

The lives we want to lead

Towards change, towards hope



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Contents



Foreword	4
What we need from the Government	6
Conclusion	18

Over the last decade, core government funding to councils is estimated to have fallen by around £15 billion, a near 60 per cent reduction in real terms.

Foreword

What makes us happy and fulfilled?

The answer to this question will be unique and personal to each of us. But if everyone shared their views, we would likely see some common themes emerge. Family and friendships, hobbies and interests, new experiences, work or volunteering. These, and the myriad other potential answers, are the things that make us feel human, alive and valued. They connect us to ourselves, to those around us and to the places in which we live.

Whether by luck or design, many of us will enjoy a life in which the opportunities for these connections to flourish will exist largely unimpeded. For others of us, different degrees of support may be required to maintain those connections. For some, the level of support required may be relatively low. But for others, a significant degree of on-going support will be needed for daily living. Social care covers this full spectrum, supporting adults of all ages with a range of different needs and conditions and their family and friends who provide invaluable unpaid care. It is a scaffolding that is used as and when needed to enable people to do whatever helps them grow and sustain their wellbeing.

Stabilising and reforming social care so that it can best support people in this way is one of the most urgent challenges we face as a society. There are already countless examples of great

social care across the country. In these cases, support flows naturally from conversations that have the time and space to understand all about the person who needs it, how it might best be provided and – most importantly – how it will enable them to live the life they want to lead. But too often the bigger picture is less personal, less human. Here, things are viewed through the lens of ‘the system’, which tends to define a person by what they cannot do, rather than what they can. It focuses in on the person’s needs, rather than their strengths and aspirations, and then assesses whether those needs are eligible. If they are, the person becomes a ‘service user’, further perpetuating the sense that it is the system, rather than the person, that has primacy. In essence, social care faces the frequently impossible task of having to distil the notion of ‘a good life’ into a set of services that, in turn, are prioritised and rationed.

People who do not require support to live their life would not tolerate being told they had to go to bed at 8.00pm every night, or that visiting friends was not possible because they had already been supported to go shopping that day. Yet this has become the reality for some people who do need support from social care. And for some people who require more intensive support for daily living, it is not uncommon to experience a reduction in the care provided or a need to regularly justify why such a reduction should not happen.

**Less than £1 in every
£10 spent on adult
social care is being
spent on prevention.**

We must do better. But how?

With the new Government's first Budget just days away, and with the Prime Minister promising to 'fix social care once and for all', this short publication sets out the main issues that we believe need to be addressed to ensure that people can live the lives they want to lead, and the kind of action we want to see from Government. And of course, thinking about the future of social care means thinking way beyond social care. It is essential in its own right but it also needs to be considered in terms of the role it plays – on its own and with other local services – in strengthening the places in which we live, our local economies and the capacity of other vital local services. In this way, we are seeking to move away from thinking about 'social care' in transactional terms and towards a foundation built on human relationships and connections. To support that shift, we need to incorporate the role of councils' universal services, housing, public health, health, the voluntary and independent sectors, and – most crucially – the voice of people with lived experience of care and support, into our plans.

Some of this material is a restatement of what we said in our 2018 green paper, all of which remains relevant today and reflects the continuing importance and urgency of finding a long-term solution.

There can be no doubt that social care is now a firm public priority. In an Ipsos Mori survey in November last year looking at the issues most likely to help voters decide which way they would vote in the recent General Election, 'care for older and disabled people' came third behind the NHS and Brexit.¹ This was higher than issues such as the economy, education, housing and the environment. The findings of that survey played out on the election campaign trail. Social care featured strongly in debates, campaign messaging and media coverage, as well as in party manifestos. But we have been here before and experience shows that the national spotlight that falls on social care in the heat of an election campaign can often fade once governments take office. The result is a continuation of piecemeal interventions that soften the edges of the social care challenge, rather than action to tackle the challenge head on.

This is a debate that therefore requires the engagement of politicians of all political colours. It is about the national interest, the local interest and the individual interest. Cooperation and consensus across the political divide must be built and councils stand ready to play their part in making this happen.

