

Written evidence submitted by the Guinness Partnership [ASC 074]

Introduction

The Guinness Partnership is a 65,000-home housing association operating across over 150 local authorities in England. We were founded in 1890 to improve people's lives and create possibilities for them, and that mission continues today.

Guinness Care, a subsidiary of The Guinness Partnership, was founded in 2005 as a not-for-profit organisation. Today we deliver care and support to more than 10,000 customers across England. We support older people living in their own homes, as well as those living in specialised Independent Living housing and extra care schemes. We also support adults with learning and physical disabilities in our Supported Living homes.

Our care customers report consistently high levels of satisfaction – 91% in 2018/19 and 93% in 2019/20 and 2020/21. As a care provider with over 15 years' experience, we welcome the opportunity to respond to this inquiry.

Inquiry response

1. How has Covid-19 changed the landscape for long-term funding reform of the adult social care sector?

The pandemic has not only exposed, but exacerbated, existing problems within the social care sector, including longstanding issues around underfunding, shortage in staffing and a lack of operational support. During the first wave, between March and July 2020, there were more than 30,500 excess deaths among care home residents, and a further 4,500 excess deaths among people receiving care in their own homes.¹ Recent research by Marie Curie found that during the pandemic three quarters of people who died at home did not receive all the health and social care they needed.²

However, the pandemic has also highlighted the importance of the social care sector in supporting the most vulnerable in our community. The heightened profile of the importance of social care provides an opportunity for positive and sustained change.

Throughout the pandemic, Guinness has continued to deliver care services to customers in our communities. Notwithstanding the challenging circumstances, colleagues have displayed incredible resilience and adapted quickly to working in different ways to keep people safe.

Based on our experiences, we suggest that long-term funding reform consider the below lessons from the pandemic:

- ***Recognise the role of social care in relieving pressure on the NHS***

At current funding levels, the social care system is unable to cope with the increasing demand for its services. Analysis by the Kings Fund found that in 2018/19 local authorities received 1.9 million requests (a 3.8% increase on the previous year) for care support from new clients. However, even though more people are requesting support, fewer people are actually receiving publicly funded care. Since 2015/16, local authorities have received over 100,000 more requests for social care support (a 5.7% increase) but more than 18,000 fewer people have received it (a 1.7% decrease).³

Better access to social care to meet an individual's basic needs can reduce pressure on NHS services, as well as relieve pressure on Government spending long-term. Age UK estimated that between June 2017 and December 2019 the NHS lost around 2.5 million

¹ Hodgson H, Grimm F, Vestesson E, Brine R, Deeny S. 'Briefing: Adult social care and COVID-19. Assessing the impact on social care users and staff in England so far'. 2020. Health Foundation, <https://doi.org/10.37829/HF-2020-Q16>

² 'Better end of life report 2021'. Marie Curie. April 2021. <https://www.mariecurie.org.uk/policy/better-end-life-report> accessed 9 April 2021

³ The King's Fund, "Key facts and figures about adult social care", <https://www.kingsfund.org.uk/audio-video/key-facts-figures-adult-social-care>, accessed 7 April 2021

bed days, at a cost of £587 million, due to a lack of availability of social care when someone is medically fit to be discharged from hospital.⁴ It is significantly more expensive to be in a hospital bed than to receive care at home.

However, reduced funding is causing increased instability in the sector which is forcing providers to limit their services or withdraw from the market completely. For example, in 2019, the Care Quality Commission (CQC) highlighted issues with the sustainability of the domiciliary care market, referencing increasing numbers of agencies handing back contracts to local authorities because the contracts do not cover the true cost of delivering people's care.⁵

- ***Support increased recruitment and staff retention***

We support calls for the Government to nationally mandate and fund enhanced pay and conditions for carers to both attract and ensure long-term retention of talented staff. While the National Living Wage (NLW) has made noticeable improvements to pay conditions for carers, care providers are not receiving additional compensation proportionate to the additional labour costs.

