



GENERAL ELECTION



What health and care need
from the next government

Adult social care

Briefing

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The NHS and social care in England are struggling. A combination of the sudden shocks from the Covid-19 pandemic and high inflation, and the longer-term pressures of poor workforce planning, morale problems, failure to deliver promised efficiency savings, and decades of delay to social care reform are all taking their toll. Strain and dysfunction are deeply rooted and will not immediately improve, and the public sees this clearly: satisfaction with both services is at historic lows. Credible long-term plans to improve this situation are vital for any political leader who wants to gain the support of the British people.

This series of briefings sets out particular issues where we believe there is clear evidence that a UK government taking or returning to office in the next year must act in order to meaningfully improve the English health and care system for which it is responsible. This is presented as a series of tests that a policy programme during the next Parliament should meet. They often address less visible, easily overlooked decisions that work behind the scenes to shape the care people experience. We hope these briefings will **inform** the public debate that MPs, journalists, experts and institutions shape over the coming months, and **influence** the policy formation decisions of the national political parties as they draw up a platform to put to the British people.

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Overview and prioritisation

Adult social care is a vital source of support for over one million people in England. At its best, social care gives people of all ages control and choice over where and how they live, underpinned by principles of wellbeing, prevention and dignity. Yet it has been left to languish for decades with insecure funding, variable access to support, high workforce turnover, heavy reliance on unpaid carers and catastrophic costs falling on people in need. Despite much excellent high-quality care being successfully delivered every day, hundreds of thousands of people who need support with their daily lives simply get none.

Both Government and Opposition leaders recognise that reform of this ailing system is overdue, but fear that taking action will bring more blame than credit because of low awareness among voters, and tight finances. This has been a terrible failing of British public policy. Meanwhile, public dissatisfaction has gradually continued to rise.¹

This briefing sets out the criteria we believe would need to be met for a long-term social care reform which would support this sector as a vital pillar of social and economic infrastructure that enables people to live independent and fulfilling lives, and a visible political success rather than a source of increasing public disapproval. It is based in part on our in-depth research into other countries, such as Germany and Japan, which have carried out comprehensive and politically successful reforms.

We also set out how a government with limited funding or political capital could prioritise and stage these reforms while minimising the risk of spending much of the money with few of the results.

1 www.nuffieldtrust.org.uk/research/public-satisfaction-with-the-nhs-and-social-care

Any policy platform addressing the current problems in social care would need to:

- 1 Set out a plan for cohesive reform that offers clear benefits and grants social care policy parity with the NHS. There is a need to tackle low public awareness of social care by articulating the clear benefits of investing in the system and building a case for the future. To date, reform has been piecemeal and limited. To transform the system, there needs to be a coherent plan that recognises the interconnectedness of its different elements.
- 2 Introduce a credible mechanism to fund adult social care sustainably to boost overall funding and put an end to the uncertain, sporadic injections of money. To ensure public support for contributions, revenue should be raised through easily understood established taxation routes that are as fair as possible, and pooled nationally to spread the risk of high costs across the whole population.
- 3 Introduce greater consistency in, and expand, access to publicly funded care. Diminishing and inconsistent access to care and support, determined by where someone lives, has been a feature of social care in recent years. Expanding the offer and ensuring people have consistent access to services needs to underpin a clear eligibility process.
- 4 While consistency of eligibility criteria for public funding is crucial, this needs to be balanced with flexibility to design care and support to ensure that people who need social care have choice and control and can access personalised support. The next government should not seek to define a national package of care for all and instead consider notional budgets to be used flexibly to suit an individual's needs and preferences.
- 5 Set out a clear long-term strategy for the workforce that addresses issues of low pay, poor terms and conditions and training and development and ensures staff are valued and want to stay in social care. Rising vacancies and turnover have undermined continuity and quality and been challenging for providers. A strategy would need to consider all parts of the workforce, including registered professions, managers and personal assistants and consider skills needed for the long term.

- 6 Bring stability, growth and steady improvement to the organisations who deliver care. A strong market development strategy should include ensuring fair fees are paid to providers to enable investment; setting clear rules of financial behaviour for all providers; and supporting councils to commission innovatively and strategically.
- 7 Set out plans for supporting England's unpaid carers. Although the wider reforms set out here should create a system where there is less reliance on unpaid carers, many people will still rely on them in some form and they should be both included in plans and given adequate, tangible support to help them balance caring with their own wellbeing, work and other activities.
- 8 Ensure social care reform works alongside other services, in particular the NHS. Social care needs to be seen as an equal partner at integrated care system level and people interacting with both services should experience a seamless journey. Where there are mutual benefits, such as in workforce planning and investment in innovations, social care and the NHS should work collaboratively for the benefit of their local communities and to avoid undermining long-term planning in both services.

Prioritisation

Multiple different aspects of social care are not functioning well, and simply pouring more money into this dysfunctional system will not be enough. Attempting a partial fix to just one part of the system in isolation risks creating unintended consequences elsewhere. For example, expanding eligibility for care without ensuring there are enough high-quality providers capable of meeting demand may raise expectations but leave many people unable to access the care they have been told they should be able to access. Similarly, trying to raise workforce pay without making sufficient funding available risks pushing care providers into bankruptcy, or resulting in no actual growth in total staff numbers.

While comprehensive reform of the entire system in one go may be financially unachievable, it is vital that the new government maps out an eventual end point and puts in place a clear route for getting there, with set timescales and

a clear understanding of how each change affects other parts of the sector. Without this implementation map, there is a risk that money is invested but improvements are not realised.

The crucial starting point is putting in place a sustainable source of additional funding which will offer certainty and enable long-term planning. It is vital that this funding is not redirected to fund black holes in council finances or diverted to the NHS. Although raising new revenue will be a difficult commitment at a time of straitened finances, public support for raising taxes for public services is far higher than for cutting taxes. Political viability will depend on the government's ability to make a compelling case for change, and its ability to lead clear and tangible progress which clearly evidences how public investment is being spent – creating genuine policy parity between social care and the NHS.

Additional funding should be used to make gradual progress in step across the key areas, so that more people of all ages are empowered to make choices about their care and support, able to access care on fairer and clearer eligibility terms, supported by motivated, valued and highly trained staff, and with a choice of innovative, high-quality providers with unpaid care becoming an active and well-supported choice. A staged approach, with clear timelines for implementation, should be set out so that people see a trajectory towards a better service that gives them and their families security. This would give commissioners and providers confidence to invest in the sector, convince workers to commit to a career in it, and provide a political incentive for continuing to strengthen social care.

Test 1 Present plans for cohesive reform that offers clear benefits, accompanied by a realistically costed implementation plan

Despite broad consensus that the social care system in England is in need of reform, repeated proposals for doing so have stalled and England lags behind many developed countries in this regard. The reasons for continued failures are complex and varied. Any new government must understand these reasons so as to avoid yet another failed reform.

