

## The Resolution Foundation Party Conference Season 2008

### Resolution Foundation Fringe Events

#### The Care Crunch: how do we create a brighter future for older people?

More and more families are being affected by the care crunch: where both care needs and the costs of care rise faster than the ability of the current system to cope. With the credit crunch dominating the media and political agenda, this event seeks to highlight the pressures on public finances and family budgets faced by rising care needs in an ageing society. Those who are neither rich nor poor are feeling the squeeze most, as eligibility criteria for long-term care tightens. The Government has acknowledged the need for a radically 'new care and support system', and a Green Paper is expected early next year. However, with no time for legislation before the next general election social care is set to become a dividing issue between the political parties – does anyone have the answer for a lasting, inter-generational settlement? What should a progressive and sustainable system of care for older people look like? How do we best avoid the care crunch? Do we need another 'Turner consensus'?

Our ageing society driving the care crunch also throws up other challenges. The divide between generations is sharp. Many older people are left isolated and lonely, as the links between communities, housing and families change. What needs to happen for society to positively support older people to live active, equal and included lives? Could 70 be the new 40?

This event was held at all three Party Conferences and centred on some key issues:

- Where do the roles and responsibilities between the state, family and individual divide?
- How can the public, third and private sector work together to support this?
- How can we make better use of people's property and savings, without penalising those who save?
- How, as our society ages, can we think positively about the contribution older people can make and include them as active participants in their services, families and wider society?

## **1/ Liberal Democrat Party Conference, 15<sup>th</sup> September 2008**

Speakers:

Paul Burstow MP

Clive Cowdery, the Resolution Foundation

Katy Litt, Norwich Union

Gordon Lishman, Age Concern

### **Paul Burstow MP:**

Good that care is now on the agenda but still debating the need for change rather than action being taken.

Liberal Democrat view:

- **SELF DETERMINATION:** individuals should decide how, where and with who they live and what assistance they need. Not just for those who can afford it, but everyone.
- Investment should be made.
- Care staff need to be respected and valued.
- Labour has made no improvements; fewer people have access to home care under Labour.
- Conservatives say they'll pay after you've paid for 3 years of care but average life expectancy in care homes is 18 months.

Current situation:

- No single source of information for individuals
- Heavy reliance on group care (care homes, little choice, no control). 1 in 5 care homes fail national minimum standards
- Problems when care package set up in one LA, then individual moves to another and loses package
- Eligibility criteria – limited as provides support for most needy only
- Social care is random, ramshackle, expensive and unfair like pre 1940s health service

He added:

- How we pay for it at heart of the debate.
- Demographers warn of rising demand, economists of rising costs.
- Prevention is cheaper than cure.
- Personalisation is important but need minimum standards.
- Social care the poor relations compared to spending on health.
- Dignity important and institutional ageism needs to be tackled.

### **Gordon Lishman, Age Concern**

- Settlement means big change for lots of people, failure leads to terrible circumstances for many people
- The system is badly broken, especially re: failures to make proper assessments when people entering long term care
- Reservoir of guilt over leaving parents in care homes

- Majority go into care straight from hospital with no assessment and no attempt to help them continue in own homes
- Financial services sector being crowded out of debate
- Risk that more people will live longer in poor health
- Over 10% of people in residential care homes live there for over 10 years
- Recent advances in arresting factors of aging have long term implications
- NHS funding shortage is the underlying problem in providing social care
- Solution involves resources over and above anything the state can do
- Important to incentivise promoting health
- Government should invest in prevention
- Resources needed in intermediate care, rehabilitation, early stages of dementia etc
- US evidence shows that investing in prevention works
- Feels care system for disabled needs to be addressed too but shouldn't be subsumed within something that's primarily about older people

#### **Katy Litt, Norwich Union**

- People are living longer and also spending longer in ill health
- Postcode lottery
- Partnership approach needed between state and individual funding
- Role for financial services sector too
- Market is inflexible and out dated
- Localism is important but more so is individualism

## **2/ Labour Party Conference, Tuesday 23<sup>rd</sup> September**

Speakers:

Ivan Lewis MP, Parliamentary Under Secretary of State for Health

Clive Cowdery, Resolution Foundation

Clive Bolton, Norwich Union

Stephen Burke, Counsel and Care (chair)

Stephen Burke

Stephen set the context for the debate by pointing out that over half of the people able to vote at the next general election will be 60 or over. He highlighted three big questions:

- What is the vision for social care?
- How we better support carers"
- How do we pay for it?