¹ www.ipsos.com/ipsos-mori/en-uk/nhs-leads-top-election-issue-conservatives-still-expected-be-largest-party

What we need from Government

How we talk about ‘social care’

The way we talk about social care needs to change. A ‘crisis narrative’ centred around the idea of a ‘system at breaking point’ has dominated the debate about the future of care and support. This absolutely has its place. It is right and necessary to draw attention to the scale of the pressures that social care has grappled with over the last decade or so and their very real consequences for people. Previous governments have taken some action in response. But it has not been sufficient and we need to focus on the wider goals and potential of social care in the long-term.

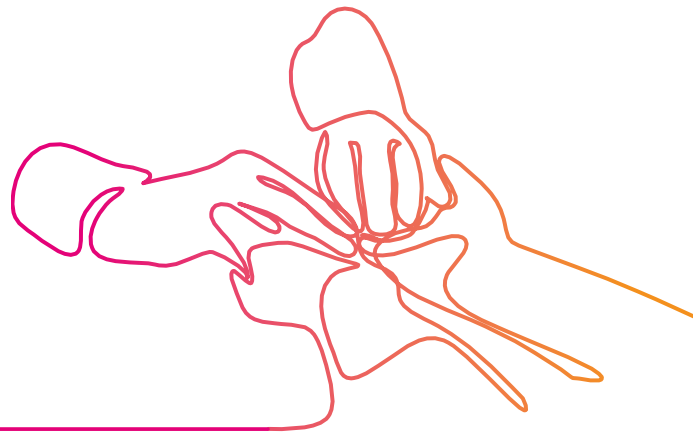
To improve people’s care and wellbeing, councils need the Government to:

- recognise and articulate the true value and purpose of care and support, including the importance of its local dimension, and bring this to the fore in its proposals for the future of social care
- ensure that this articulation reflects the views of people from across the social care sector, especially people with lived experience of care and support, including unpaid carers
- carry this narrative forward into a wider campaign to raise awareness amongst the public of the role social care and support can play in building hope for a fulfilling and better future for us all.

Improving social care and wellbeing

Securing the immediate future

Any changes the Government may put forward for reforming care and support for the long-term will inevitably take time to deliver and will do little to alleviate immediate pressures and their consequences. The scale of the challenge cannot be overstated. Over the last decade, core government funding to councils is estimated to have fallen by around £15 billion, a near 60 per cent reduction in real terms. Looking ahead, provisional Local Government Association (LGA) analysis (to be finalised shortly after the Budget) shows that adult social care faces an additional future funding requirement of just over £2.6 billion for 2020/21 and just over £7.9 billion by 2024/25. This funding requirement comprises the ‘provider market gap’ (the difference between what providers say is the cost of delivering care and what councils pay) and ‘core pressures’ (inflation, demography and the National Living Wage). It is projected on the basis of maintaining 2019/20 levels of access and quality.



Growth in the funding requirement (2019/20 base)	Cost 2020/21	Cost 2024/25
Provider market gap as at 2018/19 (£1.34billion)	£1.43 billion	£1.81 billion
Growth in the funding requirement for services at 2019/20 levels of access and quality (in addition to growth attributable to the provider gap above)	£1.19 billion	£6.12 billion
TOTAL	£2.62 billion	£7.93 billion

In addition to projecting the future funding requirement, our provisional analysis also considers growth in available funding. Factoring that potential growth into our analysis, we estimate that adult social care faces a funding gap of £810 million in 2020/21 (which is an improvement from the 2019/20 starting point due to a favourable 2020/21 funding settlement), rising to £3.9 billion in 2024/25.

The annual percentage increase on funding available today that is required to tackle this gap would be similar to the 3.4 per cent annual real terms funding increase given to the NHS, although the total actual funding would be much less: the extra £20.5 billion a year by 2023/24 in real terms for the NHS is more than the entire budgeted spend on adult social care for 2019/20 (£16.79 billion).

The consequences of failing to address this short- to medium-term pressure would likely include a deepening of the consequences seen to date, as set out below. While welcome, the Local Government Finance Settlement did not provide funding sufficient to tackle all of these issues in their entirety, especially the pressure on the provider market.