Labour costs typically represent 85% to 90% of a care company's total costs. However, in 2020/21, when the NLW increased by 6.2%, Guinness's weighted average increase in fees was only 3.9%. To fund this significant shortfall, providers are often forced to limit the pay increases they can provide to experienced staff, with the pay differential between care workers with less than one year's experience and those with more than 20 years' experience reduced to just £0.15 an hour on average in 2019. This disincentives staff from viewing care as a long-term career and contributes to a high turnover in staff.

At Guinness, we pay higher than sector average wages. Qualified carers receive a minimum of £9.85 per hour and unqualified £9.30. Our senior carers receive £10.30 per hour. Our staff are paid for their training and travel time and we make a 4% ER contribution into pension schemes.

In April 2020, when the national lockdown was initially announced, we saw a notable increase in both our recruitment and staff retention rates. However, this was a direct result of the economic uncertainty surrounding the pandemic, and as the economy has become more stable, we have seen a gradual decline in applications to pre-pandemic levels.

The long-term sustainability of the sector depends on a more appealing employment package to attract and retain good quality care workers. We have found that even a small increase in the basic pay rate can result in positive recruitment results. For example, where commissioning arrangements have allowed us to increase rates, we have seen an increase in application levels compared to other areas.

- ***More specialist housing to keep people living independently in their own home***

Key to fixing both the housing crisis and the social care crisis is to provide suitable and accessible homes for older people. The proportion of the population aged 65 and over is expected to increase by 37.3% by 2040. To keep up with this age-related growth, the supply of specialist housing will need to increase by a third to meet the same proportional level of demand by 2040. Preparing for this rise in demand cannot be delayed, with at least an 8.8% growth needed by 2025 alone.⁶

⁴ Age UK, "Lack of social care has led to 2.5 million lost bed days in the NHS between the last Election and this one" <https://www.ageuk.org.uk/latest-press/articles/2019/december/lack-of-social-care-has-led-to-2.5-million-lost-bed-days-in-the-nhs-between-the-last-election-and-this-one/>, accessed 18 June 2020

⁵ 'The State of health care and adult social care in England'. 2019. Care and Quality Commission. https://www.cqc.org.uk/sites/default/files/20191015b_stateofcare1819_fullreport.pdf p. 40

⁶ Beach, Dr Brian. 'What we want: future-proofing retirement housing in England'. February 2021. International Longevity Centre UK. <https://www.housinglin.org.uk/assets/Resources/Housing/OtherOrganisation/ILC-What-we-want.pdf>

Specialist housing with care relieves pressure on social care and acute health services and enables people to live in their own homes for longer. It allows people to age in place by helping to meet their current and future needs. As a result, specialist housing residents are less likely to be admitted for an overnight stay in hospital and experience fewer falls when compared to mainstream housing.⁷

Research by Demos in 2017 showed that sheltered housing alone saves the public purse £486m per year by reducing inpatient stays and reducing the cost of care.⁸ Vital step-down and respite services also relieve immediate pressure on the NHS by freeing up much needed bed spaces in hospitals.

Guinness owns around 7,500 extra care and sheltered homes across the country. Throughout the pandemic, we maintained an onsite staff presence at these schemes and conducted well in excess of 50,000 welfare calls to ensure that our customers had everything they needed. These calls, and the availability of onsite care, provided an essential link to the outside world to help ease loneliness, but also offered support and advice on pharmacy arrangements, bereavement, finances and how to keep active at home. Through this we were able to identify which customers were most at risk and prioritise them for additional support, helping our customers to stay safe in their home.

The long-term plan for social care must include a commitment to increasing the supply of specialist homes in order to reduce pressure on health and care systems. This should include new provision for specialised housing that provides continuity from low level support through to personal care and through to nursing care, without people having to move home as needs change.

We also support the National Housing Federation's call for the Government to support independence and save the taxpayer money by ring-fencing housing-related support and allocating £1.4bn per year to local authorities in England.

