



Social care: challenges, funding and reform

Debate on 14 October 2021

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On 14 October 2021, the House of Lords is due to debate a motion moved by Baroness Pitkeathley (Labour) that “(1) this House takes note of the challenges facing social care in England following the pandemic, and (2) further notes the effect that (a) the health and social care levy, and (b) Her Majesty’s Government social care plans, may have”.

[‘Social care’ can include all forms of personal and practical assistance for children, young people and adults who need extra support](#), including those who care for others. Much of the recent debate on social care in England has focused on adult social care, particularly for older adults. This may include personal care (such as assistance with eating, washing or getting dressed) or help with domestic routines (such as cleaning or shopping).

There is widespread recognition that the formal adult social care sector in England has faced multiple challenges over many years. A wide range of bodies and sector organisations have highlighted these key challenges over time. Many issues were subsequently exacerbated by the Covid-19 pandemic and may yet increase in severity as demand for care rises. In summary, key issues include:

- Funding and market fragility: local authorities continue to face financial pressures and funding issues can mean care providers go out of business or hand back contracts.
- Costs and means testing: unlike the NHS, social care is not free at the point of use and many see this as unfair. Some people can end up facing very high costs for their care.
- Quality of care and unmet need: many people do not get the support they require or go without the care and support they need completely.
- Integrated care: the integration of health and care could be improved to reduce the impact of issues such as delayed transfers of care from hospital.
- Sector workforce: care staff can face poor pay and conditions. This is among factors that can lead to high vacancy rates and/or turnover.
- Unpaid care: most care is delivered by unpaid carers who may be relatives, friends or neighbours of the recipient and may lack support.

On 7 September 2021, the Government published a command paper entitled [Build Back Better: Our Plan for Health and Social Care](#). It set out details of a proposed levy, based on national insurance contributions, to raise additional funding for health and social care. The document also included [details of reforms to how people would pay for adult social care in England](#) that would be supported by levy-raised funds. The Government has said it will begin consultation on the proposed charging reforms later this month. It will also publish a long-awaited white paper on reforming adult social care and a plan for integrating health and social care “later this year”.

I. Introduction: what is social care and how is it delivered in England?

The term ‘social care’ can include all forms of personal and practical assistance for children, young people and adults who need extra support, including those who care for others. In practice this means the term can cover a huge range of activities, ranging from child protection to end-of-life care and all forms of support offered to carers.¹ Much of the recent debate on social care in England has focused on adult social care, particularly for older adults.²

Adult care needs can range from help with managing and maintaining nutrition to assistance with personal hygiene and toilet requirements. Care can include providing support for these activities as well as helping an individual be appropriately clothed; able to stay in their own home safely; and make use of facilities or services in the local community, such as public transport.³ Care support can be delivered in a variety of places, ranging from formal settings such as day centres or residential homes to an individual’s private home or locations outside the home, depending on a recipient’s needs.⁴

Adult social care in England, unlike health care, is not free at the point of use.⁵ Adults with care needs can be supported either formally through services they or their local authority pay for; or informally by family, friends, or neighbours.⁶ An individual’s care needs may be met through a combination of formal and informal help, plus free services provided by a voluntary organisation. In 2019/20, 839,000 adults received formal long-term care (of whom 548,000 were older people and 290,000 working-age adults) and the sector employed around 1.5 million people.⁷

Local authorities (LAs) play a key role in assessing the need for formal support.⁸ They are required to apply criteria to assess whether a person is eligible for formal social care. If an LA charges for the type of support needed, an individual may have to undergo means-testing. Depending on an individual’s financial situation, they may then be liable for either a proportion of or all their care costs.⁹ LAs pay for a minority of the total amount of adult social care delivered each year. Most care is delivered by unpaid carers who may be relatives, friends or neighbours of the recipient. Unpaid care is often referred to as ‘informal care’.¹⁰ Estimates suggest at least 4.5 million people provided informal, unpaid care to someone else in 2019/20, mainly family members.¹¹ Sector-based charities have suggested the true number could be significantly higher.¹²

¹ National Audit Office, [Adult Social Care at a Glance](#), 16 July 2018; King’s Fund, [‘What is social care and how does it work?’](#), accessed 5 October 2021; and King’s Fund, [‘Bite-sized social care: what is social care?’](#), 11 May 2017.

