



advice and support for older age

**Independent
Age**

Social Care Funding Focus Groups Briefing



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<https://www.independentage.org/a-taxing-question-how-to-fund-free-personal-care>

SOCIAL CARE FUNDING: FOCUS GROUPS

As part of Independent Age's work on the future funding of social care, we talked to older people in a series of focus groups to gather their views on the current social care system and how it can be improved.

The following document provides a short briefing of what was discussed at the groups and the themes that emerged during discussions.

Six focus groups were carried out in different regions across the country at the following locations:

- Bexley
- Farnham
- Lincoln
- Moston
- Newcastle
- Totnes

Participants were recruited through an external research agency and comprised of respondents from a range of backgrounds. Individuals were recruited to provide a range of:

- Ages – 60s, 70s and 80s
- Gender
- Ethnicity
- Social Grade

1. VIEWS OF THE CURRENT SYSTEM

Negative views of the current social care system

It was clear that across the groups, participants held very negative views of the social care system as it is. Individuals raised various concerns citing their personal experience of friends and relatives' experiences as evidence that the current system is not fit for purpose. Negative perceptions centred on a range of issues including:

- The social care workforce isn't big enough
- The social care workforce is underpaid
- Some social care workers do not care enough
- Social care is now driven by profit – not compassion
- Workers are only given 14 mins with each person sometimes
- The system is underfunded
- Politicians are scared of doing what needs to be done
- Individuals end up paying a fortune
- People are scared about going into care
- Care quality is so low in places it is dangerous

"14 minutes in and out...that's not caring for someone." Female, Manchester

*"I think they're in a real mess the government with social care and the NHS."
Male, Manchester*

"I've come across some private organisations in the NHS and they're not as good as staff in the NHS mainly because they've got to make a profit whereas probably in the NHS you don't have profit and perhaps social care should be the same." Male, Bexley

"You've also got to think about the Councils because Councils are underfunded now as well and they fund social care." Male, Bexley

"There should be more activities as well in these care homes and proper activities not just paying token to it." Female, Lincoln

"They can't get the carers they need because the wages are so low, as was said before. The time that they have to spend going from one house to another, they do in their own time. It's bad. Don't get me wrong, the system is wonderful, there's just not enough carers and they don't have enough time." Female, Newcastle

The issues raised consisted of both practical and ethical concerns. Individuals highlighted, the lack of money, the exceptionally high costs and low quality, while also focusing on the perceived motives of those involved in care.

A move to free personal care?

With this in mind, people generally favoured a large scale reform to the system, suggesting that simply providing more money to the current system would not deliver the vast change in quality of care that is needed.

There was also discussion on how social care is a right and that everyone deserves good quality care regardless of wealth or any demographic.

*"Costs shouldn't be an issue, care means care and not a way to make money."
Male, Manchester*

With this in mind, many people favoured a move towards a free personal care system as it seemed 'fairer' than our existing system where you could be penalised for having saved money in your life.

"I think personal care is needed by everybody, it's a basic need so I think the Scottish system sounds a very good system...I think personal care should be available to everybody." Female, Lincoln

Even for those who did not feel comfortable talking about the technicalities of social care, they were quick to use the experiences of people around the table as reasoning for why a different system would be preferable. Nobody wanted to simply prop up an existing system that was failing, especially when new taxes would be needed to keep it going.

*"It's saying we want more money off you but you're not getting anything extra."
Female, Lincoln*

Some discussions began by referring to social care as a human right. It was felt that a free personal care system would reflect this right better where everyone who needed it, got access to care in the same way, regardless of wealth.

"The fact of the matter is you've worked and you've paid your taxes. You're encouraged to be responsible, you pay taxes. I know this isn't your savings, you earn, you pay tax on it. You spend it you pay tax on it. You save it you're paying tax on it. They take it off you and then they say right, blow you now, you've done what we told you to do so now because you've been responsible you can carry on being responsible, and that to me is totally wrong, totally wrong." Male, Manchester

2. HOW TO PAY FOR CHANGE

Having established the need for change, individuals discussed the way that change could be funded. Across the groups, issues such as footballers' wages and tackling corporation tax avoidance were instantly mentioned as key ways people wanted to see social care funded.

