

NEWS RELEASE

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**REFORM OF SOCIAL CARE MUST PASS SAME TESTS AS
PENSIONS**

Ahead of the publication of the Government's Green Paper on adult social care, the Resolution Foundation is calling for future reform to pass the same five comprehensive tests that were applied to pensions.

The Foundation has been examining the pension reform process to draw lessons for social care. Pension reform is largely perceived as having been a successful process, with the Government now taking forward a far-reaching reform package which should put pensions onto a sustainable footing. Pension reform faced many of the same challenges now being faced by social care:

- The need for a political consensus in order for a lasting settlement to be achieved
- The balancing of responsibilities between Government, individuals and families
- Lack of public awareness

Ensuring that social care passes the same tests applied to pensions will help address these challenges. The five tests are:

1. Does it promote personal responsibility, giving everyone the opportunity to lead a fulfilled life in old age?
2. Is it fair, to women and carers and to those who have saved, and does it protect the poorest?
3. Is it affordable to taxpayers and the economy as a whole?
4. Is it simple, clearly setting out what the state will do and what is expected of citizens themselves?
5. Is it sustainable, with the reform package forming the basis of an enduring national consensus?

Sue Regan, Chief Executive of the Resolution Foundation said:

"Social care reform requires the same level of ambition and all-party consensus as pensions reform. The five tests help chart a path to a successful social care settlement. "

The Foundation's work on social care has stressed the need to take forward reform of social care on a twin-track strategy:

- reforming the current social care market to ensure it improves outcomes in the short-term, whilst at the same time
- developing a long-term settlement which will ensure social care is sustainably funded and delivered

The Foundation has been working on the reform of the adult social care system since the beginning of 2008. The Foundation is concerned with low earners, who face particular challenges in accessing the care they need:

- Low earners are on the cliff-edge of means-testing – the majority are not eligible for free or subsidised care, yet their low incomes makes care costs unaffordable
- Low earners experience the care system as unfair and confusing
- Many low earners are asset rich and income poor – but their assets are usually tied up in their home and are therefore difficult to access

The Foundation's last report, *Navigating the Way* revealed that the social care market must be reformed and be 'investment ready' before additional funding can be determined. Key reforms include:

1. *A clear national framework*: enshrining a national minimum entitlement that limits the current postcode lottery of care
2. *A new strategic role for local authorities*: local authorities are best placed to oversee and stimulate local care markets
3. *A care navigation service*: a first stop shop providing information and advice and acting as a gateway to care to end confusion and uncertainty

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For further information please contact Sue Regan on 020 7731 9140

All the Foundation's research, reports, briefings, seminar notes are available on our website www.resolutionfoundation.org

Notes to editor:

1. The five tests used to achieve consensus on pensions reform were first outlined in John Hutton's keynote speech at the Institute of Public Policy Research event 'Securing our future: the pensions challenge', November 2004. The speech is available at: <http://www.dwp.gov.uk/mediacentre/pressreleases/2005/nov/pens34-241105.asp>. The tests were then used in the pensions White Paper http://www.dwp.gov.uk/pensionsreform/pdfs/white_paper_complete.pdf.
2. The Resolution Foundation is an independent research and policy organisation. Our goal is to improve the well-being of low earners in today's mixed economy. We aim to deliver change in areas where this income group is currently disadvantaged by producing new research and engaging actively in the policy-making process.
3. All of the Foundation's reports including *Navigating the way* can be found at: <http://www.resolutionfoundation.org/>