people

The Act was passed in the context of rising demand and declining public expenditure, and as a result, 25 per cent fewer older people, some 400,000 individuals, were able to access publicly funded social care in 2016/17 than in 2009/10⁴. Local authorities are responsible for social care, but Age UK has estimated that there was a real-terms reduction of £216 million in local government spending on older adult social care between 2014/15 and 2017/18⁵, although there has been growth in both the number and needs of older people. There was an estimated 14.3 per cent increase in the number of older people needing care between 2010/11 and 2016/17⁶. Despite the introduction of the Care Act’s standard assessment criteria, there are still significant variations in access to care⁷ as well as its quality⁸ and cost⁹. A report by the Care and Support Alliance (CSA), based on testimony from social workers, revealed a system working with little regard to the wellbeing principles or for choice over who cares for you, with their work being driven in large part by limits on funding rather than individual needs¹⁰.

The squeeze on funding has also affected the viability of the care home market, with the Competition and Markets Authority’s care home market study uncovering significant problems, including the huge cross-subsidy of local authorities by those that fund their own care (see *Care homes policy position*)¹¹. A key concern remains the sustainability of many local care markets with examples of providers handing back loss-making contracts, exiting the market or collapsing completely. Many older people now live in ‘care deserts’, where there is no little to no choice in access to high-quality care. Paucity of care provision is further undermined by severe staffing shortages and high levels of workforce turnover.

Role of the state

The reform of care funding has been the subject of several commissions and reports over the years, and the current Government has delayed publication of a proposed green paper which it announced would ‘reach a long-term, sustainable solution to providing the care older people need’¹².

A persistent challenge in the debate on social care is to what extent the state, and taxpayers, should meet the costs of and responsibility for care. There is also the debate about whether reform should be focused on extending access or trying to reduce the personal liability (e.g. through a cap on costs) of those in need of social care. Currently, the biggest cost burden falls on people who have significant assets together with high needs. When the Dilnot Commission reported in 2011, it said that around 10 per cent of older people will have lifetime social care costs of £100,000 or more¹³ (in 2009/10 prices – likely to be much higher now). There is often a disproportionate impact on people with one large asset, such as a house, which, in the case of moving into a care home, can mean a significant or even complete loss of its financial value, in addition to the emotional impact of having to sell a family home. Local authorities are able to offer Deferred Payment Agreements (DPAs) which delay the cost of care until it can be taken from a person's estate. Age UK analysis has shown that the number of people with a DPA is a fraction of all those that enter residential care each year¹⁴.

There is also a debate to be had about what is reasonable to ask family members to contribute, but this should recognise the role they already play as well as the underlying factors that may prevent people from caring (*see Carers policy position*). In 2015/16, 2.3 million older people provided care – a 16.6 per cent increase on the five years previously¹⁵.

Role of the NHS

The line between NHS and social care services can be extremely fine and, for the individual, the two sides can often feel indistinguishable. The two sectors often do not work in an integrated way, meaning that transfers between the two (for example out of hospital and back home) do not work effectively for people and opportunities to avoid deterioration in people's health are missed. The ten year long-term NHS plan includes several measures designed to support individuals in the community through both community NHS and social care services¹⁶. The authors of the plan recognise that it can only be judged a success if implemented alongside social care reform. There have been specific efforts over the years to improve integration, including the Better Care Fund and other transfers of NHS funding to social care services with the aim of funding integrated working. Though these have had some success, they have also been used to plug some of the funding gap caused by cuts to local authority services.

A key question of the social care reform process will be how close policy-makers, and the public, want NHS and social care services to become, but the health service already has significant challenges in meeting the nation's health needs, without taking on greater responsibility to provide personal care. Older people we consulted were keen for money raised for social care to be spent on social care¹⁷.

Options for change

The challenge for policymakers lies in trying to reform social care alongside strategy planning in the NHS, workforce planning across both systems and the future funding settlement of local government. The next spending review will need to reverse much of the last decade's cut in funding for local government, which saw real terms reductions of 49.1 per cent between 2010/11 and 2017/18¹⁸.

Older people in Scotland have been receiving free personal care since 2002. People eligible for support at home receive it free of charge, regardless of their income. Those in a care home receive a contribution to the personal care element of their residency. However, the system faces similar challenges to those in England, with Age Scotland revealing that thousands of older people are missing out on social care payments because of delays in assessing and arranging care¹⁹. Implementing a similar system in England would amount to a fundamental shift in how older people's needs are catered for and the King's Fund have estimated that it would cost an additional £7 billion a year to fund²⁰. As a nation we have accepted that health is a fundamental human right provided by the state and paid out of general taxation. We now need to decide whether access to care should be viewed in the same way.

The Age UK Network plays a crucial role in providing social care to thousands of older people across England. Through home from hospital and reablement schemes, day centres, home help as well as preventative services like falls avoidance and independent living which try to stop older people needing formal care support in the first place.

