Berkshire

davidoliver372@googlemail.com Follow

David on Twitter @mancunianmedic

Cite this as: *BMJ* 2021;374:n2294<http://dx.doi.org/10.1136/bmj.n2294>

Published: 22 September 2021

ACUTE PERSPECTIVE

David Oliver: Social care plan furthers inequality and unfairness

David Oliver *consultant in geriatrics and acute general medicine*

In my last column I discussed the lack of detail or meaningful change in the government's *Build Back Better* plan for health and social care in England.^{1,2} I did not, however, touch on the inherent inequality of the changes, between rich and poor, young and old.

The "health and social care levy" is a planned 1.25 percentage point rise in national insurance contributions from April 2022. But this applies only to people in employment and younger than the state retirement age. From 2023 people still working beyond retirement age will also have to pay the levy.

The number of people older than 65 in work has increased sharply in recent years and is now estimated at around 900 000 in England.³ But because around half of all adult social care spending goes on care for older people (as opposed to disabled people of working age) this means that younger working people bear the bulk of care costs. The "triple lock" protecting state pensions has been temporarily suspended as part of the plan, but that does not fully mitigate the inequity.

Unlike income tax, which is progressive, rates of national insurance paid fall as income rises, falling disproportionately as a share of income as pay increases, and placing a higher relative burden for the collective contribution to the cost of care on lower paid workers.⁴ National insurance does not apply to income from dividends, pensions, investments, or rents. The government does not propose to levy tax on these to help increase funding for social care or healthcare and so it protects wealth from assets relative to income from labour.

The planned cap on social care costs to be borne by individuals—£86 000 over a lifetime—means that people with savings and assets well above this amount, including equity tied up in owned homes, will be disproportionately protected when compared with those for whom £86 000 is most of what they have. Not only does this protect wealth (much of it accumulated only through house price growth) but it entrenches inequality by allowing that wealth to be passed on to family members without additional taxation.

The funding mechanisms for local government services are inherently regressive and further entrench socioeconomic inequalities.⁵ This matters, because the needs assessment, means assessment, funding, and provision of adult personal social care, whether at home or in long term care facilities, remain the responsibility of local government.

Any expansion in numbers of people receiving social care will have to be funded by means of local

government efficiencies or local fundraising (through council tax or local precept). Yet local authorities in richer areas with higher house prices and often with higher income from business rates can raise more income, despite the fact that areas with greater socioeconomic deprivation often have higher need.

Around one third of income for local authorities comes from support grants from central government.⁶ Cuts to those grants over the past decade have hit poorer areas harder. The Institute for Fiscal Studies showed in 2019 that reductions in local council revenue had fallen by the largest amount in the most deprived 20% of local councils.⁷

The fact that social care remains means tested, rationed by eligibility, and delivered by a diverse network of small private providers, charities, social enterprises, and big corporate groups, and that the government has no plans to change any of this, means that healthcare and social care are not treated equally. People with medical conditions such as severe dementia, or progressive frailty or age related disability, are effectively treated as second class citizens in comparison with those with "healthcare" conditions such as cancer.

It almost looks as if the government is actively trying to further inequality and unfairness in the system and in society.

Competing interests: See bmj.com/about-bmj/freelance-contributors.

Provenance and peer review: Commissioned; not externally peer reviewed.

- 1 Oliver D. David Oliver: What the plan for social care omitted. *BMJ* 2021;374:n2227. doi: 10.1136/bmj.n2227 pmid: 34507975
- 2 HM Government. Build back better: our plan for health and social care. Sep 2021. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1015736/Build_Back_Better_Our_Plan_for_Health_and_Social_Care.pdf.
- 3 Age UK. A means to many ends: older workers' experiences of flexible working. https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/active-communities/rb_sept12_a_means_to_many_ends_older_workers_experiences_of_flexible_working.pdf.
- 4 Agyemang E. Who are the winners and losers from the UK's £12bn social care tax raid? *Financial Times*. Sep 2021. <https://www.ft.com/content/c264ba25-ca42-4d2a-8e20-9d5d7ba83272>.
- 5 Oliver D. David Oliver: England's social care models harm the poorest areas. *BMJ* 2018;361:k2745. doi: 10.1136/bmj.k2745 pmid: 29950506
- 6 Institute for Government. Local government funding in England. <https://www.instituteforgovernment.org.uk/explainers/local-government-funding-england>.
- 7 Sibbieta L. Larger funding cuts for schools in poor areas leave them badly placed to deal with covid-19 challenges. Institute for Fiscal Studies. 2020. <https://ifs.org.uk/publications/15026>.