WOMEN'S BUDGET GROUP

SPRING 2023

Spring Budget 2023 Pre-Budget Briefings

Social care and gender

Social care and gender

A pre-budget briefing from the UK Women's Budget Group – Spring 2023

Key points:

- *The crisis in care is a longstanding one, predating both the pandemic and the financial crash, that now requires urgent reform.*
- *The Health and Social Care Levy has now been cancelled and the proposed reforms to the funding model delayed by a further two years to October 2025.*
- *The long-term funding urgently needed for recurrent expenditure on social care, cannot wait until the NHS no longer needs extra funds. The net costs of a reformed care system must be funded by central government from general taxation.*
- *The proposed cap and floor model for allocating care costs between individuals and the state will result in many people still going without the care they need to avoid paying its costs. Families, especially women, will continue to be relied on for providing informal and unpaid care.*
- *Expecting local authorities to increase funding on social care through council tax will inevitably widen regional inequalities. Those with the greatest care needs have the least ability to raise taxes and have already had to make the greatest reductions in services.*
- *The Government has put forward no clear plan for improving the quality of care and the treatment of care workers and reducing unsustainably long hours of unpaid care.*
- *Over 90% of the new funding to social care will be absorbed by the new cap-and-floor model, rather than towards improving the system.*

*WBG proposes instead a **high-quality universal care service in which:***

- *People's needs would be met in a way which **supports wellbeing and ensures self-determination**.*
- *Care provided would be of **high quality** and focused on enhancing capabilities.*
- *The provision of unpaid care would be **genuinely voluntary**.*
- *Care workers would be **well-trained and paid accordingly**.*

Such a system, would begin by:

- *Making the provision of social care **universally free at the point of need**.*
- *Widening the availability of social care to **all those who meet current eligibility criteria.***
- ***Improving pay and working conditions**, in line with the Real Living Wage.*

*This would generate 928,000 jobs in the economy as a whole (in care and across the economy from multiplier effect and increased purchasing power) and cost **£31.9bn** gross annually, 44% of which would be recouped through additional revenues.*

It would then move towards improving the social care system by:

- *Expanding its eligibility criteria **to include people with more moderate care needs**, investing in **preventing their conditions getting worse**.*
- *Improving care quality by providing **improved training** for all social care workers and **increasing wages** in line with their increased qualifications.*

*This would generate **1,355,000 total jobs** and cost a further additional **£18.5bn** gross annually, 49% of which will be recouped through additional revenues.*

Social care in long-term crisis

The crisis in social care didn't start with the pandemic, nor even with the austerity measures brought in after the financial crash. Even before the financial crash, social care was already in poor shape, with underfunding and lack of government attention leading to increasing numbers of people with unmet needs, others paying catastrophic costs for their care, an underpaid and undervalued care workforce, and increasingly unsustainable demands being put on unpaid carers.[1]

Moreover, social care provision is devolved to local authorities but regional and income-based inequalities in healthy life expectancy has meant that the poorest local authorities have been the ones with the greatest social care needs, and yet are insufficiently supported by central government funding in meeting those needs.

The impact of austerity

Austerity measures implemented by the post-2010 Coalition and Conservative governments only exacerbated this situation. Funding from central government to local authorities in England was halved over the decade with an estimated loss of £8 billion to fund their key services, including social care.[2] Differences in *healthy* life expectancies between areas widened to the extent that people living in the most deprived areas could by 2018 expect to enjoy *two decades less* in good health than their counterparts in the least deprived areas.[3] In these areas the need for social care in old age was increasing fastest, yet such local authorities were the least likely to have the funds to provide them with the care they need.