- ***Expand the role of technology in care delivery***

During the pandemic we have had to change the way we deliver care and health services to accommodate social distancing measures and keep people safe. The rapid development of such technologies has highlighted how the social care sector can take advantage of technology to deliver our services efficiently, while also reducing costs.

For example, Guinness recently began the roll out of an assisted technology offer in our Independent Living homes to improve our ability to remotely monitor and respond to customers' safety and wellbeing. Through a multi-purpose wall-mounted tablet, we can remotely contact our customers for regular welfare check-ins and enquire whether they need any additional support. During the pandemic, this technology was invaluable in supporting our care staff to conduct daily welfare calls and support customers to self-isolate by assisting with things like picking up groceries and prescriptions, as well as enable social interaction and reduce loneliness.

Establishing such technology capabilities requires significant initial investment. Over time, it will deliver substantial savings by reducing the workload of staff and generate efficiencies. Government and providers must also consider arrangements for those vulnerable to digital exclusion to ensure that no one is left behind.

2. How should additional funds for the adult social care sector be raised?

There is currently a consensus across England that now is the time to reform funding for social care. In February 2021, the think tank *Demos* published findings on public attitudes towards social care reform, based on a representative sample of the population. The results found that a strong majority agree that "improving social care should be a high priority" for the Government.⁹

⁷ Ibid, p.11

⁸ Wood, Claudia. 'The social value of sheltered housing'. June 2017. Demos. < <https://www.demos.co.uk/wp-content/uploads/2017/06/Sheltered-Housing-paper-June-2017.pdf> > p.4

Furthermore, *Demos*' research found that the majority of respondents believe that while the Government should help with the cost of care, individuals or families should be expected to contribute something. When asked whether social care reform should be funded through tax changes, the respondents were highly divided on the issue. However, when asked whether they supported the idea of being required to pay into an insurance fund, respondents were generally supportive.¹⁰ These findings suggest that Government should use this language to build public and political support for reform.

Alongside this research, Conservative MP Danny Kruger, presented a new model of social care funding and delivery called 'the care commitment'. The proposed model advocates for a shift towards a more family and community-centred care system. Under the proposal, Government will guarantee a generous funding package for all, regardless of assets, income or contributions. Local authorities will commit to providing whatever further funding is necessary, above what the individual can afford to contribute themselves. And finally, the family are asked to do whatever is reasonable to support their relative themselves for as long as possible. Preliminary calculations suggest the proposal will cost the taxpayer an additional £6bn per year.¹¹ Kruger suggests this be paid for through a new funding model based on social insurance, to cover both residential and community-based care.

Similarly, a 2020 *Centre for Policy Studies* (CPS) analysis of three potential social care funding models found that a 'pension-style' model would be the most likely to improve the long-term funding of the sector. The 'pension-style' model would guarantee a reasonable level of care, but anything above that level would be paid by the individuals. The CPS analysis found that this model is the most likely to encourage the delivery of new, and improved, social care facilities, which will be crucial in incentivising competition, improving quality and expanding supply to meet the demand of an ageing population.¹²

We await with interest the Government's social care funding proposals expected later on this year and look forward to commenting on these, recognising that there are likely to be a range of options being considered.

3. How can the adult social care market be stabilised?

Secure long-term funding would stabilise the adult social care market and offer providers the certainty required to continue delivering much-needed services. Even before the pandemic, local authorities and care providers have been warning that the sector is underfunded and under significant strain.

As it stands, the social care system will be unable to cope with increasing demand for its services. Analysis by the Health Foundation in 2021 estimated that the adult social care funding gap could be between £6.1bn and £14.4bn by 2030/31.¹³ In this scenario, a minimum spend of £6.1bn would be needed to meet future demand, and a maximum spend of £14.4bn would be required to meet future demand, improve access to care and allow local authorities to pay care providers more to improve quality.