First, low public understanding of what social care is, how it works, and crucially how it is funded is a major obstacle to successfully enacting reform. Often, social care is characterised in public and political debate as a narrow set of personal care services primarily for older people in care homes. A majority of people believe social care is provided by the NHS, and an estimated 47% of people assume that social care is free at the point of need,² so any new proposals calling for revenue-raising tend to be met with strong opposition. On occasion, this lack of awareness has been used for political gain in the run-up to elections, and the issue of who should pay for care has become politically toxic (this occurred in both the 2010 and 2017 election campaigns³). Social care has long suffered from having a far lower public and political

2 www.ipsos.com/en-uk/public-perceptions-austerity-social-care-and-personal-data

3 <https://bristoluniversitypressdigital.com/display/book/9781447364474/ch004.xml>

profile than the NHS. As a result, it has not enjoyed the policy prominence of the health service.⁴

Second, proposals for reform have on occasion gained traction and, in the case of the 2014 Care Act, even been passed into legislation. But sufficient funding for bringing about successful implementation of reform did not follow. That led to delay, and eventually the plans were abandoned. For both small and large reforms, funds earmarked for change in social care are frequently redirected into other priorities in a volatile financial context. This has been apparent over the last three years, with reform funding set out in the 2021 White Paper⁵ being redirected for day-to-day delivery as cost pressures rose. It is crucial that Number 10 and Treasury ministers show conviction and hold the line on the value of investing in social care, consistently communicating a strong case that establishes social care as a key part of national infrastructure, worthy of investment.

Third, even where recent plans for reform have been accompanied by a credible source of funding (e.g. through the 2021 Health and Social Care Levy), a lack of support from across the political divide and concerns within the social care sector about how proposals were constructed has led to delay. It is important that reform plans are developed in collaboration with people in the sector and that political leadership is demonstrated to avoid another wave of plans being derailed. While a lifetime cap on care costs had a high level of support, it sought only to address one issue and, in its most recent incarnation,⁶ was likely to benefit only a narrow, relatively wealthier population group. Wider proposals for reform were set out alongside the cap in 2021 as an aspiration within the plans, but without a concrete implementation plan accompanied by a timeline, they were insufficiently tangible and did not come together as a cohesive package.

4 www.nuffieldtrust.org.uk/research/building-a-resilient-social-care-system-in-england-what-lessons-can-be-learnt-from-covid-19

5 www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper

6 https://ifs.org.uk/sites/default/files/output_url_files/IFS-BN339-Does-the-cap-fit.pdf

What needs to happen?

The rest of this briefing spells out the steps that would be needed to dramatically improve social care in England, and to fund those proposals. For plans to successfully lead to reform, the next government will need to:

- 1 Demonstrate clear political leadership by giving social care parity with the NHS in terms of policy prominence – ensuring it is positioned as a vital component of national infrastructure, with a positive case for better funding which is widely supported in the Treasury, Number 10, and a broad coalition beyond that.
- 2 Build public support for change with high-profile speeches and interventions emphasising the benefits of improving social care. Reforms should align to informed public consensus and values through wide engagement – which could include people’s panels or citizens’ assemblies – and by involving people with experience of drawing on and delivering care in designing reforms and their implementation.
- 3 Based on this process of publicity and informed debate, clearly communicate a convincing vision for reform, supported by a realistic and costed implementation plan in order to build public support for raising new revenue. This could take the form of a high-profile campaign co-produced with those with lived experience. This should demonstrate how a better, and better-funded, system could deliver the tangible benefits that have been discussed, not just for people who need care now, but for the whole of society and the economy by enabling all of us to have choice and control over our lives. This process of building a winning and durable case for popular reform was done successfully in Japan⁷ and Germany,⁸ for example, by creating a positive narrative of social care as a fundamental pillar of national infrastructure.

7 www.nuffieldtrust.org.uk/research/what-can-england-learn-from-the-long-term-care-system-in-japan

8 www.nuffieldtrust.org.uk/research/what-can-england-learn-from-the-long-term-care-system-in-germany

Test 2 Introduce a credible mechanism to fund adult social care sustainably

Social care services are funded through a mixture of a national grant to local authorities, local revenue such as council tax, and private spending by individuals. The decade before Covid-19 saw cuts of 55% to the local authority grant, reducing their spending power by 29%.⁹ Local authorities have duties to provide a certain level of support, but have discretion over how much of their budget they spend on social care. Those ongoing financial pressures have limited the ability of councils to invest in, and deliver, care and support that is responsive to people's needs and changing preferences.

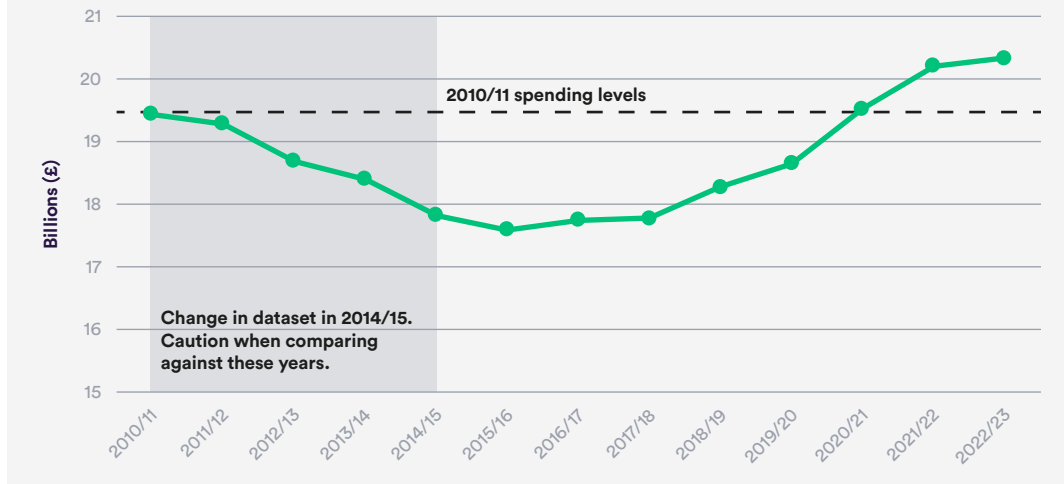
Against that financial backdrop, spending by councils on social care fell sharply until 2015/16 before recovering back to 2010/11 levels by 2020/21, to about £19.5 billion in real terms. Spending in 2022/23 reached £20.3 billion, representing only a 5% increase from 2010/11 levels. During this same period, the number of people in England over the age of 65 rose by around a fifth and requests for care among working-age adults have grown by over a fifth since 2015/16.^{10,11}

9 www.nao.org.uk/wp-content/uploads/2021/03/The-adult-social-care-market-in-England.pdf

10 www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/profileoftheolderpopulationlivinginenglandandwalesin2021andchangessince2011/2023-04-03#:~:text=2.-,Population%20ageing,from%2016.4%25%20to%2018.6%25.

