

Leonard Cheshire Briefing: An initial step in the right direction – our response to the social care funding announcement

Key points

- It is positive that the government are working to address the long overdue reform of social care. While the government's announcement on reforming social care funding is a step in the right direction, additional money is urgently needed for the here and now.
- The proposals to raise National Insurance will not generate the immediate cash injection of £12.2 billion needed to stabilise the care system this year. The Autumn Budget and Spending Review is therefore a critical opportunity for the government to invest in social care.
- Good quality social care can be transformative for disabled people, supporting them to live with equality and independence. However long-term underfunding and the impact of the pandemic has left many disabled people unable to access essential social care.
- We are concerned that the proposed £86,000 cap on care costs will not support disabled adults to access the care that they need. When publishing its White Paper on social care reform, the government should introduce funding mechanisms which support working-age disabled adults to thrive, not just survive.
- When developing the White Paper on social care reform, the government must co-produce reforms with working-age disabled people to ensure the White Paper delivers a care system that provides good quality accessible social care for everyone who needs it.
- As part of our [Care for Equality campaign](#), Leonard Cheshire published research in July 2021 showing that investing in social care that meets the needs of disabled people has the potential to pay for itself.

Why social care matters for disabled people

Having access to personalised and tailored social care can be transformative to the lives of disabled people. Good quality care can support disabled people to live with independence and equality, including helping them access and thrive in education and employment. In England, this includes over a quarter of a million disabled people of working age (16-64), who make up a third of social care users and account for just under half of local authorities' social care spend.¹

However, many disabled people are unable to access essential social care. Long-term underfunding has meant that even before the pandemic, 20% of adults who required care reported that they had gone without meals due to not receiving the care they needed.² The pandemic has exacerbated this issue, with disabled people seeing permanent reductions to their care, even as costs for care providers' spiral. There is a deepening recruitment crisis, care is being rationed and stretched council budgets are not keeping up with rising demand. The impact of Covid-19, alongside longer-term underfunding of social care, means there is an urgent need for investment alongside plans for longer-term funding reform.

¹ NHS Digital (December 2020), Adult Social Care Activity and Finance Report, England - 2019/20.

² Care and Support Alliance (2018), Voices from the Social Care Crisis.

The government's proposals for social care funding reforms

While it is positive that the government have ended the long wait for reforms to social care funding, the suggested proposals to increase finances through National Insurance will not meet the immediate shortfall the social care system is currently facing. The government's plan would add £1.8 billion per year to the social care budget, but the Health Foundation has calculated that a cash injection of £12.2 billion is needed to recover peak spending and stabilise the workforce.³ It is imperative that the government introduces this additional investment at the Spending Review and Autumn Budget, to ensure disabled people can access essential social care.

We are concerned that the proposed £86,000 cap on care costs will not support working-age disabled adults to access the care they need. Currently, working-age disabled adults are less likely to own assets or their own homes, and disproportionately live in poverty. The government must publish assessments of how the proposed cap will benefit working-age disabled adults, and proposals must explore financial measures to better support working-age disabled adults to afford their social care.

Alongside funding reform, the government must bring forward wider plans to reform the delivery of social care to ensure good quality care is accessible for everyone who needs it. It is essential that the government works with disabled people to co-produce the reforms to social care in the upcoming White Paper to ensure this delivers a social care system which meets the needs of working-age disabled adults.

The economic benefits of inclusive social care

Successive governments have delayed reforms to social care due to economic concerns. However, Leonard Cheshire's [Care for Equality report](#), published in July 2021, demonstrates that investing in inclusive social care reform has the potential to pay for itself.

An inclusive care system could empower disabled people who want to and are able to work to access and thrive in employment, supporting this government's efforts to close the disability employment and pay gaps. Alongside improving economic inclusion, our research shows that investing in social care could:

- Generate an additional £6-£20 billion in annual income for the UK economy.
- Reduce the proportion of disabled people in economic inactivity from 42.9% to 29.8%.
- Benefit the Exchequer by £1.1-£4.5 billion in income tax.

While these economic factors are not the reason to reform social care, they show that concerns around cost should not be the barrier to investing in social care at the Spending Review and Autumn Budget.

³ The Health Foundation (2020), The Health Foundation's response to the Health and Social Care Select Committee inquiry on social care: funding and workforce. www.health.org.uk/sites/default/files/2020-06/Health-Foundation-submission-to-HSC-social-care-funding-and-workforce-inquiry.pdf

Suggested actions for MPs

Contact to the Treasury: Write to the Chancellor of the Exchequer, stressing the importance of immediate funding support for the social care sector delivered at the Autumn Budget and Spending Review, so that disabled people can access the care that they need.

Write to the Secretary of State for Health and Social Care: Call on the Health and Social Care Secretary to ensure that the government works with disabled people to co-produce the reforms in the upcoming White Paper, to ensure these reforms are designed to meet the needs of disabled people, including working-age disabled adults.

About Leonard Cheshire

Leonard Cheshire is one of the UK's leading charities supporting disabled people. We support individuals to live, learn and earn as independently as they choose, whatever their ability. Led by people with experience of disability, we are at the heart of local life — providing opportunity, choice, and support in the communities around the globe. This includes providing social care through supported living and registered care homes – supporting nearly 3,000 disabled people at 120 Leonard Cheshire services – as well as enabling disabled people to participate in educational and employment opportunities.

Contact

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