Quality: the Care Quality Commission’s (CQC) annual ‘State of Care’ report² shows that quality levels in adult social care have been maintained, with 84 per cent of services rated either ‘good’ or ‘outstanding’ (up from 82 per cent last year). However, the report also highlights that access to services is challenging. For instance, some people eligible for homecare have struggled to access support because of a lack of services or a long waiting time.

Workforce: linked, the aforementioned CQC report also highlights concerns with the social care workforce, with care workers reporting ‘chaotic and unorganised shift patterns, at times without breaks, causing many to feel dissatisfied, stressed and undervalued’. If the workforce grows proportionally to the number of people aged 75 and over in the population, then a 50 per cent increase (800,000 new jobs) will be required by 2035. Adult social care workers are paid less than NHS staff in comparable roles. The LGA intends to look at this issue in greater detail but we broadly estimate that bringing care worker pay in line with pay for comparable roles in the NHS would cost in the region of £1 billion. This would obviously be in addition to what is priced into our future funding requirement figures above.

² www.cqc.org.uk/sites/default/files/20191015b_stateofcare1819_fullreport.pdf

Unpaid carers: research by Carers UK³ shows that carers who care for more than 50 hours a week report poorer health. One in four report bad or very bad physical health and 29 per cent report bad or very bad mental health. 81 per cent of all carers report feeling lonely and isolated as a result of their caring role.

Providers: the latest Association of Directors of Adult Social Services (ADASS) budget survey⁴ shows that 75 per cent of councils (up from 66 per cent last year), reported that providers in their area had closed, ceased trading or handed back publicly-funded contracts in the last six months, affecting nearly 12,000 people.

Unmet and under-met need: councils received 1.91 million requests for support from new clients in 2018/19, up from 1.84 million requests in 2017/18.⁵ In 2018/19 there were more than 8,000 more working-age adults receiving long-term support compared to 2015/16, although the number of older adults receiving long-term support over the same period has fallen by more than 40,000.⁶ Age UK estimates⁷ that there are 1.4 million older people who do not receive the help they need.

Prevention: the aforementioned ADASS budget survey also shows that less than £1 in every £10 spent on adult social care is being spent on prevention. Given the important role prevention

plays in increasing people's independence, reducing the need for more costly care and achieving savings, this further highlights the reality that councils do not have the funding they need to meet all their statutory duties and are having to prioritise those people with the highest level of immediate needs.

Supporting the NHS: a recent report by the National Audit Office (NAO) on the financial management and sustainability of the NHS notes that, 'ongoing pressures in social care provision...presented challenges for NHS services' in terms of efforts to reduce demand. The report also notes that, 'Local NHS bodies remain concerned that without a long-term funding settlement for social care, it will be very difficult to make the NHS sustainable'.⁸ Such observations bring into question the deliverability of the NHS Long Term Plan, which states that, 'When agreeing the NHS' funding settlement the government...committed to ensure that adult social care funding is such that it does not impose any additional pressure on the NHS over the coming five years'.⁹ It would be a real stretch of credibility to suggest that social care funding is currently enough to avoid the imposition of any further pressure on the NHS.

3 www.carersuk.org/images/News_campaigns/CUK_State_of_Caring_2019_Report.pdf

4 www.adass.org.uk/media/7295/adass-budget-survey-report-2019_final.pdf

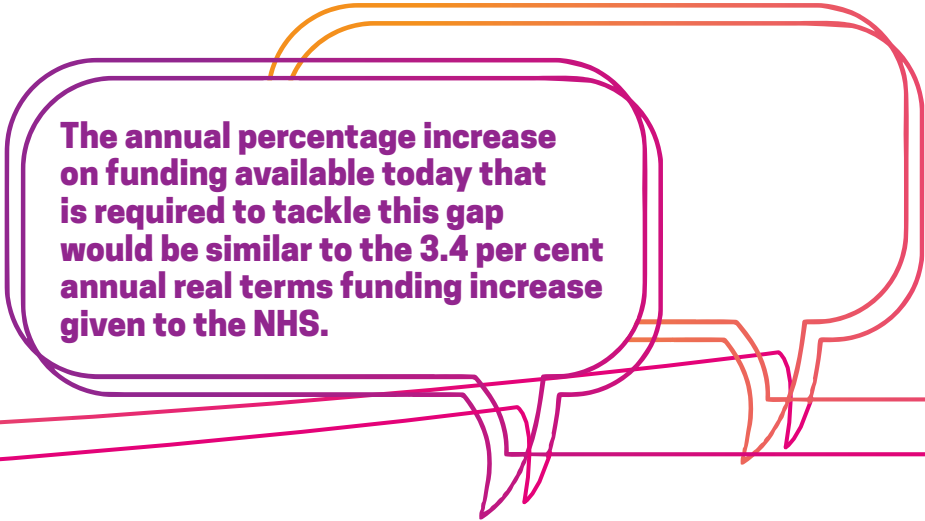
5 <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2018-19/4.-long-term-care>

