



# Adult Social Care

## Corrected oral evidence: Adult social care

Thursday 13 October 2022

11.15 am

Watch the meeting

Members present: Baroness Andrews (The Chair); Baroness Barker; Lord Bradley; Baroness Campbell of Surbiton; Lord Bishop of Carlisle; Baroness Eaton; Baroness Fraser of Cragmaddie; Baroness Goudie; Baroness Jolly; Lord Laming; Baroness Shephard of Northwold; Baroness Warwick of Undercliffe.

Evidence Session No. 22

Heard in Public

Questions 178 - 187

### Witnesses

[I](#): Sir Andrew Dilnot CBE, Warden, Nuffield College, University of Oxford.

## Examination of witness

Sir Andrew Dilnot.

Q178 **The Chair:** Good morning. I am delighted to welcome the Adult Social Care Committee, and to welcome once again Sir Andrew Dilnot, whom we saw and listened to with great care at the very beginning of our inquiry. I am particularly pleased that he has been able to join us. At the end, we can discuss with him some of the issues that we have uncovered, which, indeed, he alerted us to when we began. I give a very warm welcome to Sir Andrew for his time, again, and for committing so much of his expertise to help us as a committee.

I will start, Sir Andrew, by taking you back to your 2011 report, *Fairer Care Funding*, in which you said that the adult social care system was “not fit for purpose” and needed “urgent and lasting reform”. In the course of our inquiry, we have absolutely confirmed your findings, and we regret that the system has not had that basic reform. Indeed, some of the very basic promises that were made, such as paid carers’ leave, have not been honoured, we have not seen anything like the implementation of the Care Act 2014, and now we are faced with a real crisis in the funding of public services. The sharp end of this is borne by adult social care in so many ways, with carers competing with higher wages in the retail sector, a massive shortfall in social care workers—165,000 vacancies—and so much else.

I have two questions for you. Inevitably, we will be challenging the Government to spend more and invest more wisely in aspects of the invisible elements of the social care system, which we have uncovered, and unpaid carers and the people they look after—matters of social justice and economic efficiency. How can we best make that argument at a time of such financial pressure, and could you tell me how much you think, in specific terms, needs to be spent over the next few years, and in what way, to make a significant difference from which the country as a whole would benefit?

**Sir Andrew Dilnot:** These are really pressing questions. Of course, as you say, there is a debate at the moment about the overall balance between taxation and public spending. I would make two big points about the way to make this argument in social care.

First, if we were to make a priority list, with the things that we have to do together at the top and the things that we can leave to people to manage on their own at the bottom, social care would be right up at the top. One of the central arguments we made in our report 11 years ago was that, while it is true that most of us—probably 80%—will need social care in our old age, we do not know how much, so we desperately need to pool the risk there. Of course, some of us will need social care from childhood right the way through our working life.

If you will forgive me for a little social science for a moment, the famous philosopher John Rawls had the idea of the veil of ignorance. If we imagine that we are behind a veil of ignorance before our birth and we do

not know which straw we are going to draw, how would we like the world to be? How would we like institutional arrangements to be? Clearly, almost everybody would say that social care is something that we should do together.

The first point to make to the Government, the electorate and all of us is that social care can be transformative in giving people the opportunity to have really fruitful lives. It is something we should care about, and that we cannot do on our own. Saying that people should save up for their own social care is a bit like saying they should save up just in case their house burns down or they have a car crash. This needs risk pooling.

The second point is to be clear that, although we need a lot more money for social care, the amounts of money that we are talking about are small relative to the Government's overall budget. The Government's overall annual budget is now well in excess of £800 billion. The national economy is well in excess of £2,000 billion. State social care spending at the moment is of the order of £20 billion. I will come to the additional amounts we need in a moment, but this is a very small government activity relative to, say, the social security system, which is in excess of £200 billion a year, and the health system, which in the Covid period was close to £200 billion a year. Even the education system, which we should arguably spend rather more on, dwarfs social care.

