

# The future of social care funding

Can a green paper solve all the problems?





# The funding gap

As the publication date for a government green paper on the future of social care draws ever nearer, the discussion around what should be included and what issues should be addressed has never been more intense.

With an ageing population in the UK, it has been clear for many years that a new model for funding and delivering social care needs to be developed so that the care sector can support growing demand; and the latest green paper, due to be published before the summer recess in late July, aims to develop long-term reforms for the sector.

Secretary of State for Health & Social Care, Jeremy Hunt has said: “We are committed to reforming social care to ensure we can guarantee everyone dignity and security in old age. It is important we consider a wide variety of views on the future of the social care system – as our ageing population continues to grow it is absolutely vital that we get this right.”





# It is estimated that the social care sector will face a funding gap of £2.5 billion by 2020.

That process has already begun with a timetable of engagement designed to reflect a range of views from a wide variety of stakeholders. So this is the time for owners and directors of care homes, and for anyone working in the care sector, to make their voices heard. There will also be a public consultation post-publication and the government has promised to listen to the views of experts and care users alike.

The green paper will not only focus on funding, it will set out wide-ranging plans for how the government proposes to improve care and support for older people and tackle the challenge of an ageing population.





A government statement read: “To achieve reform where previous attempts have failed, we must look more broadly than social care services alone, and not focus narrowly on questions of means-testing, important though these are.”

However, it is clear that money lies at the heart of the urgency behind the consultation.

It is estimated that the social care sector will face a funding gap of £2.5 billion in 2020 despite Chancellor Phillip Hammond’s £2 billion extra funding over three years, announced in the spring budget of 2017. Moreover, recent analysis<sup>1</sup> from the Local Government Association, the umbrella organisation which represents local authorities across the country, indicates spending on social care will take up 60p of every £1 spent by local government by 2020.

## What will the green paper cover?

Some of the issues the green paper will tackle include:

- Funding
- Means testing
- What kind of cap should be placed on how much people should pay
- The integration of health and social care
- Holistic and person-centred care
- The role of carers
- Recruitment and retention
- The challenges of Brexit

## What is a green paper?

Green papers are consultation documents produced by the Government. The aim of this document is to allow people both inside and outside Parliament to give the department feedback on its policy or legislative proposals.<sup>2</sup>







# Missed opportunity?

No green paper, and particularly not one which addresses such an emotive subject as the future of social care for older people, can escape controversy or criticism. There is so much potential ground to cover, that the scope of such an exercise will always be a challenge.

The government made a big decision, for instance, to exclude care for young adults, one of the fastest-growing parts of the care sector, from the paper in a bid to focus entirely on challenges created by an ageing population.

Care for young adults consumes 50 per cent of the nation's care budget<sup>3</sup> but will now be reviewed by "a parallel programme of work"

led jointly by the departments of health and communities and local government.

This approach has not resonated with a number of MPs and a cross-party group has called for a parliamentary commission to explore the feasibility of a more 'whole system' plan for funding social care. The fear is that only addressing one aspect of social care will fail to make progress.<sup>4</sup>

# Concerns and considerations

**There are no representatives from social care professional bodies or service user groups on the government's list of those taking part in the consultation.**

Trade union Unison branded this a 'huge mistake' and national care officer Matt Egan said: "Everyone wants to see a system that's well funded, that can give the best possible care to all those who need help – and that means people with disabilities, as well as older people. That care system also needs a highly trained, well-treated workforce.

"But the failure to include a union or any other kind of organisation representing care workers in shaping the green paper is a huge mistake – especially as ministers plan to seek the views of care company bosses.

"The government must consult with experts, but if it doesn't listen to the dedicated care staff keeping the system going, it will be missing out on the chance to hear solutions from those that know the care sector better than most."<sup>5</sup>

**Care for young people with disabilities is excluded from the green paper's remit.**

Disabled people aged 18-64 make up a third of all social care users, and yet their needs will not be addressed in the green paper.

That decision hasn't gone down well with some people. As Michelle Mitchell, chief executive of the MS Society, said: "For too long, this debate

has almost exclusively focused on older people, overlooking those who need care and support much earlier in life. We can't fix social care if we think it's just for older people"<sup>6</sup>.

**There is no mention of the government's Carers' Strategy, as suggested in March 2016.**

The government launched a consultation between March and July 2016<sup>7</sup> after admitting it needed a new strategy for unpaid carers – those looking after a family member or friend – to set out how more can be done to support them. It asked to speak to carers, those who have someone who cares for them, business, social workers, NHS staff and other professionals who support carers. Its findings were expected to be included in the green paper – but so far there has been no mention.<sup>8</sup>

**Not everyone feels the green paper will go far enough.**

A poll in August 2017 by older people's charity, Independent Age, showed nine out of 10 MPs do not believe the current social care system is fit for purpose.<sup>9</sup>

Former health minister Norman Lamb, who is Liberal Democrat health spokesman and chairman of the House of Commons Science and Technology Committee, said "While ministers have promised a green paper on the future of social care, this falls short of the fundamental review of the entire health and care system that we desperately need."