6 <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2018-19/4.-long-term-care>

7 www.ageuk.org.uk/latest-news/articles/2018/july/1.4-million-older-people-arent-getting-the-care-and-support-they-need--a-staggering-increase-of-almost-20-in-just-two-years

8 www.nao.org.uk/wp-content/uploads/2020/02/NHS-financial-management-and-sustainability.pdf

9 www.longtermplan.nhs.uk/wp-content/uploads/2019/08/nhs-long-term-plan-version-1.2.pdf



The annual percentage increase on funding available today that is required to tackle this gap would be similar to the 3.4 per cent annual real terms funding increase given to the NHS.

To improve people's care and wellbeing, councils need the Government to:

- use this year's Budget and Spending Review to invest additional resources to address the above issues and secure social care and support for the short- to medium-term
- set out clearly how social care can be protected and enhanced to enable people to live the lives they want to lead in the future.

A focus on prevention and wellbeing

The Care Act is a well-supported landmark piece of legislation that has at its heart the promotion of a person's 'wellbeing'. This was drawn in deliberately broad terms, recognising that our wellbeing is shaped by a wide range of social, physical, mental and emotional factors. Yet while the central aspiration is fundamentally sound, and a potentially powerful force for change, its full realisation is hampered by the pressures on councils' budgets set out above.

Preventing, reducing or delaying the onset of need is another key component of the Care Act but its realisation is similarly curtailed by funding pressures and the consequent need to primarily focus available resources on those with the highest levels of need.

Wellbeing and prevention must not be seen as the preserve of social care, or, indeed, the NHS, alone or as something done 'over there'. We need a broader plan of action across all relevant council services, such as housing, transport, leisure and green spaces, and the wide range of excellent services provided by councils'

local partners, to truly transform our approach to wellbeing and prevention. Public health in particular has a crucial role to play in supporting and promoting healthy ageing throughout our lives. How we age can impact significantly on the level of support we may need in later life and therefore the cost of health and social care.

We do not need to start from scratch. The 'Making It Real' framework¹⁰ developed by Think Local Act Personal (TLAP) remains the sector benchmark for articulating in practical terms what good, personalised and community-based support looks like from the perspective of people. It also helps capture and define the essence of wellbeing and prevention by thinking of social care not as a reactive response to need but as a force for creating supportive and inclusive places for people to live in. In this way, housing, open spaces, public health, transport, wider public and voluntary sector services, all have a role to play in improving people's wellbeing and independence in each local area.

As democratically accountable leaders of local areas, councils are best placed to oversee this coordination. Local health and wellbeing boards have a particularly important role to play in this respect and previous LGA work demonstrates their value in driving integration in a way that boosts prevention and tackles the wider determinants of health.¹¹

TLAP's work on innovations in community support is equally important, showcasing good examples of person-centred, strengths-based care and support to encourage commissioners to think differently.

¹⁰ www.thinklocalactpersonal.org.uk/makingitreal

¹¹ www.local.gov.uk/sites/default/files/documents/1%2095_Health_and_wellbeing_boards_V06%20WEB.pdf

This further underlines the point that we do not need to start from a blank page, rather we need to help create the right conditions for mainstreaming the kind of innovative social care that, in many areas, is already improving people's lives.