I will now talk a bit about amounts. You rightly said that government action in this area over the last 10 or 11 years has been very disappointing. When they were led by the previous Prime Minister, the current Government took through Parliament a version of some of the reforms we argued for 11 years ago, and they are due to be implemented in October next year.

It is absolutely essential that we go ahead with those reforms. They are less generous in a number of ways, which I will describe in a moment, than those that we recommended, but they promise a very significant increase in the generosity of the means test for older people needing social care, and, for the first time, they promise a national risk pool, through the introduction of a cap on people's lifetime expenditures, albeit higher than the cap that I would have wanted.

It is absolutely essential that that reform, that promised increase in generosity, is delivered. During her leadership campaign, the now Prime Minister committed to that in the DHSC document that came out the day before the mini-Budget. There was again a commitment to go ahead with those reforms on the timetable that had been promised, and my understanding is that there was some discussion of that at the 1922 Committee last night.

That is an absolute requirement, particularly given that the new Prime Minister said that she thought that more of the money that was to be made by the health and social care levy should go to social care. Any pulling back on that would be deeply regrettable, and I hope there will be no such pulling back. To pull back on that would be to abandon some of

the most vulnerable people in our society, who would not receive a promise that has been made to them repeatedly. Let us hope that this Prime Minister is finally the Prime Minister who sees through significant reform of social care.

We must do what we promised to do, even though it is not what it should be, in two principal dimensions. First, it does not deliver on what is needed for working-age adults. Our earlier report and the 2014 legislation looked to say that, if you entered adulthood with a pre-established social care need, it was not reasonable to expect that you should have made preparation for that yourself. That risk should be pooled across the whole of society. I deeply regret that that has not been done in the current set of reforms. We need to pay much more attention to the needs of working-age adults with social care needs.

Secondly, the current means-tested system has been underfunded for at least 10 years and is now close to a state of collapse. The decisions that we are asking local authority officers to make about how to allocate inadequate resources across people with enormous need are not decisions that it is reasonable to expect public servants to have to make.

We need at least a three-year plan of significant increases in funding for the core system. The kind of figure I have in mind for the next spending review is a commitment to an increase of at least £2 billion every year for three years, so that by the end of the three years we see a £6 billion increase. That would still be a little less than your sister committee in the House of Commons called for last year, or possibly the year before, when it said that there needed to be an extra £7 billion, but it is an amount on that scale.

Critically, it must be phased in over three years. Local authorities need reasonable certainty about what they can do. The routine we have been in for many years, that each year the Treasury comes up with an extra dollop of money, is not a way of getting good social care outcomes or making the lives of local authorities straightforward.

Sorry, that is rather a long answer, but I think I have covered at least some of the points.

**The Chair:** Do not worry about the length; it was absolutely splendid. There was such a lot of very hard, thoughtful information, which the committee is very grateful for.

Q179 **Lord Laming:** Andrew, it is very good to see you again; thank you very much. As you know, the committee has received a huge amount of evidence about the invisibility of social care, especially when compared with the profile of and attention given to the NHS. We want to express this invisibility very carefully, and we need to bear in mind that, first, most of us have contact with the NHS from the very day we are born, and throughout our life. Secondly, in the NHS there is a direct line from the local clinic right up to the centre of government, whereas in social care it is provided by thousands of different providers. Thirdly, many of

us hope that we will go through life without ever needing social care.

Do you have any thoughts about how we might make sure that when we highlight the invisibility of social care we express it in a way that other people can relate to well?

**Sir Andrew Dilnot:** Thank you for that. It is difficult; if it was easy, we would have sorted it by now. One point to make is to try to celebrate social care and the lives of people receiving social care more than we often do. We have become a society that is somewhat frightened by the need for social care, and that is partly because, often, it is not available in the way that it should be. I would love us to move to a world where we celebrate social care and the fruitfulness of the lives led by those who are being helped by it.

I have often said that one of the things I hate is people talking about the “burden” of ageing, as though living for a long time is a bad thing. If they are receiving the right social care, many people who need it can have great lives and make a great contribution to our lives while enjoying their own. Celebration is part of this, and it is something we should do.