However, people broadly accepted that it was unlikely that these were realistic options and so the government would consider and proceeded to discuss different policy options.

Ringfencing essential

As a precursor to discussion about different policy options, many individuals were quick to highlight the importance of any money that was raised, being spent specifically on social care.

The issue of ringfencing money was raised in all groups without prompting from the moderator and participants highlighted that this was essential in order for people to consider supporting a tax increase of any sort.

"Where's it being spent? ... And I think that's what we need to be able to see before we say well, do we put up National Insurance? Well, okay, if you do that whether it be retired people, where's it going to go to?" Male, Farnham

"Why not put a bit extra in the pot, as long as that pot is only ever ever used for social care." Male, Manchester

However there was disbelief that this would be the case.

Every group showed signs that they did not believe that money raised for social care would be put into the system it was raised for in the first place. This disbelief was based on a mistrust of politicians and it was clear that this presents a fundamental challenge to the way any policy is introduced by the government in order to address the social care shortfall.

Everyone should pay

One theme that emerged in every group was that everyone should contribute to social care funding and the burden should not be levelled on one particular section of society.

Particularly when it came to age, the majority of individuals felt that no one group should shoulder responsibility and that everyone should help because 'we all get older' and we are all affected by social care one way or another.

It was also felt that the more people you include in the taxation, the smaller the impact would be on each individual. People were interested in changing some policy options to include more people (extending age groups included in each tax) and therefore lower the percentage increase for each individual. Groups also supported combining multiple policy changes to reach a wider range of people rather than a high increase for smaller group of people.

"Why not go multiple [policy options]...old age is coming to us all." Female, Lincoln

"If it's under 40 then, or up to say retirement age or whenever you needed it, social care, then surely there's going to be more money in the pot and it will be, you can lower the levy, couldn't you?" Female, Bexley

A difficult conversation

Across the research, many people struggled to understand how the social care system operates, even when they had relatives or friends who have been in care homes or domiciliary care. It was clear that understanding across this topic was low and a key challenge for any government, will be to ensure that people understand the policy changes and how the money will be used.

3. VIEWS OF INDIVIDUAL POLICY OPTIONS

POLICY: Age Related Levy

When individuals reach the age of 40, an additional 0.7% of their wage (possibly through national insurance) would be taken and put towards social care. This would be matched by the employer.

The Age Related Levy drew a very mixed reaction.

Some people felt that the age of 40 was not a good age at which to add extra taxation citing existing tuition fees and the financial implications of having a family as reasons why 40 is a stressful age and not one to increase the financial burden.

*"You get to 40/50 you're bl**** knackered. Just to bung this levy on 40 is wrong." Female, Bexley*

"On the age specific tax thing, I feel very sorry for the 40 year old who still has 11 years to pay their university tuition bills of, because they're going to pay another 5% potentially on top of the 9% they've already paying, and that's downright idiotic." Male, Farnham

"It's ageist..." Female, Bexley

A number of people also felt that the age levy was unfair as it meant younger people did not contribute – something all groups felt was important. It was also noted that by extending any tax to include more people (such as younger groups) would mean you could reduce the percentage to raise the same amount – thereby decreasing the negative impact on each individual.

"The younger generations are going to benefit from it in years to come, so why not when they start work, start paying towards it." Female, Bexley

"I think it's unfair...we're in danger of categorising old people as a disease. We're all going to get older...if we're going to pay something just have it as soon as you start work." Female, Newcastle

"If you start before 40, you wouldn't have to put as much on the contribution...it wouldn't be such an impact." Male, Newcastle

A few people noted that employers would not want to pay the additional tax and it could have implications on employment with organisations recruiting less people to avoid the additional tax.

"I don't think employers would be happy at all...They pay enough now." Male, Lincoln

However some participants saw some value in the age related levy, noting the amount it raised as a key advantage and the percentage increase (0.7%) as not seeming that much.

"I think that would be one of the fairest because when you're younger you don't think about getting old but by the time you get to 40 you're starting to think, aren't you. And I think that sounds to me like quite a good idea." Male, Bexley

POLICY: Raising Income Tax By 1%

Income tax is currently paid at either 0%, 20%, 40% or 45%. Raising income tax would mean an additional 1% of your income would be deducted and go towards social care.