11 [www.kingsfund.org.uk/insight-and-analysis/long-reads/social-care-360-access#1.-requests\[1\]for-support](http://www.kingsfund.org.uk/insight-and-analysis/long-reads/social-care-360-access#1.-requests[1]for-support)

Figure 1: Real-terms local council spending on adult social care has only just increased beyond 2010/11 levels



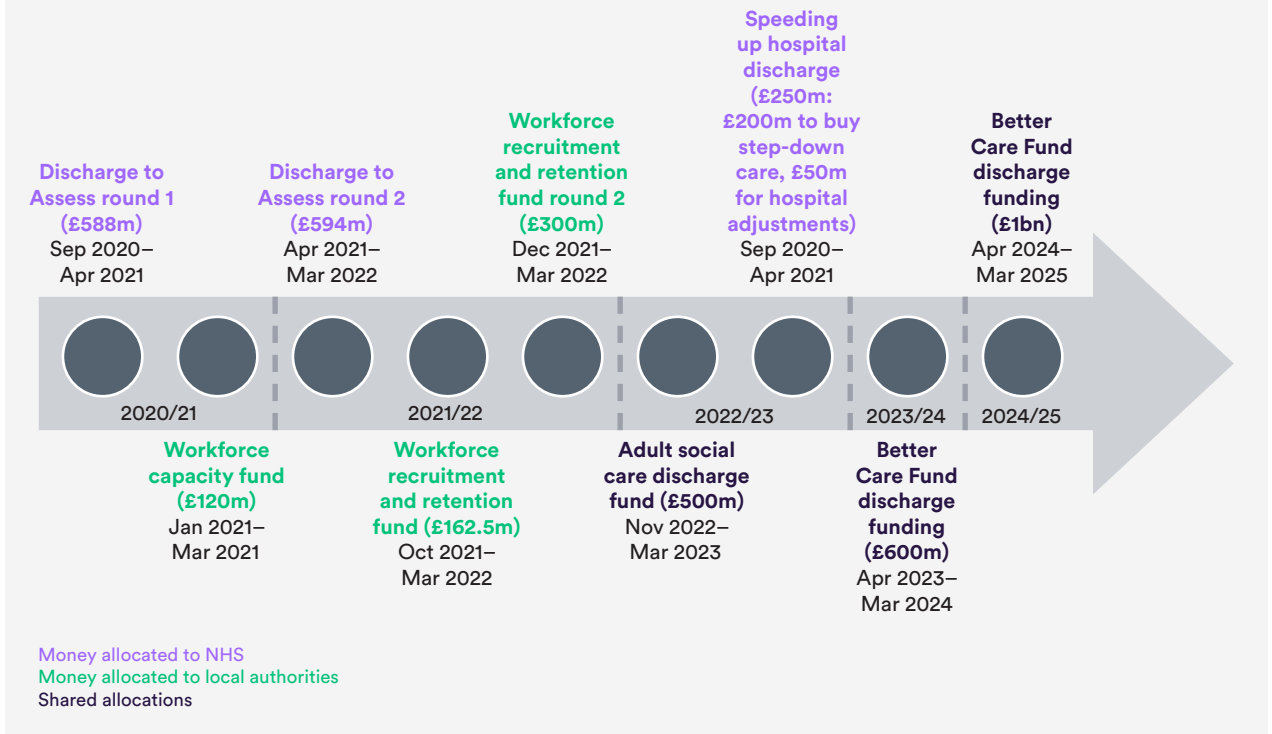
Note: Annual net total expenditure on adult social care.

Source: PSS-EX1 and ASC-FR. Using March 2024 GDP deflators from HM Treasury.

Extra funding for social care that has been forthcoming has repeatedly been allocated through short-term and last-minute injections of cash. This drives instability, with local authorities and providers often living ‘hand to mouth’, unable to effectively plan, improve or grow.¹² To illustrate this tendency towards sporadic short-term funding, Figure 2 highlights the plethora of different, often overlapping but time-limited funds in just one area – hospital discharge.

12 www.nuffieldtrust.org.uk/research/building-a-resilient-social-care-system-in-england-what-lessons-can-be-learnt-from-covid-19

Figure 2: Different funding streams for supporting discharge from hospital



Sources: DHSC announcements and www.health.org.uk/news-and-comment/blogs/short-term-social-care-funding-for-hospital-discharge-learning-from-past

The next government will need to inject more money into social care to ensure that more people are able to access the care and support they need. They will also need to commit to a long-term funding settlement that creates certainty in order to enable investment and to ensure services can keep up with rising need. Estimates of what the social care system needs in terms of additional funding depend on the level of ambition held for the service. For instance, in 2020, the Health and Social Care Committee called for an additional £7 billion by 2023/24 on top of existing funding as a ‘starting point’ to cover demographic changes, to meet uplifts in the National Minimum Wage and to offer some protection against catastrophic costs.¹³ The Health Foundation has suggested that to meet demand and bring about improvements in access, and to expand the offer by 2030/31, additional funding in the region of £14.4 billion

13 <https://committees.parliament.uk/committee/81/health-and-social-care-committee/news/120204/mps-call-for-7bn-annual-increase-in-social-care-funding-as-a-starting-point-for-reform-doing-nothing-no-longer-an-option>

per year would be needed.¹⁴ For an even more generous system where most people are able to access publicly funded care, the cost has been estimated to be around £17 billion on top of current spending.¹⁵

Any improvements will cost more money – choices need to be made about which changes should be prioritised and the level of ambition will determine how much additional funding should be directed towards achieving them. England has seen many proposals for new social care funding sources over the last two decades.¹⁶ The most recent attempt was the Health and Social Care Levy announced in 2021 and abolished in 2022 – essentially a 1.25 percentage-point increase on National Insurance. This was a potentially sustainable source of revenue, but was criticised by the Opposition and by many experts for being unfair as it drew only on earnings and not wider wealth.¹⁷ Public support in opinion polls was mixed.¹⁸ The levy was eventually abandoned.

Previous proposals have similarly proved to be politically problematic. For instance, Labour’s proposals to raise funding via inheritance tax in 2010 were perceived to be unfair and lacking in transparency.¹⁹ There have been periodic calls to promote the use of individual insurance or pensions-style approaches: international evidence suggests these would not provide sufficient or sustainable funding.²⁰

Evidence from other countries that have successfully implemented²¹ new revenue-raising schemes show that building cross-party and public support

14 www.health.org.uk/news-and-comment/charts-and-infographics/REAL-social-care-funding-gap

15 www.health.org.uk/publications/long-reads/social-care-funding-reform-in-england#:~:text=Based%20on%20the%20government's%20previous,3.5bn%20by%202035%2F36.