² See, for example: House of Lords Library, [‘Families and social services’](#), 5 October 2021; and House of Commons Library, [‘Community care’](#), accessed 5 October 2021.

³ National Audit Office, [Adult Social Care at a Glance](#), 16 July 2018, p 5.

⁴ King’s Fund, [‘Key facts and figures about adult social care’](#), 20 November 2019. See also: National Audit Office, [Adult Social Care in England: Overview](#), 13 March 2014, HC 1102 of session 2013–14.

⁵ King’s Fund, [‘A short history of social care funding reform in England: 1997 to 2019’](#), 31 July 2019.

⁶ National Audit Office, [Adult Social Care at a Glance](#), 16 July 2018, p 5.

⁷ King’s Fund, [‘Key facts and figures about adult social care’](#), 2 July 2021.

⁸ National Audit Office, [Adult Social Care at a Glance](#), 16 July 2018, p 5.

⁹ See also: National Audit Office, [The Adult Social Care Market in England](#), 25 March 2021, HC 1244 of session 2019–21. LAs have discretion to provide services to individuals outside of the eligibility threshold (Nuffield Trust, [‘Who organises and funds social care?’](#), 18 March 2020).

¹⁰ House of Commons Library, [Informal Carers](#), 7 June 2021.

¹¹ Department for Work and Pensions, [Family Resources Survey: Financial Year 2019 to 2020](#), 25 March 2021.

¹² House of Lords Library, [Social Care Provision in the UK and the Role of Carers](#), 17 June 2021, p 11.

2. Challenges facing the social care sector in England

There is widespread recognition that the formal adult social care sector in England has faced multiple challenges over many years.¹³ Several of these have been exacerbated by the Covid-19 pandemic. In addition, the pandemic has increased the often-significant demands placed on unpaid carers and informal support networks, as well as voluntary organisations that may provide additional support.

King's Fund analyses

In August 2020 the King's Fund noted how Covid-19 had magnified some of the key challenges facing the formal sector.¹⁴ It listed the main problems as follows:

- **Means testing:** social care is not free at point of use like the NHS.
- **Catastrophic costs:** some people end up paying large amounts and even selling their homes to pay for care.
- **Unmet need:** many people go without the care and support they need.
- **Quality of care:** a wide spectrum of concerns, from 15-minute care visits to neglect and lack of choice and control.
- **Workforce pay and conditions:** staff are underpaid, leading to high vacancy rates and turnover.
- **Market fragility:** care providers go out of business or hand back contracts.
- **Disjointed care:** health and care is not integrated around the individual and causes issues such as delayed transfers of care from hospital.
- **The 'postcode lottery':** there is unwarranted variation between places in access to care and its quality.¹⁵

Simon Bottery, a senior fellow at the King's Fund, observed that the pandemic had shifted the emphasis on these issues. He said coverage of the first two—means testing and catastrophic costs—had reduced in favour of increased attention on the remainder. He argued that public focus had moved towards quality of care during the pandemic and also, to a varying extent, unmet need and the postcode lottery. Mr Bottery also noted that the pandemic had raised public awareness of issues relating to the sector's workforce; market fragility affecting providers; and disjointed care, particularly in the context of coverage of patients' discharge from hospital in the early stages of the pandemic.¹⁶

In May 2021, the King's Fund reported on how the pandemic had continued to affect the sector. Labelling the system overall as "fragile", the report's authors said their analysis of data for 2019/20 painted "quite a bleak picture of adult social care in England, with many key indicators already going in the wrong direction before the pandemic struck". In summary:

¹³ For example: National Audit Office, [Adult Social Care in England: Overview](#), 13 March 2014, HC 1102 of session 2013–14; House of Commons Health and Social Care Committee and Housing, Communities and Local Government Committee, [Long-term Funding of Adult Social Care](#), 27 June 2018, HC 768 of session 2017–19; and House of Lords Economic Affairs Committee, [Social Care Funding: Time to End a National Scandal](#), 4 July 2019, HL Paper 392 of session 2017–19.

¹⁴ King's Fund, [How Covid-19 has magnified some of social care's key problems](#), 25 August 2020.

¹⁵ *ibid.* See also: King's Fund, [What's your problem, social care? The eight key areas for reform](#), 5 November 2019.

¹⁶ King's Fund, [How Covid-19 has magnified some of social care's key problems](#), 25 August 2020.