Social care is not only an issue concerning elderly people. At the same time as the needs among people aged over 65 years grew, the percentage of the working-age population reporting a disability increased from 14% in 2008/09 to 19% in 2019/20.[4] Many local authorities now spend more on social care for this group than they do for older people, with the needs of working-age people accounting for 64% of the demographic pressures on adult social care budgets in 2020/21 compared with 58% in 2019/20.[5]

A recent study estimated that, even before the pandemic, austerity policies were responsible for more than 300,000 excess deaths between 2012 and 2019.[6] Not all of these were due to social care failures, but it is expected to have made a significant contribution.

The decade of cuts in social care and public health care budgets also meant that the system could not effectively meet the challenges presented by the pandemic. Delayed discharges from hospital due to lack of social care capacity reduced bed spaces and increased pressure on the NHS.[7] The same cuts also meant that the social care sector was ill-equipped to deal with a pandemic. Combined with a lack of government support for PPE and testing, this meant that recipients of care, and the workers providing the care, were disproportionately affected, especially in residential care homes. Deaths in care homes far outstripped those in hospital during the first wave. For instance, there were 2,769 deaths involving Covid-19 in care homes in the UK compared with 938 in hospital during

[1] See Derek Wanless (2006) Social Care Review (https://bit.ly/3aVRoVS) and eg WBG (2021) Social care, Covid-19 and gender: pre budget briefing from the UK Women's Budget Group (https://bit.ly/2XpXx9Q)
[2] LGA (2019) LGA briefing – debate on local government funding (https://bit.ly/37GUsEh)
[3] ONS (2020) Health state life expectancies by national deprivation deciles, England: 2016 to 2018 (https://bit.ly/3pL7XZQ)
[4] DWP (2021) Family Resources Survey: financial year 2019 to 2020– disability (https://bit.ly/3YSu9DH)
[5] ADASS (2020) ADASS budget survey 2020 (https://bit.ly/3pLIosP)
[6] Walsh D, Dundas R, McCartney G, et al. (2022) Bearing the burden of austerity: how do changing mortality rates in the UK compare between men and women? (https://bit.ly/3SvZoSH)
[7] House of Commons Select Committee on Health and Social Care (2020) Social Care: funding and workforce inquiry, HC206 (https://bit.ly/35UwAwy)

last week of April 2020, when the number of deaths peaked.[8]

ONS data now also shows the fatal consequences of this precarity for care workers who are twice as likely to die from Covid-19 than non-key workers, with Black, Asian and ethnic minority (BAME) workers at a particularly increased risk.[9] Care workers were more likely to die from Covid-19 than their NHS counterparts (19.1 deaths per 100,000 women for care workers compared with 15.3 deaths per 100,000 women for NHS staff).[10]

The pledge to reform social care

In July 2019 the then Prime Minister, Boris Johnson, pledged on the steps of 10 Downing Street that he had a ready-made plan to "fix social care once and for all".[11] He made clear that what he primarily meant by that was fixing the catastrophic costs paid by some homeowners for residential care, by guaranteeing that no-one would have to sell their home to pay for care. Currently homeowners have the value of their home taken into account when assessed for financial support in paying for residential care.

But there was no delivery on this promise for over two years. Instead, the Covid-19 pandemic made visible to many the extent to which decades of underfunding and deregulation have undermined the social care system, endangering the health and the lives of thousands of those needing care as well as those providing it, whether paid or unpaid.[12] The Spring 2021 Budget was all but silent on social care, and funding for social care through the Department for Health and Social Care (DHSC) was planned to be lower in 2021/22 than in 2020/21.[13]

The Health and Social Care levy

In September 2021, the Government published its *Building Back Better: Our Plan for Health and Social Care*[14] which is in essence a plan for *funding* health and social care and had at its centre the Health and Social Care Levy.

A tax rise of 1.25 percentage points on National Insurance Contributions (NICs) was to be paid by employers, employees and the self-employed, with a similar increase in dividend tax. After 2023, the increase in NICs was to be renamed a Health and Social Care Levy and also be paid by the over-65s still in employment, who are currently not liable for NICs. The changes to National Insurance were passed into legislation immediately after their proposal in September. The increase in dividend tax was part of the Finance Bill following the 2021 Autumn budget.