16 www.nuffieldtrust.org.uk/sites/default/files/2019-04/how-to-fund-social-care-briefing-2019.pdf

17 www.nuffieldtrust.org.uk/resource/chart-of-the-week-how-much-of-the-health-and-care-levy-will-social-care-receive-and-what-is-this-intended-to-do

18 [www.ipsos.com/en-uk/british-opinion-still-split-support-national-insurance-rise#:~:text=Three%20in%2010%20\(31%25\),by%2034%25%20to%2026%25](http://www.ipsos.com/en-uk/british-opinion-still-split-support-national-insurance-rise#:~:text=Three%20in%2010%20(31%25),by%2034%25%20to%2026%25).

19 <https://bristoluniversitypressdigital.com/display/book/9781447364474/ch004.xml>

20 www.nuffieldtrust.org.uk/research/what-can-england-learn-from-the-long-term-care-system-in-germany; <http://www.nuffieldtrust.org.uk/resource/how-to-fund-social-care>

21 www.nuffieldtrust.org.uk/news-item/social-care-funding-complex-but-not-impossible

is vital.²² It is notable that recent UK revenue-raising attempts did not have wide political consensus and did not sit alongside efforts to build a clear case to demonstrate to the public how they would benefit from a reformed system. Other countries have sought to do this in several ways: firstly, by making the case that financial risk for care should be spread across the whole population so that no individual faces excessive care bills (as is the case with health care and other public services). Secondly, they have selected revenue-raising options that are familiar to the population and well understood. Thirdly, they have sought to maximise transparency by demonstrating that an increase in revenue directly results in a more generous or better system. Lastly, they have sought to select a revenue-raising approach that is seen to be fair within their context.

What needs to happen?

The next government should bring forward a credible set of proposals to bring sufficient and certain funding to the sector:

- 1 Proposals should demonstrate how they will raise sufficient money to enable more people to access high-quality care now, and to keep pace with credible projections of need into the future. Credible estimates for what this might cost range from an additional £7 billion per year to around £17 billion, depending on ambition.
- 2 This money should be secured in a way that spreads the risk of very high costs of care across the population, through a compulsory set of taxes that avoids reliance on individual or voluntary insurance. It will be crucial that the benefits to people and their families of additional taxes are clearly articulated to the public. This does not necessarily mean free care for all (which is likely to be unaffordable and unrealistic) but that costs shared between the individual and the state should be transparent and clear.
- 3 Revenue should be raised through taxes that are well understood and familiar, structured so that they are perceived to be as fair as possible. As far as is feasible, raising money should avoid approaches that exacerbate

²² www.nuffieldtrust.org.uk/news-item/what-principles-should-underpin-the-funding-system-for-social-care

existing disparities between different groups, regions or generations, such as taxing only working-age people or using taxes which hit the poorest harder. Revenue-raising through a combination of, for instance, income tax, capital gains tax and corporation tax may be one option to consider. Public support for raising taxes for public services remains substantial, according to the British Social Attitudes survey.²³ But broadly based taxes may not always be popular, particularly at a time of squeezed incomes. Reforms that deliver tangible improvements coupled with extensive publicity will be critical for winning the political credit which justifies increased contributions.

- 4 Proposals should directly demonstrate how the additional revenue will improve what is on offer for those in need of care or support. The remaining tests in this document are contingent on additional funding.

23 <https://natcen.ac.uk/publications/bsa-40-role-and-responsibilities-government>

Test 3 Make sure that more people can have consistent access to publicly funded social care, wherever they live

The split of responsibilities between the state and individuals for paying for care is unclear, complex and inconsistent. Poor public awareness of how the social care system operates means that many people are unprepared not only for the unlimited costs attached to care, but also for the complexities of navigating a system that requires not only a needs test but a financial means test too.

There has been a 10% decrease in the number of older people accessing state-funded long-term support since 2015/16.^{24,25} Yet requests for support among older people have risen by 4.6%.²⁶ Requests for care among working-age adults have grown particularly steeply in recent years, with a rise of 22% between 2015/16 and 2022/23.²⁷

This gap between numbers in need of care and numbers accessing care suggests that many people are living with unmet or under-met needs. Recent, reliable data on unmet need is not yet available, but analysis of pre-pandemic data found that as many as 1.5 million people aged over 65 could have unmet

24 www.nuffieldtrust.org.uk/resource/the-decline-of-publicly-funded-social-care-for-older-adults

25 <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report>

26 www.nuffieldtrust.org.uk/resource/the-decline-of-publicly-funded-social-care-for-older-adults

27 www.kingsfund.org.uk/insight-and-analysis/long-reads/social-care-360-access#1.-requests-for-support

care needs.²⁸ The scale of unmet and under-met needs in the working age adult population is unknown.

Despite the implementation of the 2014 Care Act, which was intended to standardise eligibility, there is a high degree of discretion over the threshold at which a council deems someone eligible for publicly funded care. Councils rely heavily on their ability to raise taxes locally to pay for care and their ability to raise revenue varies. Because some councils are much more financially stressed than others, there is variation in what local residents are able to access. In other words, people experience a postcode lottery for care.

The level of assets and savings a person can hold while being eligible for public funding has remained unchanged since 2010. If an individual has more than £23,250 in assets or savings, they are not eligible for any public funding for care. It is thought that 137,480 people in care homes fund their own care (that's around 37% of the care home population).²⁹ There is limited data on self-funders in non-residential care including home care, but the Office for National Statistics estimates that it is likely to be at least 83,000 people.³⁰ Below the £23,250 threshold, there is a sliding scale of financial eligibility to a lower threshold of £14,250. But people deemed eligible for funding may still need to contribute to costs from their income. Our analysis of expenditure data shows that the financial contribution made by individuals who are eligible for some state-funded care has seen a real-terms increase of 10% since 2010/11.

