**HOUSE OF LORDS ECONOMIC AFFAIRS COMMITTEE INQUIRY INTO SOCIAL CARE FUNDING**

**EVIDENCE SUBMITTED BY UNITED FOR ALL AGES October 2018**

1. **About United for All Ages**

United for All Ages is a ‘think and do’ tank and social enterprise that brings older and younger people together to build stronger communities and a stronger Britain. We focus on issues which affect different generations in different ways and which require solutions involving all generations. We have particularly focused on care, housing, work, technology and ‘fairness for all ages’. Our approach is very much about creating solutions to big social and economic issues that bring generations together, rather than pitting generations against each other. We think this is particularly important in tackling the reform of care funding.

We have published a series of policy papers addressing these issues, which should be read as part of our submission. These include: [‘Mixing Matters: how shared sites can bring older and younger people together and unite Brexit Britain’](http://unitedforallages.com/wp-content/uploads/2018/01/Mixing-Matters-United-for-All-Ages-paper-Jan-2018-.pdf); [‘A country for all ages: ending age apartheid in Brexit Britain’](http://unitedforallages.com/wp-content/uploads/2017/01/A-Country-for-All-Ages-January-2017.pdf); [‘Fairness for all ages: twenty radical ways to promote intergenerational equity’](http://unitedforallages.com/wp-content/uploads/2016/01/UnitedReportJan2016.pdf); [‘Building a Britain for all ages’](http://unitedforallages.com/wp-content/uploads/2015/08/A-Britain-for-All-Ages-July-2014-pdf.pdf) and [‘A future for all ages’](http://unitedforallages.com/wp-content/uploads/2015/08/A-Future-for-All-Ages-growth-starts-with-homes-care-and-jobs-May-2013.pdf).

We consistently opposed the cap on care costs proposed by the Dilnot commission for many reasons as set out [here](http://unitedforallages.com/wp-content/uploads/2015/08/Scrap-the-cap-leaflet-July-2013.pdf). The cap would have mainly benefited wealthier families; it would not have brought extra money into the under-funded care system; it would not have promoted the integration of care and health; and it would have focused on crisis care not prevention. We therefore welcomed the Government’s decision not to proceed with implementing the cap (albeit some eight years have been wasted since the Dilnot commission was established) and to revisit the reform of care funding in the forthcoming green paper.

Our policy work is supported by a range of practical initiatives that support cross-generational action on these issues. In 2012 we launched the Good Care Guide, a pioneering TripAdvisor style website that enables families to find, review and rate childcare and eldercare. This gives us a handle on families’ concerns about the quality and affordability of care. In 2014 we launched [www.downsizingdirect.com](http://www.downsizingdirect.com), encouraging older people to think about downsizing to a better home and providing practical support to enable them to do so, thereby releasing family-sized homes for younger generations.

We work with a range of partners at national and local levels to promote, support and develop shared sites that bring older and younger people together such as the co-location of children’s nurseries with older people’s care and housing schemes. Our aim is for 500 shared sites with intergenerational care and housing to be created across the country by 2023, enabling older and younger people to mix and share activities and experiences.

1. **The funding of adult social care**

We welcome this inquiry into the funding of care.

Evidence of the care crisis is all around us. With the growing need for care to support our ageing population, almost one and a half million older people are not getting the help they need and there is a shortage of care staff. The care system is focused on crisis rather than prevention. Responsibility for paying for care is increasingly being shifted onto older and disabled people and their families as state funding shrinks. Families are being forced to provide care or pay for care themselves and struggle without any help. Inevitably this increases pressures on the NHS and other services.

The forthcoming green paper is the best opportunity to fix the beleaguered care system. The latest care report [from the National Audit Office warns of a Cinderella service](https://inews.co.uk/news/health/social-care-system-national-audit-office-report/) in danger of collapse. Some fear at a time of Brexit and continuing austerity that the green paper will just offer more tinkering and sticking plaster with no meaningful long-term reform let alone significant extra funding.