In September 2022, the government announced that the Health and Social Care Levy would be cancelled but stated that 'funding for social care would remain unchanged'.[15] In the Autumn Statement in 2022, it was further announced that the charging reforms in the *Build Back Better Plan***,** which had been due for implementation in October 2023, would be delayed to October 2025 with funds instead allocated 'to allow local authorities to provide more care packages'.

Short and longer-term use of the Health and Social Care Levy funds

Initially nearly all the revenues gained by the rise in NICs was to go to the NHS to address the urgent patient backlog in the healthcare

[8] ONS (2020) Deaths involving COVID-19 in the UK, March to April 2020. This is much lower than William, L. and Buisson. (2020) 34,000 older care home residents in England will have died from Covid-19 and collateral damage by the end of June, it is projected. *Care markets*. (https://bit.ly/3fsFqVp)

[9] ONS (2020) Coronavirus (COVID-19) related deaths by occupation, England and Wales: deaths registered between 9 March and 25 May 2020 (https://bit.ly/3kPZHp0)

[10] ONS (2020) Coronavirus (COVID-19) related deaths by occupation, England and Wales: deaths registered between 9 March and 25 May 2020 (https://bit.ly/3kPZHp0)

[11] FT (2019) Prime Minister vows to fix social care crisis (https://bit.ly/3p8ZOlm)

[12] WBG (2021) Social care, Covid-19 and gender: pre budget briefing from the UK Women's Budget Group (https://bit.ly/2XpXx9Q)

[13] HM Treasury (2021) Budget 2021 Red Book (https://bit.ly/3lVkF9H)

[14] HM Government (2021) Building back better: our plan for health and social care (https://bit.ly/3juHnUH)

[15] House of Commons Library (2022) Proposed adult social care charging reforms (including cap on care costs) (https://bit.ly/3KF4M48)

system, with just £5.4bn over three years allocated to adult social care. At the Spending Review in October 2021, it was announced that of this £3.6 billion would pay for a new funding model for social care (see below) and just £1.7 billion would be used to improve social care in England, including at least £500 million investment in the workforce.[16]

The Government plans to transfer more funding to social care after three years, but the legislation leaves to the Treasury the decision as to how the funds will be split between health and social care, and between the devolved administrations to the Treasury. So there is no guarantee that they will reach social care and there remains significant need for additional funds in the NHS.

At the end of 2022, there were over 7 million people on a waiting list for NHS care (up from 4.43 million in February 2020).[17] The backlog of routine treatment, surgeries and tests may take 5 to 7 years to resolve,[18] so the NHS is likely to need more than three years of additional funding. Moreover, the pressures of an inadequate social care on the NHS will continue. It is short-sighted to see the needs of the NHS as more urgent than those of social care. With an ageing population there will be increasing funding pressures for both health and social care and more will need to be spent even to maintain current inadequate standards.[19]

Short-term funding, to tackle the short-term pressures in the NHS and one-off funding to kick start reforms in social care, should not have been conflated with the funding of recurrent expenditure needed in the long-term. Short-term funding needs would be better financed by borrowing and paid back over a number of years as the economy expands. As WBG has shown, investing in care is a good stimulus to the economy and creates nearly three times as many jobs as the same investment in construction.[20] Increasing taxes to pay for it now will only slow down the economic recovery.

Taxation to fund the NHS and social care in the longer-term could be done once the economy is back to full capacity. The UK tax system is in need of reform, in particular so that wealth and income from wealth is taxed more fairly.[21]

A somewhat changed funding model

The *Building Back Better* plan sought to introduce a new funding model, now delayed by two years to October 2025. The proposed funding model for social care will change to include a cap of £86,000 on the maximum amount anyone "will pay" for social care during their life. However, only eligible care needs (as defined in the Care Act 2014), at the price the local authority thinks is reasonable, will count towards the cap.