To improve people's care and wellbeing, councils need the Government to:

- Recommit to the intentions set out in the Care Act legislation, including the cost implications of delivering on both the spirit and the letter of the law.
- Set out plans for sustainable long-term investment in the public health grant to ensure the viability of essential prevention and health protection services.
- Consider making significant new ongoing investment available to councils for wellbeing and prevention. Previous work we have done to estimate the cost benefit of investment in prevention shows that every £1 invested can generate benefits of £7.19 over a five-year period, of which £1.90 are financial savings and the remainder are health benefits to the individual.¹² There are a range of ways in which this investment could be delivered.

Stronger partnership with the NHS

Integration is not an end in itself. Rather, it is a means of improving health and wellbeing outcomes for individuals and communities, improving the planning and delivery of services, and making best possible use of resources. However, too often health and social care are set on unequal footings, with the latter viewed (sometimes solely) in terms of the role it can play in supporting the former.

This needs to change and the NHS is starting to play its part, such as through an emphasis on partnership working as a measure of maturity for the integrated care systems (ICSs) that are set to replace sustainability and transformation partnerships (STPs). The NHS Long Term Plan also recognises that the NHS needs to change its model of care and support to achieve the objective of improving health and wellbeing outcomes by focussing more on community-based prevention.

As set out in the NHS Five Year Forward View and Long Term Plan, reducing demand for services through a greater focus on prevention and strengthening care out of hospital have been key aims for supporting NHS sustainability. Yet the NAO also notes that the aspiration for prevention has not been linked to any dedicated funding and total spending on primary and community health as a proportion of NHS expenditure actually decreased between 2015/16 and 2018/19.¹³

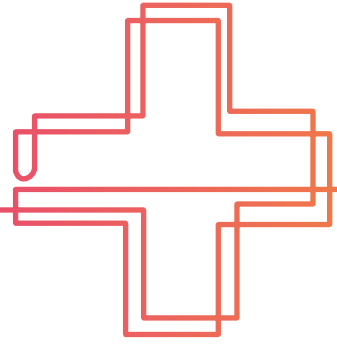
If the Government is serious about making the next ten years 'the decade of prevention' then we need a rebalancing of our approach.

Part of this must include an honest conversation about what changes the NHS could and should make to both alleviate pressures on social care and contribute more meaningfully to the wellbeing and prevention agenda, including recognition that prevention is more than simply preventing people from needing inpatient hospital treatment. The LGA has worked constructively with NHS partners previously to set out a vision for integrated care that benefits individuals, communities, local health and wellbeing systems, and government and national bodies.¹⁴

¹² www.local.gov.uk/sites/default/files/documents/prevention-shared-commitm-4e7.pdf

¹³ www.nao.org.uk/wp-content/uploads/2020/02/NHS-financial-management-and-sustainability.pdf

¹⁴ www.nhsconfed.org/-/media/Confederation/Files/Publications/Documents/Stepping-up-to-the-place_Br1413_WEB.pdf



To improve people's care and wellbeing, councils need the Government, NHS England and NHS Improvement to:

- Consider how the NHS might change to be a more equal, modern and responsive partner through action such as:
 - encouraging nurses to do more work, where appropriate, outside of hospitals (such as in residential care homes to help prevent the potential need for residents to be admitted to hospital) and recognising the contribution of other professionals in keeping people well and independent in the community
 - spending more of the NHS budget outside of the acute sector
 - establishing a 'duty to cooperate', requiring the NHS (and in particular STPs/ICSs) to engage with health and wellbeing boards as part of developing local plans to reshape and integrate health and care services that are genuinely locally agreed
 - incentivising the NHS to invest in community-based prevention activity to reduce acute hospital activity
 - allowing funding for NHS social prescribing to be spent on what social prescribing actually buys, such as support for community and voluntary sector services that build social connections, resilience and wellbeing, rather than just the social prescribers themselves
 - investing more in community-based health services such as district nurses, incontinence services and primary care, under-investment in which all increase pressures on social care
 - developing a collaborative leadership culture within STPs and ICS, which recognises the vital contribution of local government and other partners and ensures that they are

equal partners in developing local system plans for improving health and wellbeing

- recognising that, ultimately, the biggest impact on health and wellbeing is in addressing the wider determinants of health and ensuring that local government – and public health in particular – has the power, flexibility and resources to fulfil their core purpose of ensuring that all their residents have the opportunities to have the best start in life, to live well and age well.