- They noted that “demand was increasing but receipt of long-term care was falling. Between 2015/16 and 2019/20, 120,000 more people requested social care support but around 14,000 fewer people received either long- or short-term support”.
- They argued the means test “continued to get meaner because thresholds were not rising in line with inflation”.
- In addition, “user satisfaction with publicly funded care was showing a small, long-term decline” and “fewer people were using direct payments, suggesting a fall in personalisation of care”.¹⁷

Furthermore, the report’s authors said that “even where indicators were going in the right direction, there were caveats” in place. They continued:

- Total expenditure had finally returned to a similar level to that of 2010/11 but not if population growth is taken into account—per person spending was still well below that seen a decade ago.
- As a result of the national living wage, care worker pay was rising by more than inflation but was not keeping pace with other sectors.
- Staff vacancies were falling but remained at a high level.
- More carers were getting support but this was mainly in the form of advice.¹⁸

To remedy these fragilities, the report’s authors concluded that “six things need to happen as part of a long-term wide-ranging reform programme for adult social care”. They summarised these as follows:

- More money is needed to fund the current system.
- Eligibility needs to be improved.
- Workforce reform is essential.
- Personalisation needs re-invigoration.
- Prevention needs to take centre stage.
- Carer support needs urgent attention.¹⁹

National Audit Office report

In a report published in March 2021, the National Audit Office (NAO) identified challenges facing the social care market in England in the context of the pandemic. Many of these aligned with the findings of other bodies. The NAO noted that its latest report built on a significant body of past NAO work on care, including on the care workforce; personalised commissioning; and the interface between health and care. It added that this work aimed to offer insights and recommendations ahead of future social care reforms. The report’s key findings in respect of the social care market are listed in the text box overleaf.²⁰

¹⁷ King’s Fund, [‘Social care 360’](#), 6 May 2021.

¹⁸ *ibid.*

¹⁹ *ibid.*

²⁰ National Audit Office, [‘The Adult Social Care Market in England’](#), 25 March 2021, HC 1244 of session 2019–21, pp 6–11.

Overview of the market

- Local authorities, who arrange most formal care, were facing significant financial pressures before Covid-19.
- Local authority spending on care is lower than in 2010/11 but has begun to rise compared with previous years, with most spend going on long-term support.
- Since 2015/16, the number of adults aged 65 and over receiving long-term support arranged by local authorities has fallen.
- Estimates suggest high levels of unpaid care and unmet need.
- Most care is good quality, but 16% of CQC [Care Quality Commission]-registered care providers require improvement or are inadequate.
- Covid-19 could have short- to medium-term consequences for the market's financial sustainability.

Oversight and accountability

- Short-term funding settlements have hampered long-term planning, innovation and investment in care.
- Current accountability and oversight arrangements are ineffective for overseeing a disaggregated market.
- The department [of Health and Social Care] acknowledges that most local authorities pay care providers below a sustainable rate but does not use this analysis to challenge local authorities directly.
- The department increased its focus on care and its oversight of the market in response to Covid-19.
- Despite the introduction of CQC's market oversight function, stakeholders lack visibility of provider finances across the care market.
- Local authorities understand their duties to shape the market, but say they lack the levers to do this effectively.

Understanding future demand and costs

- Based on long-term forecasts there will be large increases in future demand for care and therefore cost.
- The department is unable to demonstrate that it has adapted demand and cost projections for potential changes in care delivery.
- Significant workforce challenges remain, yet the department has no current plans to produce a workforce strategy.
- The department does not have a clear strategy to develop accommodation for adults with care needs.
- The department will be responsible for leading cross-government efforts to deliver long-awaited reforms which address long-standing problems in the sector.
- Reforms will be a significant challenge and will need a whole system, cross-government approach.

The report concluded that high-quality care was “critical to the well-being of some of the most vulnerable adults in society”. It added:

Yet levels of unpaid care remain high, too many adults have unmet needs and forecasts predict growing demand for care. The lack of a long-term vision for care and short-term funding has hampered local authorities’ ability to innovate and plan for the long term, and constrained investment in accommodation and much-needed workforce development. In a vast and diverse social care market, the current accountability and oversight arrangements do not work. The department [of Health and Social Care] currently lacks visibility of the effectiveness of care commissioned and significant data gaps remain. As such, it cannot assess the outcomes achieved across the system and whether these are value for money.