There is also a floor on assets, below which people are not expected to use them to pay for their social care (although they may still be required to contribute to their care costs from their income). This floor will be raised to £20,000, and those with assets between £20,000 and £100,000 will be required to pay up to 20% of those assets as a contribution towards their care costs.

Charges that are above what are considered eligible care needs would not count towards the cap.[22] Care home residents will also have to pay all 'hotel (board and lodging)' costs. This new funding model is apparently aimed at one priority, that set out in the Government's manifesto, that no one should have to sell their home to pay for care. Over 90% of the additional funding for social care will be absorbed by the cap and floor model.

However, that model will still involve people running down their assets to below the value of their home, so the system that has been in

[16] Department of Health & Social Care (2021) People at the Heart of Care: adult social care reform, CP 560 (https://bit.ly/3s04mvb)
[17] BMA (2023) NHS backlog data analysis (https://bit.ly/3ZeXAzx)
[18] NHS Confederation (Sep 2021) Government provides welcome NHS budget boost for short term but long-term funding urgently required (https://bit.ly/3BXpGnP)
[19] See Idriss et al. (2021) (https://bit.ly/3C3X5wU)
[20] WBG (2020) A care-led recovery from coronavirus (https://bit.ly/3eqQEuU)
[21] WBG (2022) Spring Budget 2022 pre-budget briefing: taxation and gender (https://bit.ly/3HW5wwu)
[22] HM Government (2021) Building back better: our plan for health and social care (https://bit.ly/3juHnUH)

place since 2015 to give people the flexibility to avoid selling their home within their lifetime will have to continue and the Government promises to increase its flexibility. Further, the changes to the cap and floor model will not apply to eligible care needs incurred before its introduction. This will inevitably lead to people trying to do without the care that they need before then and not help many of those currently paying for care.

People are not currently routinely forced to sell their homes during their lifetime to pay for their care, but their heirs may well have to. And that system will continue after the implementation of these proposals. It is just that their heirs might be able to retain more of the proceeds.

There is a trade-off, in terms of how much the system costs, between lowering the cap, that benefits only those with assets above the cap, and raising the floor, which is fairer to those with lower assets. An amendment to the 2014 Care Act, brought in after the initial legislation for the Health and Social Care levy, made only the amounts paid for by care recipients themselves count towards the cap, excluding any means-tested support from their local authority. As a result, those eligible for means-tested support will make contributions for longer and spend more on their care. Those with wealth of between £83,000 and £183,000 will lose the most from this amendment. Since housing wealth varies greatly across the country, care recipients in poorer areas, the North East, Yorkshire and the Humber, and the Midlands, are likely to experience the biggest erosion of their protection against large care costs.[23] The Government says it will also use provisions in the 2014 Care Act to enable anyone who pays for their own care to ask their local authority to arrange their care for them. This is seen as a way to end the cross-subsidisation of the care provided for those who receive their care through their local authority by people who fund their own care. It is a sensible move but will also increase the cost of the system for local authorities.

Any model in which people have to pay for their own care means that many will go without the care they desperately need to avoid paying its costs. Such a model will also continue to rely on families, especially women, providing informal and unpaid care. In 2022, some 2.6 million people over the age of 50 are estimated to have unmet care needs.[24]

WBG believes that any fair adult social care system should share its costs over society as a whole and be paid for not just by those unfortunate enough to need care. Such a system of social insurance, paid for out of taxation like what we already have for health care, is necessary if we are to ensure all people get the care they need to lead fulfilled and dignified lives. Social care should therefore be provided free at the point of need, as health care is by the NHS.