We also need to be honest about the fact that most of us will need social care, even those of us who have not had social care needs during our working age. We tend to avert our eyes from it, but 80% of us will pass a local authority assessment at some point in our life. As we know, that is not a low bar, so we need to find ways to make us all realise that this is coming to almost all of us, and therefore it makes sense to pay attention. We need to do that.

Q180 **Lord Laming:** When many of us ask the Government about these matters, they say that they have allocated £X million for this, and therefore they have dealt with it. Do you have any views about the way in which this money is allocated, and whether it gets to the right places?

**Sir Andrew Dilnot:** I have two strong views about it. First, not enough of it is allocated, and, secondly, it is allocated all too often in dribs and drabs in the short run, rather than in a coherent, planned fashion. Let us remember that overall spending by the Government on adult social care is less than 1% of the national economy, and roughly half of that goes to adults of working age, with roughly half going to older people. The additional amount announced a few weeks ago, the day before the mini-Budget, was half a billion pounds for this year. That is less than £10 a year for each person in the United Kingdom.

I am not in any sense making a party-political point here; this is a criticism that I would level at both the major English parties—remember that social care is a national system and this is therefore an England case. Neither of the main political parties in England have had the courage to allocate the level of funds that is required. Part of the reason for that is that noisier calls can be made by other parts of the public sector, particularly the health service. It is not that I do not support the health service—it too needs to be properly funded—but, somehow, social care has continued to be the poor relation.

**Q181 The Lord Bishop of Carlisle:** Sir Andrew, Lord Laming has just emphasised that we are very keen in our report to raise the issue of the invisibility of social care, but we are also aware of the complexity of the whole question, and the danger of making too many recommendations. If we make too many, they will all be ignored, if we are not careful. What do you think our priorities should be for recommendations that would very specifically raise visibility, both of the system and of the individuals caught up within it?

**Sir Andrew Dilnot:** Thank you. This is hard, and it is not something that the Government can do on their own. All parts of society, including the faith organisations, have duties to think hard about what they are doing about the needs of those who have a social care requirement, and to talk about, engage with and celebrate their lives.

One of the central points relates to a point that Lord Laming raised: our interaction with the health service tends to be frequent, whereas our interaction with the social care system tends to be infrequent, for those who experience social care need in old age. Of course, for those who experience social care need throughout their life, often starting in childhood, it is very frequent. Often, we find people who are more expert among those groups. I would particularly like to see more political engagement with and media coverage of working-age adults who have social care needs, who often become the experts through the system.

Because for many of us this will be a one-hit game, part of what we need is much better information and guidance. One of the recommendations we made back in 2011 was that, as funding reform was introduced, much better systems of information and guidance should be put in place, and that spending money on information and guidance was a critical part of what we should do. That is naturally for government, but there is a role for other organisations too.

There is a role for the broadcast media, the printed media, faith organisations, schools and all parts of our community to recognise and celebrate this activity—not just experiencing care but delivering it. In headcount numbers, we probably have more people working to deliver social care than we have in the NHS; yet even after Covid, when we had much more visibility, we have slipped back again to a world where we are not paying much attention to the more than 1.5 million people—even with the vacancies we have—who are doing things that we care passionately about and that many of us would find difficult to do, yet of whom we hear very little.

**The Lord Bishop of Carlisle:** That is really helpful, thank you. We have heard a great deal about the difficulties people have encountered in navigating the system or understanding what on earth is involved. You feel very strongly that this should be provided centrally by government rather than by local authorities.

**Sir Andrew Dilnot:** It should be financed by central government, because that is a symbol of its being something that we are doing as a

whole community. Relying on local authorities to raise finance gets us into all kinds of complications, because often the places where the finance is most needed are the places where the finance is least available. It should indeed be part of a central settlement.