# Industry voices

What's clear is that the green paper is long overdue, and despite controversies over what the publication is likely to include or exclude, it has been largely welcomed – at least in advance of its findings and recommendations.

There also seems to be a willingness from most stakeholders to consider significant reforms in a bid to find solutions to some very complex problems.



### **Nadra Ahmed OBE, Executive Chairman of the National Care Association**

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"It is heartening to note that social care provision has reached the heart of Westminster and grabbed the attention of the media and public. Clearly this is a huge step forward which will need, not only recommendations for shelving, but also a strategic plan which will address the challenges providers face. The green paper is an opportunity for providers to have their say.

Any funding announced to address the issue must be ring-fenced for front line provision. And robust measures must be put in place to ensure they are not subsumed by the government transformation agenda which within health will be heavily reliant on cash injections in the future.

The important message from providers will be to ensure local government purchases quality care services, acknowledging that to retain a robust social care market they must use the money allocated to deliver it."

### **Adam Burr, Divisional Director at Howden**

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"I hope that the upcoming government green paper will address some of the issues that the care industry faces.

Speaking to care providers on a daily basis, funding is the main worry for most so I am pleased it forms an integral part of the green paper.

Whatever the outcome, as partner to the National Care Association, Howden is committed to supporting care businesses in uncertain times."

### **Andrew Worsley, CEO at Harbour Health**

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"As a company operating in the care sector, small changes in regulation can have a big impact on many lives – both our employees and the people we care for.

Funding in the care sector is of course a hugely important issue and it is encouraging to see a greater proportion of the tax payer's money being dedicated to care providers.

Although, we are also eager to see how the upcoming Green paper will change government processes, as we feel this will be the factor that really secures the future of the care industry in Britain."

### **Anita Charlesworth, Director of Research and Economics at the Health Foundation**

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"Social care is in desperate need of wide-ranging reform so that it provides fair funding, high-quality support for the most vulnerable and decent working conditions for those who provide care."<sup>10</sup>

### **Izzi Seccombe, Chair of the Local Government Association's Community Wellbeing Board**

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"Difficult, brave and possibly even controversial decision-making will be required to secure the long-term future of care and support, not just of older people, but adults of all ages, such as those with learning disabilities, and provide support for carers."

### **Dr Anna Dixon, Chief Executive of the Centre for Ageing Better**

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"We need a long-term sustainable funding solution for adult social care that means everyone has good access to good quality social care when they need it."<sup>11</sup>



# A brighter future?

It is safe to say that the proposed government green paper is certainly a step in the right direction and a new model supporting long-term reform in the care industry has been needed for some time.

The government have shown commitment by starting the process for a green paper and have laid out what the document will and will not include. It is clear that funding will need to be addressed but the paper will also aim to address government process towards the care industry in a bid to improve efficiency and maximise budgets.

However, some feel the paper has not gone far enough with the main concern being that the paper will not address care for young people, which takes up a large proportion of the tax payer's money.

For those in the industry there is hope that through this green paper an open discussion can now begin on how to address the serious issues existing in the care industry, and prepare us all for the future.

## **A safe pair of hands in a changing marketplace**

In an uncertain marketplace such as care it is important you have an experienced support on hand to give you the confidence to make the best decisions for your business.

As partner to the National Care Association, Howden is always engaged with the changes affecting the care environment and have over 20 years of experience providing insurance solutions for care providers in the UK.

Whether you are a client or not, please do get in touch via email or phone if you have an insurance or risk management related query.





<sup>1</sup> Public Finance, Social care could drain local services cash dry warns LGA, 10th November 2017

<sup>2</sup> Parliament UK, Glossary, Green Papers

<sup>3</sup> NHS, Adult Social Care Activity and Finance Report, England 2016-17, 25th October 2017

<sup>4</sup> Public Finance, MPs call for more holistic approach to improving social care, 28th March 2018

<sup>5</sup> Unison, Government care plans set to ignore the views of 1.4m care workers, 17 November 2017

<sup>6</sup> The Guardian, We can't fix social care if we think it's just for older people, 14th November 2017

<sup>7</sup> Gov UK, Carers strategy: call for evidence, 18th March 2016

<sup>8</sup> The Guardian, Government plans to reform England's social care are an opportunity missed, 17th November 2017

<sup>9</sup> The Independent, Social care system 'not fit for purpose', say nine out of 10 MPs, 30th August 2017

<sup>10</sup> Public Finance, Government announces social care green paper publication date, 17th November 2017

<sup>11</sup> Community Care, Green paper on older people's social care to be published by summer 2018, 16th November 2017



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