A system in urgent need of reform and better resourcing

The Government recognises "that there are a wider set of issues that the adult social care sector faces" but these are not covered in the *Building Back Better* plan. Instead it published a White Paper for reforming adult social care, which it claimed would commence a once in a generation transformation to adult social care, by offering a vision that:

- offers people choice and control over the care they receive
- promotes independence and enables people to live well as part of a community
- properly values our exemplary and committed social care workforce, enabling them to deliver the outstanding quality care that they want to provide

[23] IFS (2022) Does the cap fit? Analysing the government's proposed amendment to the English social care charging system (https://bit.ly/3BAKxOu)

[24] Age UK (2022) Incoming PM needs to act fast, says Care and Support Alliance, as new analysis finds 2.6m aged 50+ now have some unmet need for social care (https://bit.ly/3ZdrPqQ)

- recognises unpaid carers for their contribution and treats them fairly.[25]

While these aims are laudable, resources are needed to achieve them. The allocation of just £1.7bn towards them for the next three years is derisory.

Achieving them would require much more than capping care costs over a lifetime. It would require training and improving pay to social care workers, expanding the workforce, and improving access to services and levels of services for those with unmet care needs.

The £500 million allocated to the 1.5 million social care workforce over three years will go nowhere to achieving its professionalisation. And it is all for training, nothing is mentioned about improving pay or expanding the workforce, both of which will be necessary if trained staff are to be recruited and retained. The NHS Pay Review Body reported that the Government estimated that £1.2bn would be needed just to bring the pay of the lowest paid care workers in line with their NHS peers.[26] The latest increase in the National Living Wage, although welcome, will put additional pressure on social care costs.

The Autumn Budget in 2021 included no measures on social care in addition to those already announced following the Health and Social Care Levy and the Autumn 2022 Budget only included 'top up' budgets to keep funding for NHS and social care on track in real terms with the 2021 Autumn Statement announcements.

The Local Government Association has argued that social care funding will be insufficient,[27] while the Nuffield Trust concluded that 'the sector will face a stark choice between trying to improve access to care and support for people, or simply trying to stabilise the system in which care providers are on their knees hampered by a devastating shortage of staff'.[28]

Workforce: Shortages, deskilling and retention challenges

Addressing issues in the care workforce is one of the most pressing challenges facing the sector. The care workforce is predominantly female. In 2021/22, women made up 82% of the 1.17 million care workers and home carers.[29] The adult social care sector workforce is affected by high turnover, little investment in training, and low pay.

Training

Despite the complex needs of many care residents, there has been little investment in health care training and limited levels of professionalisation in care work.[30]

First, the Initial Training Certificate offered since 2015 to social care workers in health and social care skills is both basic and optional. Conducted mainly online and measured in days, in 2018-19, only 54% chose to study "awareness and safe-handling of medication".[31] With more extensive training, particularly around recognising over-medication, issues which account for 10% of older people's admissions to hospital, more than a third of these admissions could be avoided.[32]

Second, nursing expertise within the residential care sector has been reduced in other ways. In 2012, when the required earnings threshold for non-EU migrant nurses was raised to £30,000, residential care and nursing-home owners subsequently reduced their employment of qualified health professionals. By 2019, the number of nurses employed in nursing or residential homes had fallen by 20% (10,000).[33]

[25] Department of Health & Social Care (2021) People at the Heart of Care: adult social care reform, CP 560 (https://bit.ly/3s04mvb)
[26] NHS Pay Review Body (2021) (https://bit.ly/2Zc3Leh) p. 165
[27] LGA (2021) Councils respond to 2021 Spending Review and Autumn Budget (https://bit.ly/2Y2eQhG)
[28] Nuffield Trust (2021) Spending Review leaves social care the poor relation and facing uncertainty (https://bit.ly/3msJ3Qs)
[29] Skills for Care (2022) The State of the Adult Social Care Sector and Workforce in England (https://bit.ly/3Y6rSDv)
[30] Ibid.
[31] Skills for Care (2019) The State of the Adult Social Care Sector and Workforce in England (https://bit.ly/3pLRXYC) p93
[32] NHS England (2019) Army of NHS experts to tackle over medication (https://bit.ly/2IXK6qi)
[33] Royal college of Nursing (2020) Evidence to Public Accounts Committee HC405 (https://bit.ly/36YeCso)