There is currently no limit on how much an individual might have to pay for care over their lifetime. It has been estimated that one in seven people will face costs in excess of £100,000,³¹ up from one in 10 in 2011.³² Plans to introduce

28 www.ageuk.org.uk/globalassets/age-uk/documents/campaigns/ge-2019/age-uk-general-election-manifesto-2019.pdf

29 www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/socialcare/articles/carehomesandestimatingtheselffundingpopulationengland/2022to2023#estimates-of-self-funding-population-in-care-homes-data

30 www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/socialcare/bulletins/estimatingthesizeoftheselffunderpopulationinthecommunityengland/2022to2023#:~:text=1.-,Main%20points,self%2Dfunders%20since%20last%20year

31 www.gov.uk/government/publications/build-back-better-our-plan-for-health-and-social-care

32 https://webarchive.nationalarchives.gov.uk/ukgwa/20130221121529mp_/https://www.wp.dh.gov.uk/carecommission/files/2011/07/Fairer-Care-Funding-Report.pdf

a lifetime cap on care costs in England have been delayed to October 2025. Under those proposals, individuals accessing care services would pay from their own resources until they hit a cap of £86,000 over their lifetime. This would offer some protection against unlimited costs, although the design of the cap is highly complex. Non-care costs incurred in residential homes would not count towards the cap and any contributions made by councils to a person's costs would also not count. It would also take people a very long time to reach the cap and benefit from it – under the proposed arrangements, it would take someone more than six years in a care home to reach it,³³ meaning relatively few people would eventually benefit (the average residential care home stay is under two years).³⁴ There is a body of evidence from other countries about different approaches to protecting people from unlimited costs which could be considered.³⁵

What needs to happen?

To ensure that more people are able to access consistent levels of social care and support no matter where they live, and avoid catastrophic costs, the next government should:

- 1 Ensure greater consistency over eligibility across the country so that people know what they would be entitled to should they need care, no matter where they live. This could involve introducing a national needs assessment framework as used in other countries to reduce variation.
- 2 Reduce levels of unmet need by enabling more people to access public funding for care. This could be achieved by increasing the upper and lower financial means test thresholds, being careful that financial eligibility is tapered so as to avoid a cliff edge and that thresholds are set at levels that are appropriate in today's financial context. Importantly, the minimum income guarantee (the minimum amount someone can be left with after paying for care) should keep pace with inflation.

33 <https://ifs.org.uk/publications/does-cap-fit-analysing-governments-proposed-amendment-english-social-care-charging>

34 www.bgs.org.uk/resources/end-of-life-care-in-frailty-care-homes

35 www.nuffieldtrust.org.uk/news-item/capping-the-costs-what-are-the-lessons-from-the-german-social-care-system

- 3 Protect people against unlimited costs and ensure no-one is disproportionately penalised if they happen to have high levels of need or need care for a long time. This could be achieved through a lifetime cap, which could be designed to ensure more people can benefit than under current proposals;³⁶ or with a monthly cap, as has been successfully implemented in Germany and Japan.

36 www.gov.uk/government/publications/build-back-better-our-plan-for-health-and-social-care/adult-social-care-charging-reform-further-details

Test 4 Ensure that people who need social care have choice and control and can access personalised support

There have been growing calls to frame social care in public and political debate as a source of support that enables independence and a fulfilling life.³⁷ Despite the 2014 Care Act setting out clear principles around enabling wellbeing and prevention, social care is often framed as a narrow set of personal care services for ‘vulnerable’ older people requiring long-term care in a residential setting. But out of the 835,000 people³⁸ of all ages known to have accessed long-term publicly funded care and support in 2022/23, only 255,000³⁹ were in residential and nursing care. The remainder accessed care and support in their own home, or other settings such as supported housing. There are many more people who fund their own care, whether at home, in residential care, or for other services. The perception that social care is just a

37 <https://publications.parliament.uk/pa/ld5803/ldselect/ldadultsoc/99/9902.htm>; <https://socialcarefuture.org.uk/>; <https://www.churchofengland.org/about/archbishops-commissions/reimagining-care-commission>

38 <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2022-23>

39 <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2022-23>

service for older people is also incorrect: almost 300,000 18–64 year olds were accessing publicly funded long term care in 2022/23.⁴⁰

Providers of care and councils have reported that people accessing social care services have more complicated support needs than was previously the case.⁴¹ At the same time, there has been a shift in preference for care at home over moving into residential care – a trend that has been accelerated by Covid-19.⁴² These shifts in trends and attitudes mean it is important that plans to develop social care and support focus on ensuring sufficient flexibility for individuals to shape and adapt the support they access to meet their needs and preferences.

Proposals to implement a nationally defined package of care (e.g. a narrowly defined package of free personal care with little flexibility to adapt to different needs) may run counter to efforts to offer choice and control and local flexibility. For instance, in Scotland, the introduction of free personal care within existing budget envelopes to working-age adults⁴³ within existing budget envelopes redirected resources away from wider support services and led to tighter eligibility than previously. Other countries that have reformed their care systems have not sought to define a national package of care but sought instead to provide a personal budget or allowance commensurate with level of need determined by a national assessment framework.

Personal budgets and direct payments were introduced into the English system with the intention of enabling people to have greater choice and control over their care. However, uptake has been low and falling.⁴⁴ Research suggests this low uptake can be explained by the level of benefits being too

40 <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2021-22>

41 www.nuffieldtrust.org.uk/resource/the-decline-of-publicly-funded-social-care-for-older-adults-and-autumn-survey-2023-social-care-housing-health-and-winter-final.pdf (adass.org.uk)

42 www.nuffieldtrust.org.uk/sites/default/files/2023-05/Building%20a%20resilient%20social%20care%20system%20in%20England.pdf

43 www.nuffieldtrust.org.uk/news-item/social-care-across-the-four-countries-of-the-uk-what-can-we-learn

44 www.kingsfund.org.uk/publications/social-care-360/quality#directpayments

low to purchase enough of the right support; challenges and complexity in managing budgets; and restrictions over what budgets can be spent on.⁴⁵

For people to have choice and control over their care, there needs to be sufficient choice of provision (see test 6 on the provider market) as well as high-quality information about available options and quality measures which can be easily found and understood. At present, many people needing care report that they are struggling to navigate the system and lack sufficient information to make informed choices.⁴⁶

What needs to happen?

To develop a social care system that offers choice and control to everyone who needs social care, the next government will need to:

- 1 Work closely with people who currently draw on support, their carers, and friends and family to co-produce an approach to eligibility and allocation of resources that embeds the principles of choice, control and personalisation.
- 2 Avoid implementing a single, tightly defined package of care for all (such as an offer of only free personal care), but instead allow for local flexibility and personalisation so that people can choose the care and the setting that best suits them and their needs, potentially through greater use of personal budgets as is the case in other countries.
- 3 Remove the barriers to direct payments and personal budgets, simplifying their use, broadening what they can be spent on and uplifting the level of them in line with wider funding improvements.

45 <https://onlinelibrary.wiley.com/doi/full/10.4073/csr.2019.3>

46 www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper; <https://www.ageuk.org.uk/latest-press/articles/2018/march18/older-people-receiving-social-care-and-their-family-carers-set-out-the-problems-they-face-and-how-to-fund-a-better-system>

- 4 Ensure that easily understood, accessible, useful information about care options and quality of provision locally is co-produced with those drawing on services and their carers, and adequately sign-posted so that people making choices about their care are supported to make those choices.