It is unlikely that any voluntary scheme to pay for care would have the necessary level of public buy-in to constitute sufficient reform and raise the requisite funding. Countries with similarly ageing populations such as Germany and Japan have implemented social insurance schemes as a means of guaranteeing the care of current and future older generations²¹. Public polling by the Local Government Association has shown that 56 per cent of people would support paying extra for social insurance²². Older people speaking to Age UK at a series of listening events said they would be prepared to pay more in return for better quality care and a sufficiently trained workforce²³. Policy that simply maintains the status quo with the intermittent funding injections needed to sustain it will not satisfy the appetite of the public or within the sector for meaningful change. A cap on care costs could help avoid the most catastrophic costs but it is not clear how it would provide increased access to high-quality care. The system is extraordinarily complex and bureaucratic and many have called for decisions around payment to be taken long before someone has to access care, which is often at a time of crisis.

Public Policy Proposals

Social care reform is complex, but we believe that there are some key principles that must be met as proposals emerge. Any new system must:

- Ensure that everybody who needs social care gets it, and reduce the number of older people who have an unmet need for care
- Share responsibility across society as a whole. This will require a reasonable, sustainable and fair pooling of risk and cost across the whole population and between individuals and the state, including measures to reduce catastrophic individual costs
- Protect older people at the point of crisis and make the system less complex and bureaucratic
- Incentivise and promote better provision of lower-level preventative care, working more effectively with NHS services
- Deliver an overall improvement in the quality of care services, with local authorities delivering on the wellbeing principles in the Care Act and using their market shaping duties to ensure appropriate services are available to meet a range of varying needs
- Encourage and facilitate planning for future care needs while recognising that many people do not have the financial resources or the emotional or social support to do this
- Recognise the need for older people receiving care to feel financially secure and confident living in their own homes, without fear that they would have to sell up or become homeless (see *Using housing wealth* policy position)
- Ensure that the system does not put unreasonable demands on informal carers, and reward their practical and financial commitment
- Establish a social care workforce strategy that invests in the workforce and plans to meet the future demands of care, with appropriate recognition for the vital role that careworkers perform
- Meet the needs of older people now, as well in the future. This will require a guarantee of short-term funding to keep the system afloat until long-term reforms are implemented. Additional funding should be ring-fenced for care and not just used to reduce pressure on the NHS

Want to find out more?

Age UK has agreed policy positions on a wide range of public policy issues. Our policies cover money matters, health and wellbeing, care and support, housing and communities. There are also some crosscutting themes, such as age equality and human rights, age-friendly government and information and advice

Further information

Further information

You can read our policy positions here;

<https://www.ageuk.org.uk/our-impact/policy-research/policypositions/>

Individuals can contact us for information or advice here; <https://www.ageuk.org.uk/informationadvice/>

or call us on 0800 169 8787

¹ State of Health and Care of Older People 2019, Age UK, To be published

² <https://files.digital.nhs.uk/4F/11BD6D/SALT%20and%20ASCFR%20Reference%20Tables%20%28Suppressed%29%20v2.xlsx>

³ <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018-Summary.pdf>

⁴ <https://www.health.org.uk/news-and-comment/news/new-figures-reveal-82-of-british-public-support-increase-in-social-care-spending>

⁵ State of Health and Care of Older People 2019, Age UK – To be published

⁶ <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018-Summary.pdf>

⁷ <https://files.digital.nhs.uk/35/6A192B/Activity%20and%20Finance%20Report%20201718.pdf>

⁸ https://www.cqc.org.uk/sites/default/files/20171011_stateofcare1718_report.pdf

⁹ <https://assets.publishing.service.gov.uk/media/5a1fdf30e5274a750b82533a/care-homes-market-study-final-report.pdf>

¹⁰ <http://careandsupportalliance.com/wp-content/uploads/2017/09/CSA-Social-Workers-Speak-Out-Report-2017-FINAL-WEB.pdf>

¹¹ <https://assets.publishing.service.gov.uk/media/5a1fdf30e5274a750b82533a/care-homes-market-study-final-report.pdf>

¹² <https://www.gov.uk/government/news/government-to-set-out-proposals-to-reform-care-and-support>

¹³ <https://webarchive.nationalarchives.gov.uk/20130221121529/https://www.wp.dh.gov.uk/carecommission/files/2011/07/Fairer-Care-Funding-Report.pdf>

¹⁴ State of Health and Care of Older People 2019, Age UK – To be published

¹⁵ <https://www.ageuk.org.uk/latest-news/articles/2017/december/older-carers-fill-the-gap/>

¹⁶ <https://www.longtermplan.nhs.uk/wp-content/uploads/2019/01/nhs-long-term-plan.pdf>

¹⁷ https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/care-support/RB_mar18_social_care_campaignreport.pdf

¹⁸ <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018.pdf>

¹⁹ <https://www.ageuk.org.uk/Documents/EN-GB-SC/Policy/Meeting%20our%20commitment%20to%20care%20-%20Age%20Scotland%20report.pdf?epslanguage=en-GB-SC?dtrk=true>

²⁰ <https://www.kingsfund.org.uk/sites/default/files/2018-05/A-fork-in-the-road-next-steps-for-social-care-funding-reform-May-2018.pdf>

²¹ https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/care-support/rb_aug18_international_comparison_of_social_care_funding_and_outcomes.pdf

²² https://futureofadultsocialcare.co.uk/wp-content/uploads/2018/11/29.13-Green-paper-summary_web.pdf

²³ https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/care-support/RB_mar18_social_care_campaignreport.pdf