Third, over the same period, the number of district nurses has halved. In 2019, the CEO of the Queens Nursing institute warned: *"District nurses are the backbone of community healthcare in this country. They provide a solution to the current crisis in acute hospital care by reducing delayed transfers of care and ensuring that patients are kept safe at home, preventing thousands of unplanned admissions and attendances in the Emergency Department every day."*[7]

The lack of investment in training and the deskilling of the workforce undoubtedly was a contributory factor to the high death rates in care homes during the pandemic. It is vital that caring is seen as work that requires knowledge and skills, and is rewarded accordingly.

Turnover and vacancies

Turnover in the sector is high, particularly among directly-employed care workers where rates were at 36.1% in 2021/22.[34] This is not surprising given the consistent undervaluing and deskilling of care work.

Between 2020/21 and 2021/22, social care vacancies rose by 52% to reach 165,000.[35] Workforce shortages are only likely to increase. Just to keep pace with the growing numbers of those over the age of 65 years, the social care workforce will have to grow by 580,000 by 2035. In addition, social care services are needed by a growing number of adults of working age. If the sector is to become more attractive to workers, it must dedicate substantial and long-term investment to improve the poor pay and conditions that currently lead to low levels of staff recruitment and retention. Care worker median pay in 2022 (£9.50/hour) Is below the rate of the 20th percentile of £9.92 (i.e. 80% of jobs pay more than this).[36] Moreover, average care worker pay is £1 less per hour than Health Care Assistants (HCAs) in the NHS.

Opportunities for development and progression must be introduced, with analysis of 2021/22 workforce data showing that on average care workers with five years' (or more) experience in the sector are paid just 7 pence more than care workers with less than one year of experience.[37] This conclusion is shared by the House of Commons Public Accounts Select committee and the Health and Social Care Select committee.[38]

The care workforce and immigration reform

New immigration rules that came into effect on 1st January 2021 meant that care workers could not come to the UK to take up caring roles due to minimum income requirements.[39] However, in February 2022, care workers were added to the occupation shortage list and the Health and Care worker visa route. This has a lower income requirement (£20,480), which around 47% of filled care posts are paid above. It has been estimated that between 10,000 and 15,000 people arrived during 2022 to take up care roles in the UK, with the vast majority (around 90%) arriving from outside the EU.[40]

Unpaid carers

According to 2021 Census data, there are around 5 million unpaid carers in England and Wales.[41] The majority of carers – 3 million – were women. Evidence from Carers UK survey found that 75% of unpaid carers worry about juggling work and care and nearly a third (30%) said their mental health was bad.[42]

[34] Skills for Care (2022) Ibid.
[35] Ibid.
[36] Ibid.
[37] Ibid.
[38] House of Commons, Public Accounts Committee (2020) Readying the NHS and Social Care for the COVID-19 peak, HC405 (https://bit.ly/3nI0RER); House of Commons Select Committee on Health and Social Care (2020) Social Care: funding and workforce inquiry, HC206 (https://bit.ly/35UwAwy)
[39] Skills for Care (2022) Ibid.
[40] Ibid.
[41] ONS (2023) Unpaid care by age, sex and deprivation, England and Wales: Census 2021 (https://bit.ly/3KyRSVf)
[42] Carers UK (2022) State of Caring 2022 (https://bit.ly/3XZLM31)

Covid-19 exacerbated difficulties many unpaid carers were already facing. Research conducted by the University of Sheffield and CIPD prior to the onset of Covid-19 found one in four carers in paid work were thinking of giving up paid employment because of getting so little support from their employers.[43] However, Carers Allowance (£67.25) remains the lowest benefit in the social security system and those who earn over £120 a week are not eligible. When this is combined with the raising of women's State Pension Age to 66 years, more older carers end up exposed to poverty and ill health.[44] In the most recent Carers UK survey, 77% of unpaid carers said that the rising cost of living is one of the main challenges they will face over the coming year and 25% are already cutting back on essentials, such as food and heating.[45]

There is a failure in social care policy to recognise that unpaid carers underpin in a myriad of ways the formal social care system.