To get the best outcomes from the green paper, it is important to set the terms of the debate. Rather than beginning with how care should be paid for, we need a new vision for care. No other public policy debate starts with how to pay for it - we must be clear about what is needed first.

This vision has to start from where we are now and the failings of the current care system. The problems then point to five principles for a new system - it needs to be:

FAIR – moving from a lottery depending where you live to care you need whatever your circumstances

SIMPLE – moving from complex and confusing to simple and easy to use when and where you need care

PERSONAL – moving from one size fits all to care that starts from who you are and how you want to live

SUSTAINABLE – moving from growing unmet needs to well-resourced quality care, managing demand

UNIVERSAL – moving from helping some people to helping everyone with their care needs

So a new care system should be fair, simple, personal, sustainable and universal. To deliver this requires some key building blocks:

* a national framework for care and health that guarantees quality care for all across the country (defining entitlements to funded care), with a single local body that commissions and delivers care for its local population
* a focus on prevention not just crisis care, managing demand and transforming the way care is delivered using technology, self-care and a skilled and valued workforce as well as proper support for family carers
* an emphasis on making homes safe, warm and well places to live in communities which offer social support, good quality homecare and networks for people of all ages, along with shared sites such as the ‘care-home nursery’ offering intergenerational interaction
* a national entitlement to care and support wherever you live, with clear guarantees on what would be funded now and in the future for people needing care and for their families and carers
* a 10 year plan for making it happen for this and future generations

A cost-benefit analysis of this vision and plan for a new care system could provide the ammunition to secure investment from the Treasury in the next spending review. It would identify the resources required to deliver fair care sustainably across the country.

A tax-funded system is the fairest way to pay for joined up care and health and to share the risks and costs of care we all face. It’s up to politicians and government to decide on the best way to raise the necessary tax revenue – from income tax on working adults or for example from a wealth tax on those who can most afford it. Below we consider how this could be done in a way that is intergenerationally fair.

As a stepping stone to reaching a fully tax-funded care system, we suggest raising the assets threshold for paying for care from £23,250 to £250-300,000 (linking it to the average house price). This would help many more older and disabled people with low to mid value assets. It would cost the same as implementing the Dilnot cap on care costs but it would be much fairer and simpler to implement.

To achieve this vision, we need bold leadership - leadership from the top of government – the Prime Minister, Chancellor and Secretaries of State for Health and Social Care and for Communities and Local Government. Leadership from all the key partners and stakeholders in the care and health system. And leadership from all those who need better care – older and disabled people, their families and carers, and the care and health workforce.

Reformed care and health are key parts of our social and economic infrastructure. They are crucial to the future of Britain, our economic prosperity and the well-being of all families.

1. **Care funding and intergenerational fairness**

There is growing awareness that different generations have not fared as well as each other and that public policy has exacerbated this unfairness. In essence the current generation of young people is the first to be worse off than their parents, while retired people’s average income now exceeds that of working people. This has been well documented by the Office for National Statistics and other organisations.

Generalisations about intergenerational fairness also disguise issues within generations. Not all young people are doing badly; not all older people are wealthy; accumulation of wealth across the life course has always been a fact of life; and expectations have changed across generations while poverty within generations should not be ignored. A lot of people aged over 70 have experienced tough times throughout their lives. One of the major advances in the last twenty years has been the substantial reduction in pensioner poverty and it would be a backward step if the number of pensioners living in poverty were to increase. Another major advance in the last twenty years has been the substantial increase in the number of young people attending university and our society has not kept pace with the fact that their expectations have increased as a result.