Covid-19 has focused attention on social care as never before. It has highlighted existing problems with social care and emphasised significant gaps in the department’s understanding of the market. However, we have also seen substantial efforts from those across the sector to deliver these essential services in such challenging circumstances. The department has recently taken steps to increase the capacity of its teams; address data gaps, with local government and care providers; and strengthen system accountability and assurance. This renewed focus, impetus and collaborative approach must be capitalised upon when [the] Government finally focuses on the long-awaited social care reforms.²¹

In answer to the challenges facing the sector, the NAO recommended that the Government should:

- set out a cross-government, long-term, funded vision for care;
- develop a workforce strategy;
- develop a cross-government strategy for the range of accommodation and housing needed for people with care needs;
- assess the performance and cost data it needs to gain assurance over the system’s performance as a whole;
- address significant gaps in the performance and cost data it collects on care, particularly on self-funders and unmet need;
- consult on options for enhancing support for local commissioners; and
- explore with CQC [Care Quality Commission] how best to increase visibility of, and transparency over, providers’ financial sustainability and costs.²²

Parliamentary and other reports

Building on earlier parliamentary committee reports on social care funding, in October 2020 the House of Commons Health and Social Care Committee published a report on sector funding and the sector’s workforce.²³ The report surveyed the current funding problems and stakeholder estimates

²¹ National Audit Office, [The Adult Social Care Market in England](#), 25 March 2021, HC 1244 of session 2019–21, p 12.

²² *ibid*, pp 12–13.

²³ House of Commons Health and Social Care Committee, [Social Care: Funding and Workforce](#), 22 October 2020, HC 206 of session 2019–21; and [Government Response](#), 29 January 2021. See also House of Lords Economic Affairs Committee, [Social Care Funding: Time to End a National Scandal](#), 4 July 2019, HL Paper 392 of session 2017–19; and House of Commons

that the sector required billions in extra spending to maintain and improve the situation for both those receiving and delivering care. It also noted the adult social care workforce in England was under “significant pressure, with 122,000 vacancies, a turnover rate of 30.8%, and a quarter of staff employed on zero hours contracts”.²⁴ The report further added that demand was calling into question the long-term sustainability of the social care workforce, with the committee noting estimates that suggested up to 580,000 to 800,000 more social care jobs could be required by 2035.

The report concluded that the “case for making a sustained investment in social care has never been stronger”. It added that the toll of the Covid-19 pandemic meant the social care sector was “no longer a hidden problem, but one that the country as a whole understands”. On the sector’s workforce, the committee argued:

- Improving the level of recognition afforded to social care workers “must be a key focus for the Government to safeguard the future of the social care workforce”.
- The proposals for reform of how people pay for care must provide “a sustainable basis for continued rises in pay above and beyond increases to the national minimum wage and in line with increases given to NHS staff”.
- The Government should “bring forward proposals to support the improvement of employment conditions in the sector, including reducing the over-reliance on zero hours contracts and improving the provision of sick pay”.
- The Government should “bring forward a plan to streamline the training of social care workers in order to improve routes of entry to the profession and improve career progression for existing social care workers”.
- The Government “must ensure that transitional arrangements are in place to ensure that social care workers can continue to be recruited from overseas for as long as it takes to build sufficient resilience in the domestic supply of social care workers”. Building this resilience “will depend on improving pay and other workforce issues in social care”.²⁵

In June 2021, the House of Commons Public Accounts Committee noted the pandemic had had a “devastating impact on the care sector”. Amongst the recommendations in a report on the adult social care market, it called on the Government to set out a “comprehensive, cross-government reform plan for care” by the end of 2021, together with a workforce strategy for the care sector.²⁶

Other bodies have commented on the challenges affecting the social care sector. For example, in July 2020 the Health Foundation noted the “profound impact” the pandemic was having on people receiving and providing social care in England.²⁷ More recently, it has highlighted how the pandemic

Health and Social Care Committee and Housing, Communities and Local Government Committee, [Long-term Funding of Adult Social Care](#), 27 June 2018, HC 768 of session 2017–19.

²⁴ House of Commons Health and Social Care Committee, [Social Care: Funding and Workforce](#), 22 October 2020, HC 206 of session 2019–21, p 16.