A high-quality universal care service

Given the absence of clear plans from the Government for fixing the social care system, we outline below our proposal for a free universal high-quality social care system and our estimates of its costs.

Meeting the multiple and complex needs of everyone that requires care, as outlined in the Care Act 2014, cannot be done through cost-cutting reform. It requires significant investment to create a high-quality universal service.

We propose a new high-quality universal care service with the following features:[46]

- People's needs would be met in a way which supports wellbeing and ensures self-determination. This means going beyond a focus on personal care to cover other activities of daily life including buying and preparing food, maintaining relationships and taking part in the life of the community.
- Care provided would be of high quality and focused on enhancing capabilities. This requires a well-trained workforce with decent pay and conditions. Better rates of pay and improved conditions would also reduce high turnover in the sector, which also impact on the quality of care.
- The provision of unpaid care would be genuinely voluntary, improving the lives of millions of unpaid carers currently facing high levels of stress, difficulties staying in paid work and at increased risk of poverty. Increased formal care could free unpaid carers to spend quality time with the person they care for.

A universal care service would begin with a set of measures that are implementable in the short term:

- making the provision of social care universally free at the point of need, with no means test;
- improving working conditions, including introducing a sector minimum wage in line with the Real Living Wage; and
- widening the availability of social care to all those who meet national eligibility criteria as set out in the Care Act.[47]

It would then move towards:

- widening the availability of social care further, by expanding eligibility criteria to include people with more moderate care needs, investing in preventing their conditions getting worse; and
- improving care quality by providing better training for all social care workers and increasing wages in line with increased qualifications to meet

[43] CIPD (2020) Supporting working carers (https://bit.ly/2IPkCuZ)
[44] Carrino, L. Glaser, K. and Avendano M. (2020) Later retirement, job strain, and health: Evidence from the new State Pension age in the United Kingdom, Health Economics 29 (8),891-912
[45] Carers UK (2022) Ibid.
[46] WBG and NEF (2022) Universal quality social care – transforming adult social care in England (https://bit.ly/3t0LBad)
[47] The Care Act 2014 recognises the importance not only of personal care but also helps with what are called incidental activities of Daily Living, such as 'making use of necessary facilities or services in the local community, including public transport and recreational facilities or services.' However, current social care provision rarely extends to this.

standards similar to those currently met in Scandinavia.