In addition, we strongly recommend reforming the commissioning model to provide more stability to care providers. The general move by commissioners away from block contracts and towards spot purchasing has increased financial pressure on the care sector, and is a key barrier to investment, innovation and long-term solutions.

⁹ Kruger, Danny. 'The Care Commitment: A new model of social care for England'. Demos. February 2021. <<https://demos.co.uk/wp-content/uploads/2021/02/The-Care-Commitment-Report.pdf>>, p. 18

¹⁰ Ibid, p. 19

¹¹ Ibid, p. 6

¹² Elsdon, Jethro and Alex Morton. 'Fixing Social Care: the fundamental choices'. Centre for Policy Studies. August 2020. <https://www.cps.org.uk/files/reports/original/200829220359-CPSFIXINGSOCIALCARE.pdf> p.30

¹³ Idriss, Omar, Charles Tallack, Nihar Shembavnekar, and Mark Carter. 'Social care funding gap: Our estimates of what it would cost to stabilise and improve adult social care in England'. The Health Foundation. February 2021. <https://www.health.org.uk/news-and-comment/charts-and-infographics/REAL-social-care-funding-gap> Accessed 7 April 2021

Spot purchasing, where a service is purchased by or on behalf of an individual, places the onus on the provider to line up individual contracts and does not account for the factors beyond a specific care task. This model not only exposes the provider to more financial risk if a customer is lost, but also risks not meeting the actual needs of the customer and places additional operating costs on the provider. For example, Guinness Care mainly operates its regulated care services in rural areas and towns across England requiring staff to travel long distances. We provide a vital service to these communities by supporting older and vulnerable people in more isolated areas, enabling them to stay living in their own homes for longer and reducing unnecessary trips to, and stays in, hospital. While Guinness pays staff for their travel, spot purchasing does not, meaning that we need to absorb this additional cost.

Conversely, block purchasing, which guarantees a certain amount of business to a care provider over an agreed time period, offers providers financial stability and better enables them to manage their time. For example, we've found that when a customer is unavailable at that time to receive care in a block purchasing arrangement, the carer can use the extra time to provide additional care to another customer who has been struggling before a new customer has been found. This model creates the opportunity to deliver a higher quality service offer that the financial uncertainty of the spot purchasing model makes hard to replicate.

However, even where long-term contracts do exist, the available funding is not keeping pace with cost pressures. In one local authority where Guinness operates, we received an increase of 1.72% despite an increase in the National Living Wage of 2.2% in the last financial year.

4. How can the adult social care market be incentivised to compete on quality and / or innovation?

As a provider of social care we are ambitious to continuously improve the quality of our services and encourage innovation in the sector. However, the current instability of the market and uncertainty about our long-term funding position presents a constant challenge.

Based on our 15 years' experience in the care sector, we suggest the following changes are needed to stabilise it, encourage growth, and thereby create the space for more innovation:

- Create a sustainable long-term commissioning model that encourages innovation and growth in the sector. Longer-term funding arrangements will allow care providers to plan for the future, invest in staff development, and make long-term investment in technology enabled care.
- Incentivise local authorities to offer more block funding arrangements rather than spot purchasing. Our experience of spot purchasing is that it can be inefficient and does not always allow carers to deliver the full extent of services that a customer needs.
- A fully funded Government mandate for better pay and conditions for care workers, and a national campaign to professionalise the care sector as a career which demonstrates the vital role carers have in the health care system which attracts more workers to the sector. The long-term sustainability of the sector depends on a more appealing employment package to attract and retain good quality care workers.
- Provide a dedicated funding stream for education and development for care professionals. This would create development and growth opportunities for staff, as well as strengthening the care workforce as a whole.
- Ensure the planning system encourages greater delivery of new specialist housing for older people. The long-term plan for social care must include a commitment to increasing the supply of specialist homes that reduce pressure on health and care systems. This should include new provision for specialised housing that provides continuity from low level support through to personal care and through to nursing care, without people having to move home as needs change.

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