Written evidence submitted by Just Group (ASC0134)

Health & Social Care Committee inquiry - Adult Social Care Reform: The Cost of Inaction

Introduction

Just Group plc ("Just") is a FTSE-listed specialist UK financial services company. A leader in the individual retirement income, care and defined benefit de-risking markets, Just has more than 650,000 customers and has been trusted to manage more than £25 billion of customers' retirement savings, and has helped customers release over £6.8 billion from their properties.

Just provides a wide range of products, advice and professional services to individual customers, including the provision of social care insurance products to help people to fund long-term care. In exchange for a one-off payment, our long-term care plans provide a guaranteed income to help pay care fees for the remainder of the policyholder's life. Our care funding solutions are designed for people aged 60 or over, who are already receiving care or will be within the next 12 months.

Our purpose is to help people achieve a better later life – which we achieve through our approach to market, the communities we operate in, and contributing to key policy debates. We are submitting evidence to the inquiry to share insights from our latest annual Care Report. The **Report** – titled *Groundhog Day* on account of the longstanding wait for reform on this important issue – is the twelfth edition of this annual survey of what over-45s think and feel about adult social care in later life.

The report assesses people's understanding and experience of the care system and provides insights that we believe will be of interest to the Committee – particularly on the consequences of inaction on social care reform on patients and the public, and the costs for people who provide informal care. Our research shows the absence of new policy or a live agenda for social care funding is having a negative impact.

Key findings include:

- 47 per cent of over 45s told us that they are delaying making financial preparations for later-life care until government plans and policies are confirmed. That's 12 million people crossing their fingers and hoping it won't happen to them.
- More than half of over 45s (53 per cent) say they are confused by government announcements on funding of residential care. That's 13 million people hanging their hopes on a yet-to-be confirmed government policy.
- If policymakers can finally inject some substance and conviction into this agenda – there is a good deal of public interest. 62 per cent said they are interested in the debate about who should pay for long-term care.

Our submission is limited to two of the inquiry questions where our research offers relevant findings. Specifically, on how people are managing care needs in the absence of reform and how might people's lives change with action on adult social care reform.

Answers to specific inquiry questions

How much is inaction on adult social care reform costing the NHS and local authorities, and what impact does this have on patients and the public?

Beyond the headline findings on the consequences of inaction noted above, patients and the public are often having to draw on their own resources in the absence of a functional adult social care system. Our research finds that among those over-45s who had helped a family member find a place in a residential home:

- 44 per cent said that the individual receiving care was funding all their own care;
- 35 per cent said their costs were split between self and state;
- and 16 per cent said the state was fully funding the care.

The three main sources of funds for those individuals in care were income from savings and investments (56 per cent), pension income (51 per cent) and proceeds from selling their home (39 per cent).

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

An additional survey of consumers aged 45-75 has identified some of the costs of inaction felt by family members of those who need support, where the current system doesn't meet all of a person's care needs.

Nearly a third (31 per cent) of people aged 45-75 who are providing informal care to elderly family members told us they had reduced their working hours or stopped work. In individual terms, this may cost people thousands of pounds in lost income and undermine future career progression. It could reduce carers' ability to save into a workplace pension, and subsequently impact their own financial wellbeing in retirement. In aggregate, withdrawing from the workforce to care for someone will also have consequences for the economy, with Census 2021 estimating 5 million people provide unpaid care in England and Wales.[1]

Of those aged 45-75 who are providing informal care to elderly family members:

- one in 10 (10 per cent) had given up work completely;
- two in 10 (21 per cent) had reduced their working hours;
- fewer than four in 10 (37 per cent) said their work life carried on as normal;
- the remainder were mainly either retired (16 per cent) or not working previously (14 per cent); and
- male carers were more likely than female to say their employment carried on as usual (43 per cent v 32 per cent).

Of those who had stopped or reduced work to care for a family member, a quarter (24 per cent) said it had cost them up to £200 a month and a third (34%) between £201-£500 a month. The average amount in lost salary was nearly £539 a month (£6,468 a year), with one in six (17 per cent) saying it had cost more than £1,000 a month.

The findings indicate how caring for an elderly relative, while personally rewarding, is often a sacrifice in terms of income from employment where carers stop work, reduce their hours or move to more flexible but less well paid jobs. These sacrifices may not be necessary were the system able to offer levels of support that don't require additional care from family members.

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[1] Unpaid care, England and Wales: Census 2021, ONS