Test 5 Improve pay, terms and conditions for the social care workforce to address recruitment and retention challenges

The social care sector faces significant difficulties in recruiting and retaining its staff. There have been some recent improvements: the number of filled posts has increased by 1% in the last year to 1.6 million, reversing a sharp drop in previous years.⁴⁷

Yet the number of vacant posts (including temporary staff and new posts) remains high at 152,000,⁴⁸ and this may also mask the number of available posts reducing due to provider closures. An average of 90% of local authorities have reported concerns with their workforce supply across their residential, nursing and home care markets.⁴⁹ At the level of individual professions,

47 www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/publications/national-information/The-size-and-structure-of-the-adult-social-care-sector-and-workforce-in-England.aspx

48 www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/publications/national-information/The-size-and-structure-of-the-adult-social-care-sector-and-workforce-in-England.aspx

49 www.gov.uk/government/publications/local-authority-market-sustainability-plans-insights-report/local-authority-market-sustainability-plans-insights-report#summary-of-key-insights

registered nurses have seen a staggering decrease in posts, from 52,000 to 37,000 between 2012/13 and 2022/23.⁵⁰

Recent growth in the workforce has relied heavily on recruitment of staff from other countries – 70,000 in the last financial year alone.⁵¹ Concerns have been raised about the conditions into which staff have been recruited and the long-term sustainability of such a policy.⁵²

The social care sector is often perceived as an unattractive source of employment. Pay is low relative to the NHS, and, although the National Living Wage has increased by 9.8% to £11.44 per hour,⁵³ other sectors such as retail or hospitality are often able to offer higher and more competitive wages⁵⁴ alongside other benefits such as shopping discounts.

Many staff working in the sector experience poor terms and conditions, with a large proportion employed on zero-hours contracts (22% across all roles, rising to 42% in home care, in 2023).⁵⁵

There are few opportunities for training and career development is not regularly reflected in pay, even as the needs of people who use care and support services are becoming more complex. On average in 2023, care staff with five or more years of experience earned only 6p more per hour than staff new to the sector.⁵⁶

50 www.nursinginpractice.com/community-nursing/heading-for-the-door-the-changing-role-of-nurses-in-social-care

51 www.skillsforcare.org.uk/About-us/Our-policy-positions/Capacity/Recruiting-from-abroad.aspx

52 www.communitycare.co.uk/2023/08/01/very-bad-employers-exploiting-overseas-social-care-staff-warns-government-migration-adviser

53 www.gov.uk/national-minimum-wage-rates

54 www.grocerygazette.co.uk/2023/07/06/best-paying-supermarket-2023/

55 www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/State-of-the-adult-social-care-sector/The-State-of-the-Adult-Social-Care-Sector-and-Workforce-2023.pdf

56 www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/State-of-the-adult-social-care-sector/The-State-of-the-Adult-Social-Care-Sector-and-Workforce-2023.pdf

Developing a sustainable workforce is arguably the biggest challenge currently facing social care. However, the last sector-specific workforce plan dates back to 2009,⁵⁷ despite multiple calls for a new strategy alongside the recent workforce plan for the NHS.⁵⁸

What needs to happen?

Our extensive research into the professionalisation of the social care workforce⁵⁹ has found that several other countries (including the other countries of the UK) have moved faster on this agenda than England. For example, Scotland, Wales and Northern Ireland hold a register of staff, and Denmark and Japan require high levels of training.

The next government should urgently address severe workforce shortages and improve conditions so as to recruit and retain those in employment by:

- 1 Addressing low pay in the sector in a way that attracts new recruits; recognises and rewards skills and experience; and ensures social care can stay competitive with other sectors. Any improvements in pay are reliant on the additional funding described above; otherwise, pushing providers to pay higher wages risks driving them into bankruptcy and/or reducing the number of staff they can employ.
- 2 Improving working conditions (including for migrants at risk of poor treatment) and building career pathways for staff, taking account of the different mix of staff and skills that will be needed now and in the future to meet growing levels and complexity of need. This, in turn, is dependent on higher pay; otherwise, better trained staff will simply use their qualifications and skills to leave the sector.

57 <http://data.parliament.uk/DepositedPapers/Files/DEP2009-1202/DEP2009-1202.pdf>

58 See refs [152-154] www.nuffieldtrust.org.uk/sites/default/files/2023-05/Building%20a%20resilient%20social%20care%20system%20in%20England.pdf

59 www.nuffieldtrust.org.uk/sites/default/files/2022-09/1662995727-nuffield-trust-new-horizons-web.pdf

- 3 Developing a long-term workforce plan for social care (building on current work being led by the sector^{60,61}) based on modelling and preparation for changing demographics and the rising number of people who need care and support. This should gradually prioritise a sustainable domestic workforce which reduces the need for migration, with awareness that migration of care workers risks destabilising the care systems of the countries they leave.

60 <https://caring-times.co.uk/skills-for-care-announces-workforce-strategy-for-social-care-as-green-shoots-surface>

61 www.nationalcareforum.org.uk/care-sector-news/adult-social-care-workforce-strategy-update-from-skills-for-care-february-2024

Test 6 Bring stability, growth and steady improvement to the organisations that deliver care

Social care is delivered by a complex and diverse range of for-profit, not-for-profit, and public sector organisations, with more than 18,000 separate care providers delivering services across residential, home and community-based settings.⁶² The continued funding squeezes of the last decade have put downward pressure on fees paid by local authorities and created uncertainty and instability for providers, many of which have handed back their contracts or ceased trading completely as a result.⁶³

In between October 2022 and April 2023, 66% of social care directors in local authorities reported closures in their area, which have affected more than 8,000 people.⁶⁴ With providers struggling to make ends meet with fees paid by local authorities, the cost burden often falls on people who pay for their

62 www.nao.org.uk/wp-content/uploads/2023/11/Report-reforming-adult-social-care-in-England.pdf

63 www.careengland.org.uk/one-third-of-adult-social-care-providers-including-half-of-smaller-organisations-consider-exiting-the-market-amid-financial-p pressures-report-reveals

64 www.adass.org.uk/media/9751/adass-spring-survey-2023-final-web-version.pdf

own care, whose rates can be as high as 40% more than those paid by the local authority.⁶⁵

Around 70% of all care is provided by small and medium-sized entities from a mix of for-profit and not-for-profit sectors. However, some, often large and private equity-backed, providers have adopted opaque ownership models and direct profit away from care provision through heavy debt financing, risking financial collapse with severe consequences for continuity of care.⁶⁶ Yet the mechanisms for oversight and regulation in the system are limited. The National Audit Office reports that around 39% of for-profit care home providers and 34% of for-profit domiciliary care providers have liabilities greater than their current assets, meaning that they owe more money over the next 12 months than they currently have or are due to earn.⁶⁷ 67% of local authorities report concerns about the capacity of their residential nursing care markets, and 61% have concerns about their domiciliary care markets.⁶⁸

Local authorities have a duty to develop the care provider market in their area to meet needs, but many struggle to do so effectively. Financial pressures, along with limited capacity and capability within some councils, mean that the focus of commissioning teams is too often on short-term contracting rather than on the strategic commissioning that could support more personalised outcomes and anticipate future need.⁶⁹ There is variation across the country, however, with some local authorities demonstrating forward-thinking

65 www.nuffieldtrust.org.uk/resource/fair-cost-of-care-what-is-it-and-will-it-fix-the-problems-in-the-social-care-provider-market#:~:text=Providers%20have%20become%20reliant%20on,are%20funded%20by%20their%20council.