²⁵ House of Commons Library, ‘[Social care reform and the social care workforce](#)’, 15 March 2021.

²⁶ House of Commons Public Accounts Committee, [Adult Social Care Markets](#), 16 June 2021, HC 252 of session 2021–22. See also House of Commons Health and Social Care Committee, [The Government’s White Paper Proposals for the Reform of Health and Social Care](#), 14 May 2021, HC 20 of session 2021–22; and [Workforce Burnout and Resilience in the NHS and Social Care](#), 8 June 2021, HC 22 of session 2021–22.

²⁷ Health Foundation, ‘[Adult social care and Covid-19: Assessing the impact on social care users and staff in England so far](#)’, July 2020.

exacerbated the health and wellbeing, earnings and working conditions for care staff.²⁸ It has also cautioned that there have been “persistent gaps” in support for social care workers over the course of the pandemic, with poor pay and employment conditions affecting adherence to self-isolation measures and issues such as securing visas for social care workers continuing to affect providers.²⁹

The Association of Directors of Adult Social Services (ADASS) conducted a survey of its members between March and April 2021. The responses indicated that there had been “increased need and activity as a result of people not being admitted to hospital as well as increased social care activity as a result of people being discharged from hospital”.³⁰ In addition, the resulting report noted:

- Carers have taken on significant responsibilities during the pandemic as evidenced by Carers UK and other bodies. This has included people taking on caring responsibilities for the first time, as well as carers either choosing not to, or not being able to access services for the person they care for due to infection concerns.
- However, fewer carers have contacted their local authorities for support and fewer carer’s assessments have been undertaken. This is despite directors reporting an increasing number of people seeking support in the event of carer breakdown or carer unavailability. This would suggest that carers are not seeking help until they actually break down.
- Care markets have continued to experience turbulence. However, time-limited Covid-19 grant funding, such as the Infection Control Fund, is reported to have prevented or delayed some provider failures by way of closures and there have been fewer contract hand-backs to local authorities by providers.³¹

Carers UK, a membership charity for carers, has called for employees with caring responsibilities to have a legal right to unpaid carer’s leave and the ability to request flexible working from day one of starting their job.³² In 2019, it conducted a survey of 8,000 carers that found:

- **Caring costs:** Almost 2 in 5 carers (39%) responding to our survey said they are “struggling to make ends meet”. Over two thirds of carers (68%) reported regularly using their own income or savings to pay for care or support services, equipment or products for the person they care for.
- **Cuts to support:** 1 in 8 (12%) of carers reported that they or those they support received less care or support services during the previous year due to a reduction in the amount of support from social services.
- **Carers put themselves last:** 53% of carers said that they are not able to save for their retirement, and almost two thirds of carers (64%) say that they have focussed on the care needs of the person they care for, and not on their own needs.³³

²⁸ Health Foundation, ‘[How is Covid-19 impacting people working in adult social care?](#)’, 8 January 2021. See also: BBC News, ‘[Covid: Care staff reveal mental impact of pandemic](#)’, 23 April 2021.

²⁹ Health Foundation, ‘[Mind the gaps: adult social care workforce policy during the pandemic](#)’, 17 June 2021.

³⁰ Association of Directors of Adult Social Services, [ADASS Activity Survey 2021](#), 16 Jun 2021, p 4.

³¹ *ibid.*

³² Carers UK, ‘[Carers UK responds to government proposals for flexible working and unpaid leave for carers](#)’, 22 September 2021.

³³ Carers UK, ‘[State of caring survey 2021](#)’, accessed 5 October 2021.

The charity undertook further research on the experiences of unpaid carers during the pandemic. In April 2020, it found the pandemic was having a profound impact on carers' lives.³⁴ Following up in October last year, the charity found:

- 81% of carers are providing more care since the Covid-19 pandemic; and
- 78% or 8 out of 10 carers said the needs of the person they care for have increased since the Covid-19 pandemic.³⁵

The charity expects to publish its next research report into the lives and experience of carers, based on survey returns, in November 2021.

Care England, which represents social care providers, has called for investment and policy support for providers and workers.³⁶ This includes calling for a workforce plan from central government, similar to that of the NHS, with proposals on career progression, pay and rewards.