- Q182 **Baroness Shephard of Northwold:** Sir Andrew, I want to ask about funding. You gave the most direct answer possible to the Chair's opening question about how much the amount could be—I think you said £2 billion for three years would be a start for some way forward. You also touched very strongly on financing in your other answers in this session. If, at this moment, you were faced with the new Prime Minister, who has said that social care should get a greater share, and she asked you, "Well, where would you put it first?", what would you say?

**Sir Andrew Dilnot:** I would say what I have said for the last 11 or 12 years: there are two very separate problems, both of which desperately need resolution. One is that the current means-tested system is on its knees, so local authorities need more funding. Secondly, we need a structure that will allow everybody to plan properly for this system. I am delighted that there is already money committed to the second part, but I would put a bit more into that, particularly because it does not affect working-age adults, and it should. That is part of a system that works. Right now, on day one, we need more money going into the existing means-tested system. If we do not do that, the system that we are expanding by making the means test more generous in October next year, by introducing the cap, will have fallen over. That seems crazy.

**Baroness Shephard of Northwold:** Thank you very much indeed, especially for the clarity.

- Q183 **Baroness Warwick of Undercliffe:** Sir Andrew, thank you very much for being here; it is great to see you. Getting such wonderfully clear answers is immensely helpful.

I turn to your point that more people are delivering social care than are in the NHS, which is really significant. I want to ask you about the adult social care workforce. All the evidence we have had is that it is depleted, overworked and demoralised. We know from recent figures that there are very large numbers of vacancies, and that one of the biggest problems is retention.

Obviously, all this has significant consequences for the lives of older adults and disabled people, as well as unpaid carers. What immediate changes should be made to relieve the workforce crisis in adult social care? Perhaps even more importantly, what organisations or agencies should be initiating these changes?

**Sir Andrew Dilnot:** The workforce is where, on the provider side, we are seeing the biggest crisis at the moment. As you say, the problem is not so much recruitment as retention.

Forgive me if I step back and talk about economics for a while. The puzzle is that, essentially, the great bulk of staff working in social care are receiving the minimum wage, or very close to it. Why is that? We do

not see that in most industries, certainly not in other industries of this scale. The answer to that, in my view—I would say this, wouldn't I?—reflects the lack of any proper risk pooling.

Needing social care at the moment is a bit like being in a shop with no prices. You know how much the care for your partner or parent will cost per week or month, but you have no idea how many weeks or months their need will go on, so you simply do not know what the bill is. That means that, unless you are one of the very small number of extraordinarily wealthy individuals, you will be frightened about the potential cost. In the face of that fear about the potential cost, you will tend to try to buy the cheapest thing available that meets the regulatory requirement.

The fact that there is no risk pooling of the costs is a major contributory factor to the fact that almost everybody in the sector earns the minimum wage, or just above it. The structural reforms that will come in in October are the beginning of the possibility of generating a market where more people will be willing to spend a bit more on social care, because they know what the worst case for them will be. That will be critical in building up wages.

For the time being, right now, the only thing we can do is provide more money for local authorities so that they can put more into the system, and that way get wages to rise a little. In the long run, if we are to generate a market that works, we have to be in a market where people are not terrified of spending their money because they do not know what the worst-case position will be. I hope the cap will deliver that.

As well as increasing wages, the work needs to become less of a strain. That is also a resourcing issue. I am sure that you will have received many pieces of evidence from people who work in the sector who say that not only are they not paid very much but they are not paid for as much time as it actually takes to deliver the care that is needed by the people they are trying to help. That cannot persist in the long run, because if we make unreasonable demands on the workforce they will leave, as they are doing at the moment, whenever there is a better alternative.

Maybe this is too much of an economist answer, but we simply need to pay people enough. If we do not pay people enough, they will go elsewhere. Of course, pay is not just about money. Pay comes through appreciation, status and recognition, so it is broader than simply money, but money has to be delivered.

- Q184 **Lord Bradley:** Good morning, Sir Andrew. What do you think is the potential of recent policy reforms for integrated care systems to deliver parity between healthcare and adult social care? To what extent can ICBs and ICSs improve the visibility of adult social care, particularly at local level? What will it take for this to happen successfully, and how can it best be monitored?