66 www.nuffieldtrust.org.uk/research/fractured-and-forgotten-the-social-care-provider-market-in-england

67 www.nao.org.uk/wp-content/uploads/2021/03/The-adult-social-care-market-in-England.pdf

68 www.gov.uk/government/publications/local-authority-market-sustainability-plans-insights-report/local-authority-market-sustainability-plans-insights-report#summary-of-key-insights

69 www.nuffieldtrust.org.uk/research/fractured-and-forgotten-the-social-care-provider-market-in-england

approaches while others struggle to incentivise sufficient provision to meet local need.⁷⁰

Although the majority of providers are rated good or outstanding, providers rated 'poor' by the Care Quality Commission often remain so over time and some get worse.⁷¹ But the need to adapt and expand provision is growing – the number of people in need of social care and support is rising, as is the complexity of their needs.⁷² Preference for care at home and alternative care types over traditional residential models is also growing.⁷³

What needs to happen?

The next government will need to actively address dysfunctions in the social care provider market and enable a shift towards strategic market shaping by:

- 1 Ensuring that fees paid to providers cover their costs, and enable them to innovate and improve.
- 2 Providing certainty to commissioners and providers alike by setting multi-year budgets for councils to enable investment and innovation and drive quality.
- 3 Strengthening the financial regulatory regime to better limit unsustainable and risky financial behaviour, to make sure reinvestment in care is maximised, and to enable proactive intervention by CQC where a provider is unstable.
- 4 Providing support to councils to commission care in a more strategic way that improves quality and stability of providers in their area, offering them some combination of training, advice, national standards, advice and grants.

70 www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/care--support/care-deserts---age-uk-report.pdf

71 www.nuffieldtrust.org.uk/sites/default/files/2021-10/social-care-briefing-final.pdf

72 www.nuffieldtrust.org.uk/resource/the-decline-of-publicly-funded-social-care-for-older-adults

73 P21, www.nuffieldtrust.org.uk/sites/default/files/2023-05/Building%20a%20resilient%20social%20care%20system%20in%20England.pdf

- 5 Ensuring that financial and other incentives create a market that seeks quality improvement and innovation and responds to changing needs and preferences, wherever a person is in the country and whatever their circumstances.

Test 7 Support

England's unpaid carers

A fully reformed and sustainably funded system that is accessible to more people, as described above, should mean the reliance on unpaid carers reduces. However, in reality, some care and support will continue to fall to families and friends. Many may actively choose to become carers. So a funded and strategic reform programme also needs to ensure that all unpaid carers are valued and have access to the support they need.

There are estimated to be more than 5 million unpaid carers in the UK, equating to roughly 9% of the population.⁷⁴ The value of unpaid care stands at £162 billion per year, representing a substantial increase of 29% over the last decade (since 2011).⁷⁵ While caring can be both satisfying and rewarding, it is a demanding role for carers' physical and mental health, with increased risk of illness and long-term conditions.⁷⁶ The financial implications can also be significant. The health and care systems are heavily reliant on unpaid carers but, without enough support for them, that reliance is likely to become increasingly unsustainable. Directors of Adult Social Services are already reporting a steady increase in carer breakdown, with carer burnout being a key driver.⁷⁷

Despite this, in the years between 2015/16 and 2022/23, there has been a declining trend in local authority support for unpaid carers,⁷⁸ with a 20% drop in 'direct support'.⁷⁹ In the same period, funding to access breaks and respite

74 www.carersuk.org/policy-and-research/key-facts-and-figures

75 <https://centreforcure.ac.uk/updates/2023/05/valuing-carers>

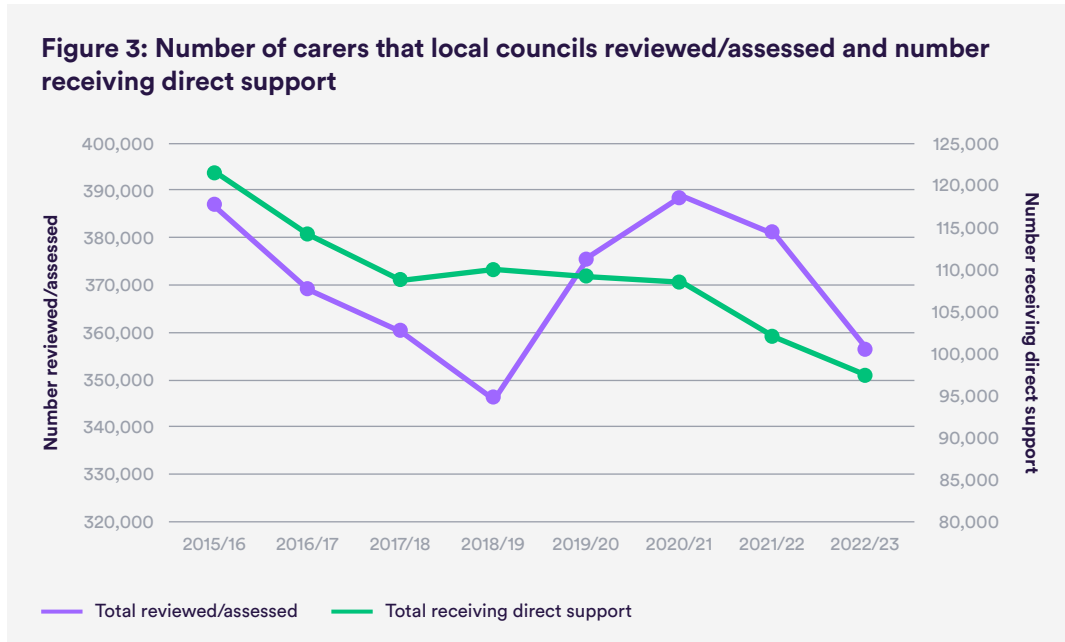
76 www.gov.uk/government/publications/caring-as-a-social-determinant-of-health-review-of-evidence

77 www.adass.org.uk/adass-spring-survey-2023-final-report-and-press-release

78 <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report>

79 <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report>

care also declined substantially, by 37%.⁸⁰ Carer satisfaction with the support they receive fell by five percentage points between 2014/15 and 2020/21, and carers report finding it harder to access adequate support and advice.⁸¹



Note: In calculating the number of carers receiving direct support, we included those in receipt of direct payments and part direct payments, local authority managed personal budgets or local authority commissioned support. We excluded those who were given information, advice and other universal services/signposting.