In October 2020, the charity Skills for Care, which is also a delivery partner on workforce development for the Department of Health and Social Care, said that the adult social care sector in England needed to fill around 112,000 job vacancies on any given day.³⁷

Bodies such as the Royal College of Nursing and trade unions such as UNISON have expressed concern that mandating vaccinations for care staff will exacerbate sector-wide staff shortages.³⁸

3. Recent government policy: health and social care levy and reform plans

On 7 September 2021, Prime Minister Boris Johnson set out details of a proposed new tax to raise funds in support of government plans for health and social care which were announced the same day. The new 'health and social care levy' would be a key part of a revenue-raising package expected to raise £12 billion per year on average over the next three years to tackle NHS backlogs and support reform of the adult social care system. Mr Johnson said:

[...] from next April [2022] we will create a new UK-wide 1.25% health and social care levy on earned income, hypothecated in law to health and social care, with dividends rates increasing by the same amount. This will raise almost £36 billion over the next three years, with money from the levy going directly to health and social care across the whole of our United Kingdom.³⁹

³⁴ Carers UK, [Caring Behind Closed Doors: Forgotten Families in the Coronavirus Outbreak](#), 23 April 2020.

³⁵ Carers UK, [Caring Behind Closed Doors: Six Months On—The Continued Impact of the Coronavirus \(Covid-19\) Pandemic on Unpaid Carers](#), October 2020

³⁶ For example: Care England, ['Secure social care'](#), 30 September 2021; and ['Care workforce crisis'](#), 13 September 2021.

³⁷ Skills for Care, ['Social care needs to fill more than 100,000 vacancies'](#), 21 October 2020.

³⁸ Royal College of Nursing, ['RCN position on mandating vaccination for health and social care staff'](#), 22 September 2021; and UNISON, ['Scrap mandatory vaccine deadline or risk decimating the care sector, says UNISON'](#), 16 September 2021. See also: House of Lords Library, ['Health and Social Care Act 2008 \(Regulated Activities\) \(Amendment\) \(Coronavirus\) Regulations 2021'](#), 16 July 2021.

³⁹ [HC Hansard, 7 September 2021, cols 153–81.](#)

In a command paper on its plans for health and social care reform published alongside the statement, the Government confirmed the new levy would be based on national insurance contributions (NICs).⁴⁰ The document explained that the levy would be collected from certain classes of NICs from April 2022, when an increase in dividend tax rates would also take effect.⁴¹ It added the levy would then be formally separated out from NICs from April 2023, once HMRC systems had been updated. The levy would also extend to individuals working above state pension age from April 2023. Such individuals are not currently liable to pay NICs on their earnings.

The Government indicated that most of the proceeds of the levy would be directed towards the NHS first to tackle backlogs over the first three years of the levy's operation, with £5.4 billion of the expected £36 billion to be raised set aside for adult social care.⁴²

Health-focused organisations and providers broadly welcomed the extra funding that would be raised by the levy, but voiced concerns about how the Government would ensure the share allocated for social care would increase over time.⁴³ For example, Richard Murray, Chief Executive of the King's Fund, said of the overall package that credit was due to the Government for having brought forward the measure. However, he added, "while we welcome the proposed reforms there has to be pragmatism about what they can deliver. Social care will see only £5.4 billion over three years, with no guarantees of sustainable funding beyond this".⁴⁴ The King's Fund had previously suggested that "significantly greater expectation of more transparency, performance and scrutiny" would come with additional funding such as that raised by the levy.⁴⁵

Other organisations stressed the potential impact on workers of raising NICs. For example, reacting to the announcement TUC General Secretary Frances O'Grady voiced opposition to the policy. She argued that the proposal to increase dividend tax rates "should have been just one piece in a plan to tax wealth, not an afterthought to a plan to tax the low-paid workers who've got us through the pandemic".⁴⁶ By focusing on NICs, Ms O'Grady alleged the Government was "raiding the pockets of low-paid workers, while leaving the wealthy barely touched".⁴⁷

The Government's command paper also included details of several reforms to how people would pay for adult social care in England that would be supported by levy-raised funds. These built on earlier proposals on social care funding, such as those put forward by the Dilnot Commission. They included:

⁴⁰ HM Government, [Build Back Better: Our Plan for Health and Social Care](#), 7 September 2021, CP 506, p 7.

⁴¹ The levy will apply to class 1 employee; class 1A and 1B employer; and class 4 self-employed NICs. It will not apply to class 2 and class 3 NICs. For further information, see GOV.UK, [National insurance](#), accessed 27 September 2021.

