

Commission on the Future of Health and Social Care

Summary report

On Thursday 4 September 2014 the Commission on the Future of Health and Social Care, established by the Kings Fund, launched its final report. This briefing sets out the key issues identified by the Commission and its recommendations. It also sets out some of the themes highlighted by the CSP and by speakers and guests at the launch event.

1. The key issues

- 1.1 A simpler pathway of support is needed through health and social care
- 1.2 Better integration is required so services are designed around people's needs
- 1.3 England should have a single, ring-fenced budget for health and social care with a local commissioner
- 1.4 People with conditions that have similar burdens can end up making very different contributions towards their care – equal support for equal need is required
- 1.5 The DWP (through Attendance Allowance), local authorities and the NHS are providing support at different times and often in silos

2. The new settlement proposed

- 2.1 A single, ring-fenced budget for health and social care, with one commissioner
- 2.3 Because Attendance Allowance (AA) is closely related to social care, and acts like a personal budget, the AA should be brought within the health and social care system
- 2.4 Work should be conducted to explore the possibility of Health and Wellbeing Boards becoming the single commissioner
- 2.5 New recipients of NHS Continuing Healthcare should meet accommodation costs

3. Costing the new settlement

- 3.1 Spending on social care, especially for older people, is going to rise, regardless of how it is funded
- 3.2 As a start 'critical' care should be made free at the point of use
- 3.3 The second priority should be extending care free at the point of use to those with 'substantial' needs
- 3.4 By 2025 some support should be extended to people with moderate needs, however they may be expected to contribute subject to a means test

4. Affording the new settlement

- 4.1 The funding crises in social care is worsening, and NHS finances are deteriorating

- 4.2 International comparisons suggest England is not a big spender on health. At 9.6% compared to 11% spent by countries such as France, Germany and Canada.
- 4.3 Projections suggest that spending on health and social care is set to decline as a proportion of GDP
- 4.4 The government should plan on the assumption that spending on health and social care should reach between 11 to 12 % of GDP by 2025

5. Paying for the new settlement

- 5.1 A mix of three approaches is needed if public spending is to rise to 11% of GDP by 2025: using existing health and social care resources more efficiently, raising more private or public funding, or diverting existing public expenditure
- 5.2 There is little scope for new NHS charges, but more money could be raised by reforming prescription charges
- 5.3 Today's older generations should contribute to the costs of the new settlement through: better targeting of winter fuel payments and free TV licenses, rationalising the treatment of accommodation costs in health and social care, an ending of the exemption from employees' National Insurance (NI) contributions when people work on past state pension age. A 1p increase in the rate of NI for those over 40 as a health and social care contribution also proposed.

6. Recommendations by the Commission

- 6.1 A new settlement is needed for health and social care in England breaking down the divide between the two systems
- 6.2 Moving to one ring-fenced budget for health and social care, with a single commissioner.
- 6.3 A simpler path through the system of health and social care, with Attendance Allowance brought within the new single budget. The new approach should be based around personal budgets to give service users a voice in reshaping which services are provided where and in what way, and using the power of a single budget to integrate services.
- 6.4 There should be more equal support for equal need. In the long run that means making much more social care free at the point of use. Given the need to get the public finances back on a sustainable sound footing, they recommend:
 - I. Those whose needs are currently defined as 'critical' should receive free social care, ending the current distinction between free NHS Continuing Healthcare and means-tested social care at the highest level of need.
 - II. As the economy improves, free social care should be extended to those with 'substantial' needs.
 - III. Some support should be extended to people with moderate needs by 2025, with the expectation that they would contribute to those costs subject to a means test.
- 6.5 The Commission recommends that work be undertaken to explore whether and/or how the health and wellbeing boards could evolve into the single commissioner for our new settlement.

- 6.6 It does not recommend any changes to NHS charges, with two exceptions:
- The treatment of accommodation or 'hotel' costs outside hospital should be rationalised. New recipients of NHS Continuing Healthcare should be required to meet their accommodation costs on the same means-tested basis as those who currently receive critical care, up to the £12,000 annual cap in the Care Act 2014.
 - A radical recasting of the prescription charge. It recommends a dramatic reduction of the existing charge of £8.05 an item to perhaps £2.50, with many fewer exemptions, but the total payment an individual would face in any one year would be capped. The precise design of such a change requires further work that the Department of Health should undertake with a view to raising at least £1 billion.
- 6.7 The government should plan on the assumption that public spending on health and social care will reach between 11 per cent and 12 per cent of GDP by 2025. This will involve some significant tax increases. But as the economy grows, health and social care will be able to take a larger share of the much larger cake that economic growth produces.
- 6.8 The older generation and those approaching state pension age, will be among the biggest beneficiaries of our new settlement. So they recommend it is equitable and fair that they should make a significant contribution to the additional costs involved in our recommendations. The Commission recommends:
- Free TV licences for the over-75s and winter fuel payments should be restricted to the least affluent pensioners, with the money saved diverted to spending on health and social care.
 - The existing exemption from 12 per cent employees' National Insurance for those who work past state pension age should end. Rather than pay the full rate, however, work incentives should be maintained by a levy of 6 per cent.
- 6.9 The Commission suggests their recommendations for much more social care to be free at the point of use be phased in, and as that happens an additional 1 percentage point employees' National Insurance contribution be introduced for those aged over 40.
- 6.10 It recommends an increase to 3 per cent in the additional rate of National Insurance for those above the upper earnings limit, again timed to match the extensions of free social care.
- 6.11 With a view to raising additional revenue, it recommends a comprehensive review of wealth taxation to include possible reforms to inheritance tax, a wealth transfer tax, changes to capital gains and property taxation.
- 6.12 Given the changing evidence base as the population ages and medical advances continue, it recommends that the government adopt the recommendation of the Wanless review of 2002 and institute a regular review of the health and social care needs of the country and the spending required to meet them.

