

# 'Care after COVID: Building a better adult social care system'

26/11/2020

## Introduction

This Bright Blue event in partnership with ARCO involved the following speakers:

- **The Rt Hon Jeremy Hunt MP**, Chair, Health Select Committee
- **Phil Bayliss**, CEO of Later Living, Legal & General Capital
- **Michael Voges**, Executive Director, Associated Retirement Community Operators (ARCO)
- **Sir Muir Gray CBE**, Former Chief Knowledge Officer, NHS

The wide-ranging discussion touched on various policy issues around funding for social care, legislative frameworks for care homes and retirement communities, and conditions for investment. But panellists also emphasised the need for a fundamental shift in how social care and old age are approached, away from an institutional and reactive approach towards a more community-based, preventative approach.

## Key recommendations

- A **ten-year plan** for social care that addresses funding issues, workforce retention, and individual saving incentives.
- A **fundamentally new approach to providing social care** that focuses on prevention, activity and maintaining independence, with input from wide networks of different organisations.
- A **Dilnot-style funding solution** that clearly delineates the boundary between individual contributions to care and state support.
- **Reforms to regulation and planning policy** to enable more provision of innovative care models, and greater flexibility for individuals.
- A **cross-government task force** to identify key policy interventions and deliver a strategy for social care.

## Key themes

1. **There needs to be a paradigm shift towards enablement and prevention rather than treatment.**

*"Can't we think of a better way to spend our last years?" – Sir Muir Gray*

There was widespread recognition on the panel of the benefits flowing from a model focused on a preventative approach rather than treatment. Participants noted the consequences of neglecting prevention: as Sir Muir Gray noted, *"We now know that*

*much of what happens to us as we get older is not due to the ageing process until the late nineties. It's due to... disease accelerated by loss of fitness... and by negative thinking".*

Subsequent discussion turned on how to facilitate and encourage a transition to a preventative approach. In large part, panellists agreed there needs to be a cultural shift not only in how care is delivered but also in how old age itself is conceptualised. Michael Voges highlighted the important role that care homes fulfil but that there was also a tendency to *"Pivot between aspiration and the apocalypse when we talk about older people... I think we need to shift a bit more into the enabling and a bit more towards the aspirational end"*.

Much of the focus on a culture shift related to how policymakers and care providers should approach the issue of elderly care, however there was widespread recognition of need to foster a future-facing approach in individuals as well: *"we need to encourage people to engage with possible later living solutions at a time when they're not actually in need of them"*.

Some speakers further touched on the practicalities of how a preventative approach would look on the ground. Sir Muir Gray advocated a policy approach based less on care and more on supporting people to be independent for longer, using networks of organisations and providers such as Age UK and Sport England to provide physical, cognitive and emotional activity. Such a move would mark a shift away from an institutional model and encourage a much more community-based approach to old age care that has enablement and activity as its core aims. Adding to these observations, Phil Bayliss suggested that retirement communities could form the *"epicentre"* of community hubs that could foster activity and interaction.

Reflecting on the dangers of an overly institutionalised model of care, Jeremy Hunt MP noted that *"people... don't want to live in institutions"*, and in many cases, *"out of sight is out of mind"*. Hunt raised the example of Italy, which *"banned the putting of anyone in institutions"*, as an example of a decisive move away from an institutional framework, suggesting that although some progress has been made in the UK towards moving patients into the community, *"Italy went one step further"*.

## **2. There are gaps in provision for those on low to moderate needs, and significant legislative barriers to ensuring this provision**

*"That model [of retirement communities] is defined not in a single piece of legislation in the UK." – Michael Voges*

A number of speakers noted the emergence of a gap in adequate care provision for those with low to moderate needs. Michael Voges suggested that as geriatric hospital beds were phased out in the 1980s, nursing homes and care homes have increasingly catered towards those with high care needs (whereas before they often were focused on those with low to intermediate needs) – in other words, *"care homes don't do what they did 35 years ago"*. However there has not been a commensurate replacement in provision for those with lower care needs.