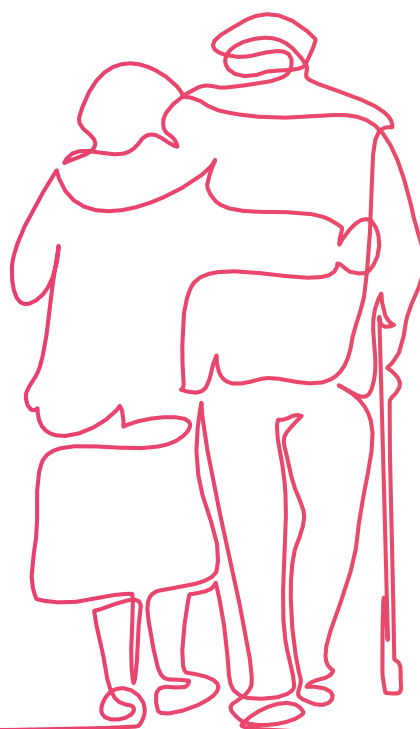
Charging reforms and how they might be paid for

One of the most fundamental problems of the current system of social care charging, is that the risk of needing care and support – and therefore its cost – is not pooled. Instead, risk and cost fall solely on people with care needs. This group of people, which is small in relation to the adult population as a whole, are required to contribute to the cost of their care in line with the financial means test. Some may end up paying nothing or very little, but others can end up having to pay significant amounts. It is the exact opposite in the NHS where support is often described as being provided 'free at the point of delivery, free at the point of need'. But, of course, such support through the NHS is clearly not free because, as a society, we collectively share the risk of the cost of meeting health needs through taxation. Social care needs an equivalent risk pooling mechanism; a sharing of the burden amongst the whole population (on a means-tested basis for a degree of progressivity) to ensure nobody faces catastrophic costs, in which the definition of 'catastrophic' necessarily varies according to each person's starting level of assets.

Developing reforms to the way that social care is paid for and funded is not easy. But our work,

and that of others, has helped narrow down the options. In respect of the reforms themselves, the main proposals include some form of free personal care, a cap on the total cost people are required to contribute to their care costs (which is already legislated for under Part Two of the Care Act) and an increase in the threshold which protects a minimum amount of a person's assets. Each of these options has its merits and each could be calibrated in a number of different ways. In respect of funding such reforms, there are again a finite set of options. We have previously recommended that the Government should make the case for increases in Income Tax and/or National Insurance and/or a social care premium/insurance scheme. This remains our position. At this stage, we also believe that all other potential options should at least be on the table for discussion.

This could include, for example, potentially radical options such as means testing certain universal benefits, aligning the means test for domiciliary care with that for residential care so that the value of a person's home would be taken account of along with other assets and income, and reforming Attendance Allowance. And, of course, it may well be that what is needed is a mixture of these options. The following tables, replicated from our green paper and updated where possible, set out: the costs involved in addressing some of the key issues identified above and options for expanding entitlements; and options for raising additional revenue.



If the Government is serious about making the next ten years ‘the decade of prevention’ then we need a rebalancing of our approach.

Costs of addressing existing pressures and options to extend entitlements

	Change	Rationale	Cost 2020/21	Cost 2024/25
Funding existing requirements	1. Pay providers a fair price for care	The stability of the provider market is central to the provision of high-quality care and support that meets people’s needs and helps keep people independent at home. Enabling councils to pay a fair price for care (based on cautious industry estimates of what is needed) would help prevent providers ceasing trading and/or handing back contracts and help to prevent a ‘two tier’ system between publicly funded care and privately funded care.	£1.43 billion	£1.81 billion
	2. Growth in the funding requirement for services at 2019/20 levels of access and quality	Without funding for core pressures, unmet need is likely to continue to grow, pressures will build on the provider market and its workforce, and the impact on unpaid carers will continue to increase.	£1.19 billion	£6.12 billion
	3. Provide care for all older people that need it (based on estimates of unmet need amongst older people by Age UK) ¹⁵	Tackling unmet need amongst people with care needs, would help maintain people’s independence and prevent the deterioration of people’s conditions and would help allow informal carers to continue their caring role.	£3.19 billion in addition to 1 and 2 above	£4.03 billion, in addition to 1 and 2 above
	4. Provide care for all people of working age who need it (estimates based on broad assumptions set out below) ¹⁶	As above	£1.55 billion, in addition to 1 and 2 above	£1.88 billion, in addition to 1 and 2 above