The full report is available [here](#)

7. Highlights from launch discussion 04/07/14

7.1 Kate Barker, Economist and Chair of the Commission

- The report set out to tackle two issues: how to create a system of care that works better and more appropriately for individuals and their carers and how far

social care costs should be funded by those in need and their families, and how far they should be shared across society

- The key concern has been to address issues from the point of view of users – there has been a tendency to focus on organisations, rather than individuals and creating simple patient pathways
- The aim should be to increase entitlement to social care rather than reduce entitlement to health care
- The current projection for the share of Gross Domestic Product (GDP) absorbed by the NHS over the next few years is unrealistically low – new funding, whether public or private, is needed

7.2 **Becky Huxtable, Expert by Experience (case study)**

- Becky's dad, Clifford - 77, is physically fit but has no cognitive understanding and has dementia. After an emergency admission on to a mental health assessment unit it was decided he could no longer live at home but his application for NHS Continuing Healthcare (CHC) was declined.
- Due to his complex needs no local care homes were able to accept him for the amount the local authority was willing to pay so he was offered a place at a home 22 miles away from his family and friends.
- After registering a complaint with the county council Clifford was finally granted CHC so he could live closer to home, however funding was removed in August 2013. His case was not viewed as complex enough to require funding despite his needs – he was doubly incontinent, had to have all needs anticipated, was totally immobile, had bed sores and needed 24-hour nursing care
- Becky said she was appalled by the lack of coordinated care as a result of inadequate social care funding

7.3 **Bobby Duffy, Managing Director, Social Research Institute, Ipsos MORI**

- 77% think that Britain's health services is one of the best in the world
- 88% of the public think the NHS will face a severe funding problem in the future
- The number of people who think the NHS provides value for money is at the highest level ever
- Recent polls suggesting a majority of the public would support tax rises to fund additional investment in the NHS should be viewed with caution
- Mori poll found that of those who feel more spending on the NHS is needed only 25% support tax rises for all working people earning over £10,000 a year
- The votes of the baby-boomer generation are proportionality worth twice those of young voters and therefore politicians are unlikely to countenance tax rises for over the 40s

7.4 **Steve Richards, Political Commentator and Broadcaster**

- New funding has to be found, the question is how
- Important to see the report within the context of a general election campaign – elections tend to be dominated by “deranged” tax and spend debates
- The Conservative Party is likely to focus their messages on meeting increasing demands on health and social care through efficiency savings
- The Labour Party is having an internal conversation about some form of tax rise to fund the NHS and social care – there are differing views on this with some concerns that Labour could be portrayed as reckless for proposing tax rises
- No party will support tax rises for the over 40s because they vote

- 7.5 **Jeremy Hughes, Chief Executive of Alzheimers UK**
There is effectively a 'dementia tax' because those with the condition were paying twice i) through the tax system for healthcare they didn't need and ii) for social care which they do need
- 7.6 **Sue Brown, Vice Chair of the Care and Support Alliance**
The only solution to the care crises is more funding and suggested the report didn't focus enough on supporting those with moderate needs
- 7.7 **Lord Warner**
Highlighted a populus poll that showing 75% of under 35s do not want to pay extra tax to fund the NHS
- 7.8 **Sir John Oldham**
Called for a national conversation on entitlement to health and social care and funding
- 7.9 **Jeremy Taylor, Chief Executive of National Voices**
The model of involving an 'expert by experience' panel should be adopted for all policy reports
- 7.10 **Baroness Greengross**
Gross unfairness of current social care provision and discussed the idea of Health and Wellbeing Boards becoming the single local commissioner for services

8. The CSP response

- 8.1 The CSP contributed to the Commission in October 2013. A copy of the consultation response can be found [here](#).
- 8.2 Our key points in response are
- The CSP supports the aims of the Commission to create a genuinely integrated system of health and social care services
 - Integration can be achieved without yet another major reorganisation of the NHS
 - Physiotherapy is central to integrated services that exist. We need to use the evidence of what has been learnt so far.
 - A new system should be based on the principles of the NHS – funded through taxation and free at the point of delivery – it is encouraging that the commission calls for more money to be collected through the tax system to pay for integration
 - Greater resources are necessary to provide vital services that keep people out of hospital and living independently at home - and to ensure funds from one sector are not simply taken to plug a hole in the finances of the other
 - New funding should not come from a disproportionate extra burden on older people, many already living on low incomes

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