#### **Clive Bolton**

Clive illustrated the ageing of the population by pointing out the 65 year old annuity customer of Norwich Union will now live 26 years on average. Clive said a number of key points needed to be addressed in looking to develop long-term solutions:

- That the lack of information and understanding was acute – people had little awareness of the costs of care, the costs of pensions, their longevity
- That greater geographical fairness would make it easier for people to engage and easier for the industry to reach out
- That a blended approach is needed to the role of government and the role of financial services – it is not an ‘all or nothing’ debate

### **Ivan Lewis**

Ivan began by saying that the inclusion of social care and carers in the Prime Minister’s speech was a big step forward and illustrated the government knew it had to respond to:

- The ageing society; and
- Changing expectations

Ivan set out the government’s current ambitions around independence, control, personalisation, dignity and quality, as well as the need to shift to prevention and the need to facilitate older people’s contribution, questioning whether enough is currently done to help older people make positive contributions to society. Ivan spelled out the need for a green paper based on the concept of ‘shared responsibility’ and based on key principles such as greater fairness, clarity and sustainability. There was a need for greater engagement to disentangle and debate the big questions. A wide range of funding options are currently on the table and the government recognised the challenge of getting individuals to plan, insure or save. Ivan concluded by saying that investing in young people sets the future of our country, but how we treat our older people determines the ‘character’ of our country.

### **Clive Cowdery**

Clive described how the Resolution Foundation’s work focuses on low earners – the not rich, not poor. Clive started by stressing the political importance of focusing on older people’s care. In recent polls,

- Over 70% of people think long-term care is as important or more important than GP opening hours and cutting NHS waiting lists
- 31% of people said improving older people’s well-being was the single most important issue that would influence their vote, significantly higher than children’s welfare, first-time buyers or helping unemployed people

Clive thought these areas needed to be addressed:

- A citizen’s entitlement needed to be made clear
- A settlement to share costs between individual and state needed to be agreed
- A ‘funding’ market could then develop of products to help people insure, save or release housing assets
- Care provision would then respond flexibly
- And information, advice and guidance services would have to respond

Questions included:

- Is Attendance Allowance on the table in the funding debate

- Should we not encourage people to worry about their future in order that they plan
- What is the balance between compulsion versus education and volunteerism
- How do we get the public to engage, and make it 'everybody's business'
- How possible is it for people on low incomes, and today's young people, to plan ahead and afford to insure/save for care

### **3/ Conservative Party Conference, Wednesday 1 October**

#### Speakers:

- Clive Cowdery, Resolution Foundation
- Lisa Harker, IPPR
- Stephen O'Brien, Shadow Health Minister
- Adam Winslow, Norwich Union

#### **Lisa Harker, IPPR – Active Aging**

- Barriers to "Active Aging"
  1. We always start with the question of how we should fund social care. This takes the momentum out of the debate – we need to start with what we want from social care
  2. We should view what we want from social care from the perspective of how it is now. We need to concentrate on the needs of future generations.
    - a) We need to start with a re-definition of what social care means
    - b) We need to have an honest and open debate about the responsibilities of the individual and the State. We need to also look at the role of unpaid carers.
  3. Lisa supports Personal Budgets – thinks it enables individuals to have more choice and break down the silos of individual services.
  4. Funding: there should be a new kind of social insurance (funded by the public and private sector)

#### **Adam Winslow, Norwich Union**

- People are getting older every day and we need to start with clarity and understanding
- People have no experience of the social care sector and of the costs, they are asking "where is it best to plan and put my money?"
- The financial services industry needs to work with organisations like the Resolution Foundation and IPPR.
- Funding: a role for both the State and the individual. Right now people who haven't planned get the same amount as people who have planned. There are a number of criticisms around the current sector.
- Clarity, understanding, funding and regulatory frameworks all need to be addressed.

### **Stephen O'Brien, Shadow Health Minister – Cooperation on outcomes**

- We need to look at the Whole of Life Care.
- We need to start at the point of: what are we trying to achieve? The answer is outcomes
- Care is going to be a huge component of all of our lives
- We now have more pensioners than children in the UK
- People will have to fund 20 – 25 years of their non-working lives
- Need to set behaviour patterns
- Cannot allow dignity to drop out of the equation
- Consistency, clarity, understanding and sustainability are key
- Partnerships between the individual and the State – recognise that they're not starting from a blank sheet of paper
- Resolution Foundation has woken people up to start focussing on low earners. Fundamental finding of the study: Homeownership is high amongst low earners (above the threshold so feel a sense of injustice).
- Conservative focus on families: extended family care networks are vital. The Left feels that this is negative towards alternative lifestyles.
- He has not made provision for a care home himself
- Need to establish a sense of justice
- How to get to a more moral imperative within society

### **Clive Cowdery, Resolution Foundation**

- Lisa spoke on connectedness, Adam spoke on the importance of clarity, and Stephen spoke about the need for cooperation.
- Resolution Foundation is concerned with the group that is on the “cliff edge”, the working poor.
- We are a single issue group (Money Guidance was our first project)
- Need to think of a better or more coherent way to fund care
- Given that the Welfare State did not originally include social care, it's not surprising to see where we are now.
- The issue requires a thoughtful, deliberative settlement and we also need a one-off settlement for the one or two generations who will be most affected in the short term.
- We need clarity about individual entitlement - what do you get back from what you put in? Fairness is key.
- The financial services can begin to design products with clarity. This will lead to a change in the level of navigation which will lead to increased supply (in terms of quality) that will respond to demand.
- Three points:
  1. Social care is socially required
  2. A settlement is possible
  3. It is electorally desirable (polling data given)