Income tax was generally supported as a means of raising social care funding with some noting that current public opinion is pointing towards support for increasing income tax.

"The thing with raising income tax is it seems to be the right climate at the moment. There seems to be quite a bit of public opinion at the moment which is

saying, yes we're quite happy to pay more which is the first time in years." Male, Bexley

"Well, I think the advantage of Income Tax again if it's specific, it's broken down in a balance sheet like you were saying the tax people say this is where this goes, this is where this goes, then yes, it makes sense." Male, Farnham

There was some support in groups to tier the increase with those earning more being subjected to a bigger increase than those on a lower wage.

Some groups felt that because income tax was already taken, a 1% increase would not be noticed too much coming out of wage packets and so could be a good, subtle way of raising a high amount of money.

"I think this is fine if you can see where it [the money] goes." Female, Bexley

"The trouble is they're thinking of raising taxes for the NHS. You're now talking about 1% for NHS, 1% for social care. Is it not better to combine them?" Male, Bexley

POLICY: Raising National Insurance by 0.5%

National Insurance is currently paid at 12% of someone's income (and an additional 2% to those earning over £892 a week). Raising National Insurance would mean an additional 0.5% of your income would be deducted and go towards social care.

Like Income Tax, there was little opposition to this raise. On the whole, people felt that it would be a fair way of generating more money by covering a large amount of people. The fact that National Insurance was originally intended for issues like social care made it a logical move.

There was also a general belief that employers contributing as well was a positive.

"0.5% on 12% is actually quite a small amount – a drop in the ocean relatively speaking... it seems a small percentage and covers most people." Male, Bexley

However, a few people did state that employers were already contributing a lot via corporation tax, business rates and pensions and it was felt by some that it was too much to ask for more.

"It's there- they have to pay it, it's a fact of life." Male, Bexley

POLICY: One off Payment of £10,000

A one-off lump sum approach would involve everyone contributing £10,000 towards social care when they turn 65. This would be means tested so that only those who could afford to pay would.

This option was an instant non-starter for participants as the figure of £10,000 was simply too much to comprehend. The majority of people could not get beyond the £10,000 figure, and the option of deferring this payment to after death did nothing to alleviate concerns. Instead individuals found a smaller, steady increase over a longer period time was far more palatable compared to a one off large fee. The large fee seemed like an unfeasible amount to many who felt they never had £10,000 spare (Even when their house was over £300,000) and wouldn't want to see such a large sum go after their death.

"You must be joking!" Male, Bexley

"Who's got £10,000 to spare?" Female, Bexley

"You're penalising the people who have been careful, and those who couldn't care less are getting away with it." Female, Bexley

Only a few people across all of the groups pointed out that £10,000 would be a lot less than the average costs of social care and so this policy option, if delivered with free personal care would actually be financially viable.

"The only advantage of that is we are all going to use more than £10,000 of care – the maths of that is actually quite good." Male, Bexley

POLICY: Extending National Insurance to People 65+

National Insurance is currently paid by individuals in work who are below state pension age. This option would involve extending National Insurance to those individuals in paid employment who are over 65.

While this method in itself would not raise much money, only a few people opposed this. Many felt that, if used with the National Insurance option above, it would not affect too many people and liked the fact that it would only affect those choosing to work. People also felt that if working age people were facing an increase in National Insurance it would be fairer for older people to also contribute in that way.

Those people who disagreed with this option, based it on a belief that individuals had already contributed to National Insurance on the understanding that they wouldn't pay past pensionable age and it would be unfair to make them do so now.

"It wouldn't worry me because at the end of the day we're all going to get some benefit and our kids will get benefits so I don't have a problem with that." Male, Bexley

"I think increasing national insurance adding to that [extend to 65+] is a good idea because young people won't then say ah it's an age thing – why should we pay it." Female, Bexley

POLICY: Raising Corporation Tax

Corporation Tax is a tax on profits and capital gains made by companies, before dividends are paid. It is currently set at 19% of all rates except ring-fenced profits.

This option would involve raising Corporation Tax by 1%.

The idea of raising corporation tax was generally poorly received by groups who felt that this would not be a realistic way of raising the required amount of money.

