



Social Care Research Working Party - Terms of Reference

Background

The Social Care Working Party was originally set up to respond to the Green Paper on social care, promised by the Theresa May Government in 2017. This Green Paper was never published. The Government under Boris Johnson has published a Policy Paper, 'Build Back Better: Our Plan for Health and Social Care' updated on 19 November 2021. It states,

'This Government is committed to the delivery of world leading health and social care across the whole of the UK...and creating a sustainable adult social care system that is fit for the future.

'In England, the Government will work with leaders in Local Government and the social care sector, service users and carers, as well as the NHS Chief Executive and the NHS, to develop and publish a White Paper for reforming adult social care, which will commence a once in a generation transformation to adult social care. The Government will ensure Local Authorities have access to sustainable funding for core budgets at the Spending Review. We expect demographic and unit cost pressures will be met through Council Tax, social care precept, and long-term efficiencies. We will invest £5.4 billion in adult social care over the next three years to deliver the funding and system reform commitments set out in this document.

'To begin this transformation in adult social care, the Government will:

- introduce a cap on personal care costs (of £86,000);
- provide financial assistance to those without substantial assets;
- deliver wider support for the social care system, particularly our brilliant social care staff; and
- improve the integration of health and social care systems.'

The Working Party has revised its Terms of Reference to reflect these new commitments.

Purpose

The purpose of the working party is to

- contribute to the public debate around adult social care
- contribute to and comment on the White Paper
- help turn the Government's first step into a long-term sustainable solution to the funding of adult care
- enhance the reputation of the profession around this issue

Specific goals and areas to be investigated

1. Sustainability of care funding in the UK and how it needs to change to avoid intergenerational issues created by a rapidly ageing society and a worsening dependency ratio

- Modelling of the cost of care and how this is likely to change as a % of GDP and tax revenue in the future as the population ages relative to the budget available.
- Analyse ways the funding model can change to be more sustainable eg building up a sovereign wealth fund/reserves in the near future to fund costs that will arise in the long term /future; greater private provision in earlier life mandated by government; and other potential solutions, including those in place around the world to be considered.

- Engage with policymakers and interested stakeholders to progress research through the holding of round table events and meetings.
- Publish research and/or support the develop of an IFoA policy position in relation to the long-term funding of social care in the UK.

2. Unmet care needs and how social and private insurance can provide part of the funding solution.

i) Data – collect and construct data needed to enable modelling of care pathways

- Research data available in UK, Germany, USA and other relevant markets that can be used to derive transition rates within a multiple state model (different states being levels of need of care)
- Construct data sets and calibrate to UK market
- Engage with policymakers and local authorities to explain the benefits of collection of data in a format that enables actuarial analysis to analyze the potential impact of preventative policy actions in terms of cost of care, but also patient outcomes.

ii) Model the Financial Cost of potential pre-funded insurance solutions

- Use the dataset constructed above to model potential insurance designs eg pre-funded protection commencing at age 65 with a regular premium, providing a fixed benefit for life based on level of need, potentially increasing by set amounts according to level of need ie pre-funded disability-linked annuity; other designs to be considered

Research methods

The research will build on previous analysis done by the Social Care Working Party on the impact of the Care Act 2014 and funding solutions in place in other countries.

Composition of working party

The Working Party will be made up of original members of the Social Care Green Paper Working Party and additional volunteers.

The research will be split into four sub-Groups to cover the areas listed above, working in parallel. Each sub-Group will have its own leader and team, research report and other outputs objectives. The teams will liaise on a regular basis.

Output

The Working Party will disseminate the research through regular short papers and respond to issues as they arise, for example, consultations and White Papers on adult social care. Present at Health & Care conference and/or Life Conference in 2024

Potential timetable

Each sub-Group will set its own timetable.

Reporting

The sub-Group team leaders will report on a regular basis to the Health and Care Research Sub-Committee.

Funding

No expectation of external funding.