Intergenerational fairness is a multi-faceted concept – from housing and tax to climate change. Our work has focused on the following key elements:

* Housing: many older people have benefited from the boom in house prices while many young people can’t get on the housing ladder, particularly in London; investment in more affordable housing is key, but we could make better use of the housing stock that is currently under-occupied.
* Care, health and welfare: we need help most when we are very young or old and a cradle to grave approach to family support is critical; investment in childcare continues to increase while the care system for older people is in crisis; young people today question why they are paying taxes for deteriorating health and care services that may not be there for them when they are old.
* Work: youth unemployment remains relatively high despite the general fall in unemployment and pay for younger workers has been squeezed, yet older people want to and are expected to work longer; flexible working is key to supporting lifelong working, but older people, particularly grandparents and carers, have not benefited from flexible working to the same extent as parents who work.
* Tax: older people pay less tax for every pound of income they receive and there are some major anomalies, for example, re liability to national insurance for older people working beyond pension age; the tax system generally is still too focused on income and not on wealth which is concentrated amongst those aged over 55.
* Social integration and political engagement: young and older people are the age groups least likely to mix; participation in democracy by voting is lowest among young people and politicians focus on winning older people’s votes; this lack of interaction and mixing fuels mutual suspicions and divisions between generations.

Britain is still one of the richest countries in the world. Yet we live in a society where inequality is growing and the gap between the richest and poorest is wider than ever. Social mobility is in reverse. There is a danger that looking at inequality from an intergenerational perspective and relying on wealth cascading down the generations through inheritance or the bank of gran and grandad will reinforce inequality by concentrating wealth in the hands of fewer and fewer families. In driving public policy, it must be decided which is most critical: intergenerational inequity or wider inequality across society.

Our work has focused on solutions that are sustainable by being mutually beneficial for different generations such as:

a) a new social contract between the generations that includes guarantees on pensions, health, care and wealth support for the taxpayers of today; this should be underpinned by transparency and a better understanding about the financial pressures facing each generation from pension entitlements to debt;

b) a new culture of saving and asset accumulation needs to be encouraged among all families with children and young people; improving the asset wealth of young people from an early age is key to promoting intergenerational fairness; this could be done through a rejuvenated version of the Child Trust Fund, perhaps ‘Baby Asset Builder’ accounts that could be paid into by parents and relatives over a child’s lifetime, with top-ups by Government if the monies accrued are invested in asset acquisition such as a home, pension or business start-up;

c) a massive housebuilding drive, with some 300,000 affordable homes a year, needs to be complemented by a drive to boost the supply of retirement housing to give older people more options to move and downsize, thereby freeing up more family-sized homes; this could be boosted by tax incentives to downsize, such as exemptions on stamp duty, and get the whole housing market moving; at the same time Homeshare schemes should be scaled up to enable older people with spare rooms to let them to younger people in exchange for some practical support and companionship;

d) ‘work for people of all ages’ will only succeed if flexible and part-time opportunities are available to older people, in particular those with caring responsibilities as grandparents or carers; employers need to recognise the benefits of older employees, from customer relations and understanding ageing markets to two-way mentoring and skills exchanges with younger staff;

e) creating shared sites for all ages that make better use of community facilities and bring people of different ages together; children’s centres, care homes, retirement villages and other centres could become community hubs, meeting places and service delivery points, that also increase contact and understanding between the generations; shared spaces and interests can enable people of different ages to spend meaningful time together;

f) political engagement is crucial for voters of all ages to be heard and compulsory voting should be considered; it would encourage action on long-term issues like climate change; we also need innovative ways, such as a national intergenerational convention where young and older people can together discuss and agree priorities on big issues like welfare reform, care funding, housing and climate change;

g) intergenerational fairness has to be underpinned by a fairer system of taxation that redistributes from the wealthiest pensioners to the poorest youngsters; fairer taxation will shift the tax burden from income towards wealth, end anomalies that favour older people, review inheritance tax and include tough action on tax evasion. Increased tax funding of care needs to be seen in this context and should be funded by new taxes on wealth. This revenue could be used to build a social wealth fund to fully fund social care.

1. **Further information**

We would welcome the opportunity to submit oral evidence to the inquiry. For further information, please contact: Stephen Burke, Director, United for All Ages, Thrums, The Hill, Happisburgh, Norfolk NR12 0PW; tel: 01692 650816; email: stephen.burke@unitedforallages.com; [www.unitedforallages.com](http://www.unitedforallages.com); twitter: @united4allages