

Written evidence submitted by BUPA Global, India & UK (ASC0042)

Bupa Care Services' response to The Health and Social Care Committee inquiry on the cost of inaction on adult social care reform

Who we are

- Bupa is a leader in providing aged care, with 127 care homes and villages across the UK, providing care to around 6,300 residents. The majority (60%) of our residents receive publicly funded care.
- Bupa offers a range of support options for older people with care needs, including dementia care, nursing care and palliative care. We are passionate about innovation, and in 2024, we launched our first Net Zero care home, highlighting our commitment to sustainability.
- We employ over 9,500 people in our homes and villages. We reinvest all our profits, and our people are at the heart of our business. Mindful of the longstanding challenges facing the social care workforce, Bupa has introduced a package of benefits for our frontline employees, from access to private GPs to chef academy apprenticeships, to ensure that social care is a lifelong career choice for many.

What is the cost of inaction to individuals and how might people's lives change with action on adult social care reform?

- Inaction on social care reform does not just affect providers and does not just come with a financial cost; first and foremost, this affects those requiring services.
- According to The Kings Fund¹, only 42% of requests for social care support result in a service being provided. Considering 1.39 million older people requested support in 2022/23, this left over **half a million older people without the support they needed**.
- The recent reduction in Discharge To Asses funding has impacted upon how ICBs and Local Authorities are procuring beds, resulting in fewer block publicly-funded beds, and thus **LA and ICB occupancy at Bupa having reduced by 70%** year on year. In addition, lack of fair fee rates has led to many local authorities paying the same rate, regardless of complexity of the resident's required care needs.
- These figures sit within the context of 57% of providers planning to hand back contracts to local authorities, and **22% planning to close their businesses** over the next year, according to the Care Provider Alliance's most recent survey². Whilst we have seen many concerning statistics over the years regarding the fragility of the sector, these are truly worrying.

¹ <https://www.kingsfund.org.uk/insight-and-analysis/data-and-charts/key-facts-figures-adult-social-care>

² [Urgent call to address devastating impact of budget on care and support - Care Provider Alliance](#)

Where in the system is the cost of inaction on adult social care reform being borne the most?

- The cost of inaction on adult social care reform is being heavily borne by providers of adult social care services. For years, we have seen successive Governments make promises of grand-scale reforms to improve accessibility and provide financial sustainability for the sector, however time and again, these plans have been pulled or lessened at the last minute.
- Lack of long-term planning and short-termism in helping the sector has led to **chronic under-funding**, a **sector struggling to recruit and retain talent**, and many **providers handing back contracts** with local authorities due to unviability.
- The adult social care sector provides care for 1.2 million people, yet there remains a funding blackhole stretching into the billions of pounds. Whilst we have seen Governments offer much-needed short-term funding uplifts, **we need to see a long-term settlement for the sector**, to give the certainty and support so desperately needed. The Nuffield Trust estimated an **8 billion** funding gap by next year³; this is simply unsustainable for the sector.
- In addition, providers have seen little of the short-term funding settlements, with these pots often coming with little oversight of guidance, leading to local authorities absorbing them into central costs.
- This comes at a time when providers have seen National Living Wage increase by **28%** over the past three years, costs rise rapidly due to Covid and ongoing world instability, and the Fair Cost of Care gap continuing to widen.
- In addition, the Government's choice not to exclude social care in its National Insurance changes will lead to **Bupa having to shoulder an extra £1032 per employee** annually to account for this.
- It is therefore not unsurprising that over 4 in 10 adult social care providers closed parts of their organisation or handed back contracts in 2023 because of cost pressures⁴. We will continue to see this trend, along with a move to greater private provision and regional divides (due to poor fee rates paid in certain regions), unless the Government acts now.
- At Bupa, we are conscious of the regional divides, with **northern regions paying on average 23% less** in local authority fees for residential care, compared to southern regions.
- Considering the UK's ageing population, it would not only be unwise, but a significant mistake, to continue to pass over the sector's challenges and not create real change.

³ <https://dmscdn.vuelio.co.uk/publicitem/4b377f79-5d6e-458b-9382-ad0e6e1717a5>

⁴ https://www.careengland.org.uk/sector-pulse-check-2023/?utm_source=Press+Release+list&utm_campaign=2f17aec3c5-EMAIL_CAMPAIGN_2024_01_12_03_27&utm_medium=email&utm_term=0_-2f17aec3c5-%5BLIST_EMAIL_ID%5D

- **We strongly urge the Government to focus on clear deliverables for the sector, focussing on short, medium, and long-term actions that will provide the sector with stability, sustainability, and confidence.**

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