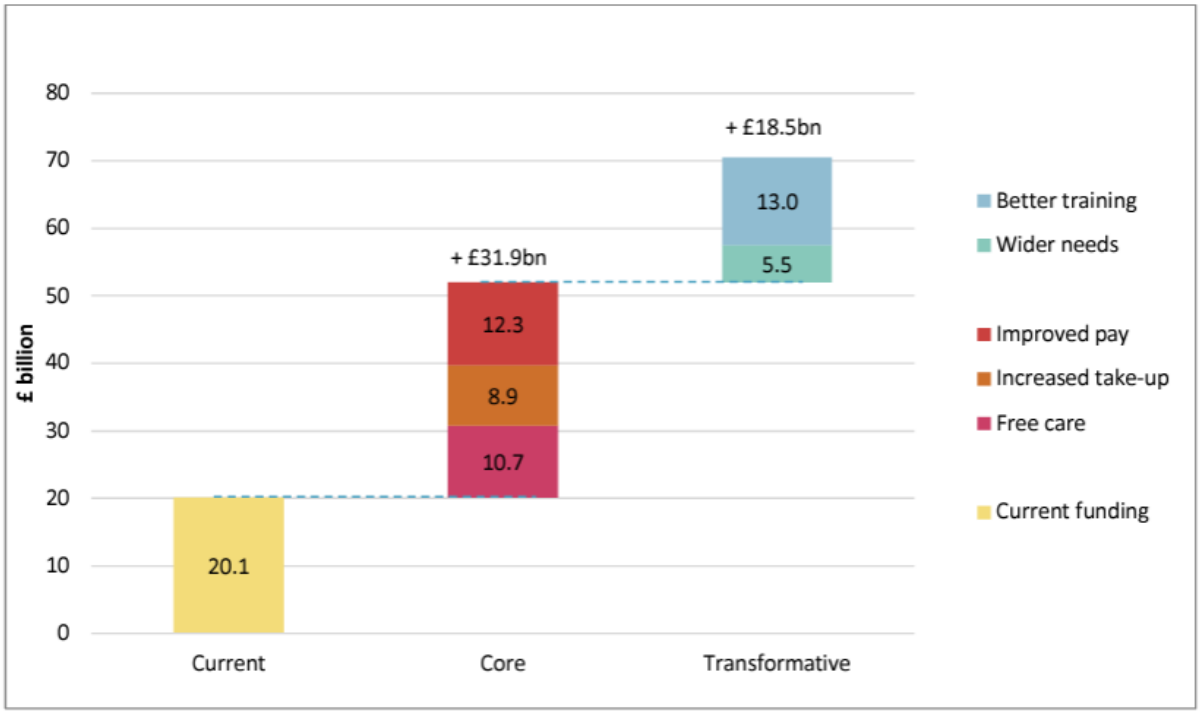
In the initial phase this would mean annual investment of £52bn (£32bn more than the current £20bn spent on adult social care, in 2021-22 prices). This is assuming a take-up rate of 35% for the over 65s, similar to that found in Scotland for free personal care.

A wider definition of needs and improved quality would lead to higher take-up, which we estimate could cost an additional £18.5bn.

This would bring UK spending on social care in line with that in Denmark and Norway as a share of GDP.

The stages of spending that we advocate are shown in Figure 1.

Figure 1. Cost elements of 'Core' and 'Transformative' scenarios for social care - England (2021-22)



Source: Calculations by Jerome De Henau in WBG and NEF (2022) Universal quality social care – transforming adult social care in England (https://bit.ly/3t0LBad). Figures in 2021-22 prices

Such spending would also stimulate the economy. Table 1 gives estimates of the total number of FTE jobs created by the investment in care required for the two "Core" and "Transformative" models outlined above. It takes account of the jobs directly and indirectly created by that investment and also the increase in induced employment in the economy on the whole due to the spending of the wages of those newly employed or with increased wages. The table gives new jobs over and above the number of FTE care workers currently employed.

Table 1 also gives the tax revenue recouped from the employment generated. The transformative investment in a universal care system would stimulate the economy to generate over one million full-time jobs overall, many of which would be filled by people previously unable to take employment because of caring responsibilities.

Table 1. Estimates of employment creation, tax revenue and gross and net cost projections (2021-22)

	Core	Transformative
New FTE jobs created		
Total jobs created in the economy	928,000	1,355,000
… of which in care	663,000	888,000
Currently not in employment		
Carers aged 16-64 unable to take employment	509,000	509,000
Unemployed who are not carers for long hours	1,197,000	1,197,000
Additional spending levels (£bn, over current £20.1bn)		
Gross additional spending 2021-22	31.9	50.4
Tax intake	14.0	24.8
Net additional spending	17.9	25.6
Tax as % of gross additional spending	44%	49%

Source: Calculations by Jerome De Henau in WBG and NEF (2022) Universal quality social care – transforming adult social care in England (https://bit.ly/3t0LBad).

Written by: Professor Susan Himmelweit (Open University) and Dr Jerome De Henau (Open University)

UK Women's Budget Group, March 2023

Contact: press@wbg.org.uk