15 Our estimate of the cost uses Age UK figures as a starting point. We take their figure of 164,217 – the number of older people who receive no support with three or more essential daily activities – and assume support for those people based on the profile of existing support for older people in terms of home care and residential care. We then apply unit costs: for home care we cost 1 hour per day; for residential we cost a year of residential care.

16 We apply the same method used for estimating the cost of meeting unmet need amongst older people. However, as we do not have a starting number (equivalent to the Age UK figure of 164,217) we link to the number of working age adults currently receiving services. The number of working age adults supported is roughly 40 per cent of the number of older people supported so we apply that percentage to the Age UK figure and apply working age adult unit costs for home and residential care.

	Change	Rationale	Cost 2020/21	Cost 2024/25
Reforms to extend entitlements	5. 'Cap and floor'	A cap on the maximum costs an individual could face, along with a more generous lower threshold in the financial means test, would protect people from 'catastrophic costs' and more of their asset base. The cost depends entirely on where the cap and floor are set. The Health Foundation and King's Fund modelled costs based on a cap at £75,000 and a floor at £100,000 (as per Conservative proposals at the 2017 General Election) ¹⁷		£4.7 billion, ¹⁸ in addition to 1 and 2 above
	6. Free personal care (Health Foundation/ King's Fund and Health and Social Care/ Housing, Communities and Local Government select committees) ¹⁹	Free personal care would improve access to social care by removing the current means test and help people to remain independent at home. It would apply to everyone who needed care. Decisions would be required on the level at which the offer applied and what would count as 'personal care'. Accommodation costs – including in residential care – would continue to be the individual's responsibility.		£6 billion, ²⁰ in addition to 1 and 2 above

17 www.health.org.uk/sites/health/files/A-fork-in-the-road-Next-steps-for-social-care-funding-reform-0.pdf

18 As per under-pinning analysis conducted by the Health Foundation and King's Fund:
www.health.org.uk/sites/health/files/A-fork-in-the-road-Next-steps-for-social-care-funding-reform-0.pdf

19 See for instance:
www.health.org.uk/sites/health/files/A-fork-in-the-road-Next-steps-for-social-care-funding-reform-0.pdf and
<https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/768/768.pdf>

20 As per under-pinning analysis conducted by the Health Foundation and King's Fund:
www.health.org.uk/sites/health/files/A-fork-in-the-road-Next-steps-for-social-care-funding-reform-0.pdf

Options for raising additional revenue

Option	Further detail	Amount raised (based on other organisations' reports)	Amount raised 2024/25 (estimate)
Means-testing universal benefits (2017 Conservative Manifesto)	Means testing and/or better targeting of winter fuel payments and free TV licenses (ie limiting these benefits to people on pension credit)	£1.8 billion a year (2020/21) ²¹	£1.9 billion ²²
Social Care Premium/insurance scheme (Health and Social Care and Housing, Communities and Local Government joint select committee report) ²³	An earmarked contribution to which individuals and employers should contribute (such as an additional to National Insurance). Under 40s to be exempt and those beyond the age of 65 should contribute. Consideration to be given to a minimum earnings threshold to protect those on lowest incomes. This could be similar to a social insurance model and could be voluntary or compulsory with different options for paying in – eg weekly, monthly, on retirement, deferred and paid from a person's estate. It could be private or state backed.		Based on everyone being able to pay, raising £1 billion would mean a cost of £33.40 for each person aged 40+ in 2024/25 ²⁴
1 per cent on Income Tax (Health Foundation and King's Fund and reproduced in joint select committee report) ²⁵	Basic	£3.8 billion (2020/21) £5.1 billion (2030/31)	£4.4 billion ²⁶
	Higher	£1.3 billion (2020/21) £1.8 billion (2030/31)	£1.5 billion
	Top rate	£400 million (2020/21) £900 million (2030/31)	£450 million

21 www.health.org.uk/sites/health/files/Social-care-funding-options-May-2018.pdf

22 We take the estimate as put forward by the Health Foundation and King's Fund and uprate it by OBR forecasts for CPI inflation.