Several speakers noted that the key issue with regard to provision was that *"the regulatory framework that has allowed the care home market to grow has not been replicated for other forms of housing or care in the UK."*

What this has resulted in is substantial barriers to addressing the provision gap. When it comes to providing more retirement communities and housing with care, *"that bottleneck"* is, as Phil Bayliss noted, *"our national planning policy framework"*. Michael Voges pointed to an example where *"one of the biggest not for profit providers in the UK wanted to build a retirement community, but ended up building a care home instead as it was easier to get through planning as there was a definition for care homes"*. Indeed, such is the extent of legislative inertia that the model for retirement communities is simply not specified anywhere in UK legislation.

This lack of progress in the legislative framework has arguably stunted investment which may have alleviated the provision gap: Phil Bayliss noted that *"the world is awash with money right now."* Indeed, he said, *"we've got long-term pension money ready to invest and solve public problems and we can't because not enough local authorities are engaging with us and taking responsibility for building appropriate housing for their local ageing population"*.

### **3. There needs to be more innovation in the care sector to promote genuine choice and availability**

*"We should make it as easy as possible for there to be innovation in the provision of care for older people, and then ask the question of how do we put this within the reach of as many people as possible"* – Jeremy Hunt MP

While speakers acknowledged the need to address the provision gap, they further raised the need for innovation in care provision, particularly with respect to housing and finance, to ensure that new provision is high quality, offers genuine choice and can reach everyone who needs it.

Again, legislation emerged as a constraint on the ability of providers to meet the needs of residents and to make housing affordable. Phil Bayliss referred to the current arrangement as *"a feudal system where we sell 100, 200 year leases to an 80 year old who's going to live there for ten years"*, contrasting this with approaches in New Zealand and Australia where *"they make it a more mass-market product by being much more fluid around how much you pay up front, what do you pay on the go and what do you pay in the end"*.

Others suggested that the focus should be on those who own their own home and are expected to use their own assets by the local authority but cannot afford higher-end retirement villages. Michael Voges characterised this *"middle market"* as a particular target for policy, since this is where optionality is particularly constricted. There is a need here to consider liquidity as well as assets; for example, someone living in a high-value home may be able to afford things in a narrow sense, however their options

for accessing care without the need to "tie up their entire assets in the bricks and mortar they're living in" are limited.

#### **4. Balance between taxpayer and personal responsibility**

*"We should have... much more clarity about what the deal is, where the state is going to come in and help out and what your personal responsibility is" – Jeremy Hunt MP*

Setting aside the need for a more holistic policy approach, speakers also raised the question of how social care should be funded. Specifically, there was discussion on where the balance between taxpayer and social responsibility for meeting the costs of care should be.

The costs involved are substantial – an extra £4 billion a year is needed simply due to demographic pressures and planned rises in the National Living Wage according to Jeremy Hunt MP. Dilnot-style reforms, where people would be liable only for the first £40,000 in care costs, adds another £3 billion a year to this figure. Given the scale of this funding challenge, *"The fairest way to approach these funding needs is... a combination of the taxpayer and personal responsibility."*

Hunt further noted the success of this settlement in countries such as Germany and Japan, noting that there has been relatively little pushback against a joint taxpayer and individual approach to meeting the costs of care.

#### **5. A long-term settlement for social care is needed**

*"The social care system has been going from hand to mouth now for a very long time and ... what we probably need to say is we're going to have a ten-year plan for the social care sector and make sure it covers all of these different elements in a thoughtful way and I think that ... this is really what the country is expecting of us" – Jeremy Hunt MP*

Drawing on the discussion throughout the event, a final observation from several speakers was the need for a long-term settlement for social care in order to implement changes on the necessary scale. Jeremy Hunt in particular argued that a ten-year plan for social care, similar to that devised for the NHS, was vital to develop a strategy for social care that adequately addressed challenges around core funding, incentives for individuals to save for their care, housing issues and deep-seated cultural issues.

However, other speakers were quick to emphasise that such a long-term strategy should not be merely a Department of Health and Social Care (DHSC) initiative. Michael Voges suggested that *"most of the levers that I think would make the sector grow sit outside of DHSC... it's tenure models and planning and consumer regulation"*, and that a cross-departmental taskforce would be needed to devise such a strategy. Sir Muir Gray appealed for *"a system of living longer better, that will involve Age UK, businesses, Sport England, local authorities [and the] NHS"*.

