

## 60-SECOND SUMMARY

- 1. While the NHS has been protected since the financial crisis, social care has faced significant funding cuts.** This is having severe consequences in the sector. There has been a staggering 5 per cent drop in the number of people receiving publicly funded social care per year – totalling around 600,000 people since 2010 – despite an ageing population (Darzi 2018). The cuts are also beginning to impact on quality, particularly as a result of workforce pressures – with high turnover and huge staffing gaps. Meanwhile, provision in the sector is becoming increasingly unstable as a growing number of providers struggle to survive.
- 2. The divide between the NHS and social care is increasingly unsustainable. Since 1948, a boundary has existed between the NHS and social care.** This boundary has given rise to four key fragmentations in entitlements, funding, commissioning and provision (Barker 2014). Unsurprisingly, this has contributed to fragmented and uncoordinated care, which is particularly problematic as more and more people get older, live with complex needs, and require both regular health and social support. These fragmentations also lead to inefficiencies in provision such as delayed transfers of care and avoidable admissions to hospital.
- 3. The government must urgently overcome a legacy of failure on social care and ‘grasp the nettle’ of reform to avoid the collapse of the social care system.** There have been multiple limited attempts at social care reform over the last few decades, but none have managed to overcome the toxic combination of a lack public understanding about the system, a disempowered workforce and vulnerable user group to deliver lasting change. The government now has another opportunity to resolve this challenge, having committed to publishing a green paper on the topic followed by concrete actions to deliver lasting change. They must now ‘grasp the nettle’.
- 4. In order to improve the efficiency of public services, advance health and relieve poverty, we recommend the introduction of a bold and comprehensive reform package in three key steps:**

### STEP 1

**Introduce free personal care in England for over 65s.** This would mean that the care element (as opposed to the accommodation element) of social care would become free at the point of need. This change would in effect, redraw the boundary of the NHS – or at least extend the principles underpinning it - to include elements of social care. This would create parity between dementia patients and those living with other long-term conditions. It would enable the creation of a more integrated and joined-up system. It would also more than double the number of people receiving state funded social care meeting previously unmet need and reducing pressure on carers. Furthermore, free personal care is simpler and more popular with the public than the alternatives proposed (eg Dilnot 2011), with almost three-quarters of the population supporting it (Independent Age 2018b). Such a policy would also almost halve the number of people facing catastrophic social care costs from around 140,000 people to 80,000. For those still facing catastrophic social care costs there may be a case for a cap on care costs, which (if set at £85,000) we estimate could cost between £3.2 billion (for everyone) or as little as £350 million (for only those people with assets of £200,000 or less). An alternative approach would be to introduce a more generous means-test.

## STEP 2

**Fully fund free personal care.** Free personal care would require social care spending to increase from £17 billion per annum today to £36 billion by 2030 (excluding the cost of a cap or more generous means test). This is not cheap but would still represent an increase of less than 1 per cent of total government expenditure, 7 per cent of NHS spending and is only marginally more expensive (£2 billion in 2030) than the Conservative party's 2017 election pledge of a cap and floor system. The local tax base is neither fair nor sufficiently deep to raise this amount of money. Likewise, raising tax revenues from wealth is politically challenging and has often been a stumbling block for social care reform. We therefore recommend that free personal care is fully funded out of general taxation, requiring either a 1.31 percentage point increase in national insurance or 2.11 percentage point increase in income tax (Independent Age 2018a).

## STEP 3

**Join up health and social care.** To fully unlock the benefits of free personal care it must be combined with fundamental reform in the model of care provided across the country, with a focus on delivering more joined-up, preventative, accessible and personalised care. After all, more care is only valuable if it's also better-quality care. To deliver this, we recommend the creation of integrated health and care commissioners at a regional level (with a statutory footing) to lead system reform. This should go alongside the creation of Integrated Care Trusts (ICTs) at the local level to join-up primary, community and social care. Modelling for this research shows that delivering this could save the NHS up to £1.2 billion per year by reducing admissions to hospital and delayed transfers of care, as well as by shifting care into the community.

## The progressive policy think tank

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