**Sir Andrew Dilnot:** Thank you very much. This is extremely important, but I should preface my remarks by saying that I would not claim to be expert in the detailed working of ICSs and ICBs. There is no doubt that they are an important innovation and, in a particular way, can help with invisibility in that, at least in principle, they can help in the use of resources across the health and social care system, which has not always worked smoothly. They are to be welcomed, but they are not in and of themselves a panacea. For them to work well, they too have to be adequately funded; integration on its own does not deliver more resources. It probably delivers a slightly more efficient use of resources, so it may mean that we are able to get a little more out of a given set of resources, but good resourcing will be critical for the innovation of ICSs and ICBs to work.

I am sure that everybody on the committee will have had experience of organisations and will know the slightly Micawberesque thing that being part of an organisation where there is a little slack makes an enormous difference. If there is a little slack, you can take a few risky decisions, experiment a bit and do new things. It is out of that kind of experimentation and innovation that many wonderful things come.

If you are in an organisation where there is not enough money to do the day job properly anyway, all of that experimentation and innovation is crushed out of the system. That, in my view, is where we are at the moment, and even though ICSs and ICBs are a good idea, in the current funding regime there is a risk that they are strangled by inadequacy of funding. We are likely to get the best out of them if we can have a system where there is a little more room for manoeuvre.

Q185 **Lord Bradley:** Thank you. Accepting entirely the point about the funding, which I totally agree with, do you think it is essential that the voice of unpaid carers is part of the commissioning process at local level?

**Sir Andrew Dilnot:** Absolutely. It is all too often the case that we might think that there are two key stakeholders in social care decisions: the hospitals and the social care providers. We are missing quite a lot of stakeholders there: the individuals who are being cared for and the individuals who are providing the unpaid care that facilitates the possibility of everything working.

In thinking about how integration should work, it is not just integration between the National Health Service and the social care system, the local authority and the providers; it is integrating their perceptions and their desires alongside the needs and views of both the cared-for and those who provide care alongside the formal care networks. If we do not do that, we are integrating only half of what is actually in play.

**Lord Bradley:** Thank you very much. That is really helpful.

**The Chair:** Lady Fraser will ask our final question because unfortunately Lord Polak could not be with us today. Lady Fraser, could you pick up the data question, please?

**Q186 Baroness Fraser of Cragmaddie:** Thank you. Sir Andrew, whether it is a cause or a consequence of the invisibility of adult social care, the system as a whole is a very data-poor environment, which makes any reform or change and the recognition or value of it very challenging. What data specifically do you think should be made available, and what could it be used for? What, in addition to what has already been pledged by the Government, could improve the data that is available about adult social care?

**Sir Andrew Dilnot:** That is a very important question. We need data for two sorts of reasons: one is so that we know what is going on now, and that is really important; the second is so that we can evaluate what can help. We need to be able to describe and to test, and at the moment the data that is available in social care does not allow us to do either of those things well.

A chart that I have probably endlessly shown you shows the probability distribution of care needs. That chart is now significantly more than a decade out of date, and to create that chart required all sorts of statistical creativity. We should have a better handle on that sort of information. We need to know not just who is receiving care that is paid for by the state but who needs care across the whole of our society and what the probable care journey is.

We all too easily fall into imagining that social care is either care in the home or residential care. Actually, for many people, over their lifetime it will be a mix of both of those. We need to understand that. We need to understand the diversity of care needs among the working-age population; my sense and the evidence, in so far as we have it, is that it is even more diverse than the experiences of people in older age when they need care. We need to understand what the needs are and what is being delivered because only in that way do we have much chance of planning. As I said, we need data over time so that we are able to establish what the experience over care journeys is for individuals, and not only at a positive objective economist level; we should be asking people how they feel about their care.