⁴² HM Government, [Build Back Better: Our Plan for Health and Social Care](#), 7 September 2021, CP 506, p 16.

⁴³ See House of Commons Library, [Health and social care levy](#), 14 September 2021. Examples include: King's Fund, [The King's Fund responds to the announcement of a health and social care levy](#), 7 September 2021; Directors of Adult Social Services, [ADASS responds to PM's announcement on adult social care reform plans and funding](#), 7 September 2021; Local Government Information Unit, [LGIU statement: response to the Prime Minister's announcements on social care](#), 7 September 2021; and Nuffield Trust, [Care providers, care users and workers will feel short-changed by proposed health and social care levy and reform](#), 7 September 2021.

⁴⁴ King's Fund, [The King's Fund responds to the announcement of a health and social care levy](#), 7 September 2021.

⁴⁵ King's Fund, [Raising taxes to pay for social care: what will the consequences be?](#), 27 July 2021.

⁴⁶ TUC, [PM's social care announcement is "deeply disappointing" to workforce](#), 7 September 2021.

⁴⁷ For further reaction, see: House of Lords Library, [Social care funding: a rise in national insurance](#), 10 September 2021.

- The introduction of a cap on personal care costs of £86,000 from October 2023.
- Increasing the upper capital limit (the threshold above which somebody is not eligible for local authority support towards their social care costs) from £23,250 to £100,000 from October 2023.
- Increasing the lower capital limit (the threshold below which somebody does not have to make a contribution towards their care costs from their capital) from £14,250 to £20,000.
- If somebody has capital between £20,000 and £100,000 the local authority may fund some of their care, but they may have to contribute up to 20% of their chargeable assets per year (in addition to their income).
- Increasing the amount of income that care recipients can retain after contributing towards their care costs (the minimum income guarantee and the personal expenses allowance) in line with inflation from April 2022.⁴⁸

The Government has said it expects to begin consultation on the adult social care charging proposals in October 2021.⁴⁹ It added that it would publish the white paper on reforming adult social care and the plan for integration between health and social care “later this year”.

In July 2021, the Government introduced the Health and Care Bill in the House of Commons.⁵⁰ It aims to promote joined-up health and care services in local communities. However, the King’s Fund argued that the bill “falls far short of a meaningful commitment on social care, despite the inclusion of targeted measures on data collection and regulation”.⁵¹

In September 2021, the Government confirmed its intention to introduce an entitlement to carer’s leave as a right for employees from the first day of their employment.⁵² It later announced additional funding for the adult social care sector this coming winter.⁵³ The Government is currently consulting on making vaccination for Covid-19 a condition of deployment in the health and wider social care sector, after having already decided to make it a condition of deployment in older adult care homes.⁵⁴

4. Read more

- House of Commons Library, [Coronavirus: Adult Social Care Key Issues and Sources](#), 23 July 2021; and [Proposed Reforms to Adult Social Care Announced in September 2021](#), 10 September 2021
- [Oral question on ‘Carers: support’](#), HL *Hansard*, 10 June 2021, cols 1572–5
- [Debate on ‘Social care and the role of carers’](#), HL *Hansard*, 24 June 2021, cols 412–48
- [Oral question on ‘Social care: family carers’](#), HL *Hansard*, 13 September 2021, cols 1130–2

⁴⁸ House of Commons Library, [‘Health and social care levy’](#), 4 October 2021.

⁴⁹ HM Government, [Build Back Better: Our Plan for Health and Social Care](#), 7 September 2021, CP 506, p 7.

⁵⁰ UK Parliament, [‘Health and Care Bill’](#), accessed 5 October 2021.

⁵¹ King’s Fund, [‘The Health and Care Bill: six key questions’](#), 6 September 2021.

⁵² Department for Business, Energy and Industrial Strategy, [‘Carer’s leave’](#), accessed 5 October 2021.

⁵³ Department of Health and Social Care, [‘Additional funding to help adult social care this winter’](#), 30 September 2021.

⁵⁴ Department of Health and Social Care, [‘Making vaccination a condition of deployment in older adult care homes’](#), 19 July 2021; and [‘Making vaccination a condition of deployment in the health and wider social care sector’](#), 9 September 2021.

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