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Short-changed again?

What will the impact of the new Health & Social Care Levy really be?



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As Parliament returned last week, the Government were quick to share their plan for the increase in funding for health and social care. Earlier this month I published 5 tests to hold the government's announcement against in relation to reform of the funding of social care, they are:

- 1 >** Does it generate sufficient funds immediately to close the gap between the population's current care needs and the care services available to meet them?
- 2 >** Does it provide stable, reliable and sufficient funding for social care services in the long term, so this question is resolved now and for future generations?
- 3 >** Is it fair in the way it raises income from the population given the financial pressures on younger adults, and the growth in unearned income from rising property values of many older people? And is it fair in the way that the money is spent on those with care needs?
- 4 >** Will it lead to a better deal in the pay, conditions and career prospects of the social care workforce and will it improve service effectiveness and efficiency?
- 5 >** Does it support greater integration of health and social care services to provide a better, seamless experience of personalised care for those who receive support?

I regret to say that it appears to fail on all counts. The Health and Social Care Select Committee chaired by former Conservative Health Secretary, Jeremy Hunt MP, previously called for an additional £7bn a year for social care. Yet, of the additional £12bn per year being raised for the next three years, only £1.8bn (15%) will go to social care – the rest going to the NHS; and of that around half will pay for the cost of the new care costs cap meaning just under £1bn will go to actually fund more or better social care. Therefore, this will not mean a better deal for the low-wage care workforce or address the problems of workforce shortages and high staff turnover that inevitably lead to poorer care for those in need. Many care organisations and health policy commentators are correctly saying that the social care sector has yet again been “short-changed”.

The new health and social care levy, if fully ringfenced, could provide a long-term funding solution for social care but it will not do so if the vast bulk of that levy goes into the NHS. Local Authorities responsible for social care will remain having to go cap-in-hand to the NHS for additional income, and history tells us that the demands of clinical care (with or without the pressures of a pandemic) will always trump those of social care.

The lack of fairness in the increase to National Insurance contributions to fund the levy is self-evident, and the £600m raised through the extra tax on dividends is just 5% of the total - little more than political cover to claim the levy is broad-based when in reality it is taking from the poorest to protect those with large capital assets through the care costs cap of £86,000.

What comes next? Integration and Social Care White Paper

One glimmer of hope is that government have promised a new White Paper outlining its future ambitions on integration and social care reform. It is, to say the least, odd that this will be published whilst the current Health and Care Bill is going through parliament rather than being a part of it. However, it does at least mean there are still things to play for in securing a stronger social care system for the future.

This White Paper is expected to be published later this year and – as has been the case with the recent levy – will include a far wider remit than social care. In addition to reform of adult social care, there is speculation that it will also include an indication of the “system-based” health and care outcome measures that will be set for ICS’ and councils as well as criteria relating to prevention spending and impact.

Government has indicated they want to work with local health and care leaders on developing these new proposals. Therefore, independent health and care providers and local government representatives should seize the opportunity this autumn to ensure they are making robust submissions to the upcoming Spending Review and are influencing the development of the White Paper and its outline for reform and change.

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