One of the big changes in healthcare in recent decades has been the growing recognition of the importance of patient-reported outcomes. We do not just want to know what the doctors and nurses think about whether the intervention worked; we want to know how people feel about whether the intervention made their life more flourishing.

In the same sorts of ways—although in some areas, particularly the cognitive decline areas, this is difficult—we also need to establish what those who are experiencing social care feel about their lives and the impact of social care on them. Those do not feel like overly ambitious objectives, but at the moment we are simply not able to do that in a systematic, nationwide way. We ought to do it because if we do not it will continue to be hard to evaluate whether the hopefully increased focus, concern, intervention and funding in this area over the next few years are working.

If we are, as we are, going to reform structures and if we are, as I hope we are, going to see more money put into the system for those with greatest need, we ought, at minimum, to make sure that the ways in which we are intervening are working. We cannot do that at the moment.

**The Chair:** If I may, I will follow up Lady Fraser's question. Who should do this? How should this be done? Are we talking about granular investing in the local authorities to collect data? Are we talking about a national research institute? Are we talking about funding ESRC programmes systematically? Who is going to take control of this and how will we know what is working?

**Sir Andrew Dilnot:** Different sorts of things are needed. Significant research programmes are appropriate. There are a number of centres now doing work in this area, and I very much hope they will continue to do work and continue to be funded. The prerequisite in these areas is central collection of data, and that is a task for DHSC alongside the Office for National Statistics. It will not be free, but the amounts of money that we are talking about are tiny relative to the amounts of money involved in delivering services, as I used to say when I was the chair of the UK Statistics Authority, when I think the budget of the Office for National Statistics was of the order of £180 million a year, or less than £3 each.

Collecting data is not a terribly expensive thing to do, but it is a prerequisite of careful understanding and analysis of how we are intervening, what the needs are, and what is working. That work will need to be done by DHSC along with the Office for National Statistics. The work of interrogating it is then a job for the research community.

**The Chair:** By the sound of it, you would certainly ascribe priority to that.

**Sir Andrew Dilnot:** Yes.

**The Chair:** How do we know which interventions work if we do not have comparative data or longitudinal data?

Q187 You have been incredibly kind to us. I am going to ask you one more question. We are very conscious, for all the reasons you have given and the reasons we have found out ourselves, of the lack of challenge and accountability in the system. If you could recommend one thing that would introduce greater accountability, and which could also be accounted to invisibility in comparison with the NHS, what would you say?

**Sir Andrew Dilnot:** It is a very good question. It puts me rather on the spot because I am not sure that I know what the answer is. I make this suggestion only tentatively, but let me make it anyway, with a health warning. We have a chief executive of the NHS, and that post has been seen to be very significant in recent years. Of course, the social care system is something completely different from that. The chief executive of the NHS is, in fact, in charge of the NHS, which is a kind of nationalised industry. The social care sector is not like that.

The social care sector is still composed of tens of thousands of individual providers of greater or lesser scale, so there is no direct analogy to be drawn between the NHS and social care, but I wonder whether it is worth having a single person whose job it is to think or worry about social care and do that publicly. We have outstanding public servants who work in the Department of Health and Social Care and in local authorities who take responsibility internally but who are not, in some sense, a figurehead for the social care sector. I do not know whether that is a good idea, but it is at least worth thinking about having an individual whose job it is to have under an umbrella the way in which the whole social care system works and who could be an advocate within the system. It is something that perhaps merits reflection.

**The Chair:** Well, that gives us something to think about. I am very pleased to have that task too. Sir Andrew, I cannot express how grateful we are for the authority and the breadth of your experience, and the time that you have been willing to spend with us. It has expanded our knowledge. It has also expanded our imagination. We will be surer about the recommendations we make because we have been able to test out some of these ideas with you and because they are rooted in so much experience. Can I say on behalf of the committee how very grateful we are? Thank you so much.

**Sir Andrew Dilnot:** Thank you for asking me to come along.

**The Chair:** You are very welcome. Thank you very much, committee. I look forward to seeing you shortly. That ends the formal session of the Select Committee on Adult Social Care today.