Source: Nuffield Trust analysis of SALT data.

According to the 2021 Census, there are 2.5 million unpaid carers in employment in England and Wales – with many struggling to balance caring responsibilities and employment.⁸² Despite the introduction of initiatives, for example the working for carers project, the carer’s passport scheme and new rights to carer’s leave,⁸³ support for working carers remains inadequate

80 <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report>

81 www.nuffieldtrust.org.uk/research/falling-short-how-far-have-we-come-in-improving-support-for-unpaid-carers-in-england

82 www.carersuk.org/policy-and-research/key-facts-and-figures

83 www.gov.uk/government/news/boost-for-carers-who-will-receive-new-unpaid-leave-entitlement-under-government-backed-law

and workplace rights lag behind other countries,⁸⁴ with much of the available support still at the discretion of employers. Many carers are left with no option but to reduce working hours or give up work altogether⁸⁵ – on average, 600 people a day leave work to care.⁸⁶

As well as reduced income, unpaid carers often face additional financial costs related to their role and many experience financial hardship.⁸⁷ The carer's allowance is the main financial support for carers, but is only £81.90 per week for a minimum of 35 hours. It remains one of the lowest welfare benefits in the UK (although there is some variation across the UK countries)⁸⁸ and many carers are ineligible. Forty-four percent of working-age adults who are caring for 35 hours or more a week are in poverty⁸⁹ and a recent survey of those receiving the carer's allowance found that 87% reported it was insufficient to meet their needs as an unpaid carer.⁹⁰

What needs to happen?

Support for unpaid carers is falling short – with stark individual, societal and economic implications. In order to support this crucial group, the next government will need to address the trend of declining support for unpaid carers, as well as consider the wider employment rights and financial implications of caring:

- 1 Include unpaid carers in reform plans for social care and ensure that all relevant government bodies – such as the Department for Work and Pensions, the Department of Health and Social Care and NHS England – are clear about the actions needed to support carers financially and in employment.

84 www.carersuk.org/policy-and-research/our-areas-of-policy-work/juggling-work-and-unpaid-care

85 www.carersuk.org/media/ktmpiowl/cuk-soc-finance-report-2023.pdf

86 www.carersuk.org/media/no2lwyxl/juggling-work-and-unpaid-care-report-final-web.pdf

87 www.carersuk.org/policy-and-research/key-facts-and-figures/

88 www.nuffieldtrust.org.uk/news-item/what-are-carers-in-each-of-the-four-uk-countries-entitled-to

89 www.jrf.org.uk/work/uk-poverty-2022-the-essential-guide-to-understanding-poverty-in-the-uk

90 <https://carers.org/downloads/resources-pdfs/pushed-to-the-edge.pdf>

- 2 Alongside the reforms to enable greater access to publicly funded care to eventually reduce reliance on unpaid carers (as set out above), commit to ensuring that councils and organisations delivering support to carers are sufficiently resourced to reverse the trend of declining support and respite provision seen in recent years.
- 3 Address the national financial support available for unpaid carers, starting with a review of carers allowance, and re-consider the threshold for eligibility.
- 4 Help carers to stay in the workforce by expanding their workplace and employment rights so they are less at the discretion of employers. This could include the right to paid carer's leave and flexible working options.
- 5 Require local councils to use better data collection to identify unpaid carers in their area who are on the edge of failing to cope, and to intervene with targeted help.

Test 8 Ensure social care services work seamlessly with the NHS

Social care and the NHS need to work together to support people to maintain their health, independence and wellbeing. While improving joint working between health and social care has been a longstanding ambition, progress has been variable across the country, and social care is too often perceived as a support to the NHS rather than a vital service in its own right.⁹¹

The lack of investment into social care and an overfocus on acute NHS services is creating ripple effects across the entire health and social care system. Nuffield Trust's research has suggested that a lack of investment in social care and prevention in general has contributed to long lengths of hospital stay relative to the number of hospital beds, when compared to similar countries.⁹² Conversely, pressures within the NHS are creating pressures for social care. Some 70% of local authority directors reported that social care staff are increasingly taking on tasks that were previously delivered by the NHS – leaving them with less time to provide other care and support.⁹³

The challenges of health and social care working together manifest in a variety of ways but are particularly evident in current data on hospital discharge. The number of people ready to leave hospital but unable to do so because they

91 www.nuffieldtrust.org.uk/sites/default/files/2023-05/Building%20a%20resilient%20social%20care%20system%20in%20England.pdf

92 www.nuffieldtrust.org.uk/resource/building-community-health-and-care-capacity-reflections-from-other-countries

93 www.adass.org.uk/media/9876/autumn-survey-2023-social-care-housing-health-and-winter-final.pdf

are awaiting community health and social care services rose by 59% between May 2021 and April 2023.⁹⁴

Policy around discharge (and other aspects of health and social care integration) has been largely piecemeal in recent years, with sporadic time-limited funding that has prohibited long-term planning and, on occasion, undermined progress made towards collaboration.⁹⁵ The establishment of integrated care systems and improvements since the Covid-19 pandemic, including those around shared data, provide opportunities for greater join-up between social care and the NHS. However, successive governments have set unrealistic ambitions for integration policy, with an emphasis on structures and on sustaining the NHS, rather than overcoming cultural barriers and giving social care an equal voice and status.⁹⁶

What needs to happen?

In order to better join up social care and the NHS, the next government will need to:

- 1 Give equal prominence to social care as a partner in 'integrated care system' governing bodies and in national policy and consider how best to ensure the social care sector (including local authorities, providers, the voluntary and charity sector, care service users and unpaid carers) have a voice in decision-making.
- 2 Encourage the NHS – possibly through formal duties for integrated care systems or through development programmes that seek to grow understanding of social care market dynamics among health leaders – to collaborate with social care colleagues around workforce planning and technology development, to avoid undermining social care provision by competing for staff and resource.

94 www.nuffieldtrust.org.uk/resource/delayed-discharges-from-hospital

95 www.nuffieldtrust.org.uk/news-item/getting-the-fundamentals-right-how-to-better-prepare-for-discharge-pressures-next-winter

96 www.nuffieldtrust.org.uk/sites/default/files/2021-12/integrated-care-web.pdf

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