23 <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/768/768.pdf>

24 For illustrative purposes, we take a figure of £1 billion and divide this by ONS projections for people aged 40+ in 2024/25.

25 www.health.org.uk/sites/health/files/A-fork-in-the-road-Next-steps-for-social-care-funding-reform-0.pdf / <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/768/768.pdf>

26 For Income Tax estimates, we take the 2020/21 estimate as put forward by the King's Fund and Health Foundation and uprate it on the basis of OBR forecasts of income tax take (themselves extended using the long-term average rate of growth to get to 2024/25). In effect this is a 1p increase in the rate, not a 1 per cent increase in income.

Option	Further detail	Amount raised (based on other organisations' reports)	Amount raised 2024/25 (estimate)
1 per cent on National Insurance (Health Foundation and King's Fund and reproduced in joint select committee report) ²⁷	All rates	£9.1 billion (2020/21) £12 billion (2030/31)	£10.4 billion ²⁸
	Extend beyond retirement age given the increase in the number of people working beyond retirement age	£1 billion (2020/21) £1 billion (2030/31)	£1.1 billion
	Extend to some elements of pension income (Resolution Foundation – note this was presented as an option for funding an NHS spending increase) ²⁹	£2.5 billion (2022/23)	£2.6 billion ³⁰
1 per cent increase in council tax			£285 million ³¹
Charging for accommodation costs in Continuing Health Care (Barker Commission) ³²	Means testing accommodation costs for people who receive continuing health care in a residential setting.	£200 million estimate at the time the Barker review was published	£200 million

27 See 25.

28 For National Insurance, we take the 2020/21 estimate as put forward by the King's Fund and Health Foundation and uprate it on the basis of OBR NIC revenue forecasts (themselves extended to get to 2024/25 as above). In effect this is a 1p increase in the rate, not a 1 per cent increase in income.

29 www.resolutionfoundation.org/app/uploads/2018/06/Healthy-Finances.pdf

30 We assume pensions rise with inflation.

31 Councils with responsibility for adult social care are only raising around £23 billion in council tax this financial year. 1 per cent of this is £230 million. We uprate this in line with expected growth in council tax income so that we apply the 1 per cent to the expected tax base in 2024/25.

32 www.kingsfund.org.uk/sites/default/files/field/field_publication_file/Commission%20Final%20%20interactive.pdf



Whatever proposals the Government may put forward, we believe certain key issues and principles need to be at the heart of the process of weighing up the different options.

To improve people's care and wellbeing, councils need the Government to:

- Set out how its proposals meet key tests, including:
 - Simplicity: is the proposed system clear and easy to understand?
 - Transparency: are the costs of care, the raising of funding for those costs and the spending of that funding clear and transparent?
 - Risk pooling: do the proposals pool financial risk among the population at large rather than costs being borne solely by individuals requiring care and support?
 - Certainty and sustainability: do the proposals raise money for the short, medium- and long-term?
 - Fairness: are the proposals likely to be considered fairer than current arrangements by the public (across a range of dimensions, such as for people who have saved all their lives, protecting housing assets, fairness between generations or fairness in terms of people's ability to pay)?
 - Social contract: would the proposals give the public a clear sense of rights and responsibilities? For example, would the public have a clear sense that, by contributing financially through taxes, charges or other measures, the return would be guaranteed access to services on clear, understood and fair terms?

Conclusion

The Budget provides the next opportunity for the Government to start to address the issues we have outlined above. In support of this, we would welcome the Government publishing a 'route map' to reform with a clear timeframe as soon as possible.

Care and support reform, alongside wider thinking about how to improve people's wellbeing, cannot be done single-handedly by the Government. This is necessarily a process that needs to draw on the extensive experience, commitment and passion of all people connected to social care, especially those with lived experience.

Local government has always signalled its willingness to play its full part in the process of change and we are clear that any reforms stand a greater chance of success with councils involved as a key partner. We look forward to the Government making further announcements on this crucial public service at the earliest opportunity.





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