Individuals cited Google and Amazon as companies they believed should be paying their tax but find ways round it. They believed this would mean that the money generated by corporation tax would always be less than expected because companies would find a way round it.

Some participants also cited Brexit as a reason to avoid changing corporation tax. Individuals believed many companies are considering leaving Britain just when we need them. They feared that increasing Corporation Tax would give companies more cause to move and this was something participants did not want to consider happening. Therefore the general feeling was to leave Corporation Tax alone.

"Don't touch it"

"They'll just move their head offices abroad" Female, Bexley

"I think it will go down to the public buying – things will increase in price" Female, Bexley

"It'll come down to us eventually." Female, Bexley

"They're all closing down." Female, Bexley

One group did express support for this option. Their discussions were founded around the principle that those with more money should contribute more and they felt that this option represented the best way of reaching the most-wealthy.

"Because the corporations can afford it." Female, Totnes

POLICY: Raising Business Rates

Business rates are a tax on business properties.

This option would involve raising business rates by 3%.

This option drew groans from around the room in many of the sessions. People felt business rates were already too high and felt the empty shops on their streets were a visual reminder that business rates are already unaffordable.

"That's a no starter. When you look at all the empty shops all around. They should be reducing the rates not increasing them." Male, Manchester

Some participants also noted that using business rates would potentially be unfair as it would mean that local authorities with more business areas would yield a far greater amount of money than those with little business activity in the area.

"Again you have the same problem, if you lived in a poor area...against someone who has Marks and Spencer's." Female, Newcastle

Participants were also put off raising business rates as they feared this could have detrimental knock on effects. Some people were concerned less younger people would start a business for fear of not being able to afford it, while otherwise felt that if business rates were increased, business would simply pass this cost on to the public by raising product prices.

"If you're going to raise the tax for businesses it depends how old is that business? If a lot of young people are starting their business today I don't think that's right for them." Female, Totnes

POLICY: Raising Council Tax

Council Tax is levied on households by their local authority. The amount is based on the estimated value of the property and the number of people living in it.

This option would involve raising Council Tax by 3%.

Similarly to some of the other policy options, council tax drew strong disagreement across the groups. This was instant – no explanation of Council Tax was needed as people were quick to argue that these costs are too high as they are. Groups currently they have no idea where it goes so felt extra money would just go into the general "black hole" and they would never see the benefits.

They also said this would be unfair with certain areas collecting more – it was felt that a fairer system would be for national government to collect and distribute evenly.

"If you live in a poor area...they'll get less." Female, Newcastle

"Because if you live in a poor area, you don't get a lot in in Council Tax. So, therefore yeah social fund is going to be low so they'll compound the fact that your and ill-favoured borough if you like. I think that the money should be got in, my option would NI, National Insurance." Female, Newcastle

"I don't think the general population would see this as fair." Female, Newcastle

"No, no, no, no, no increase in Council Tax." Female, Bexley

"I think it comes back to...that postcode lottery we all know about...the bad will still be bad and the good will still be good." Male, Bexley

"It's tinkering around, it's not getting to the root cause of the problem." Male, Bexley

It was clear that many participants did not have a good opinion of their local authority and were hesitant to endorse any move which directed the money towards local authorities, especially as it was noted that Council Tax was already seen as controversial with the amount paid not currently matching the quality of services people receive.

4. CONCLUSIONS

- Almost everyone feels the social care system is in crisis with a lack of funding at its core. The crisis encompasses a lack of trained staff, a lack of time to spend with individuals, overwhelming costs of care and a loss of compassion in the system etc.
- Before considering new taxes, participants feel there is a lot of waste in central government which, if addressed, could yield more money for care.
- To get on board with any policy change, people must be guaranteed that that money will go on social care.
- Free personal care was the position most people favoured as it afforded a system change (something people felt was needed). Individuals saw no benefit in having to increase tax and pay more money to simply continue with a failing system.
- Older age will come to everyone and so everyone must share the burden – groups agreed that no one group should foot the bill.
- Participants disliked any policy that directed money to local government as they lacked faith this would be spent wisely – this included ruling out Council Tax and Business Rates.
- The policies that drew the most support were increasing National Insurance and Income Tax as these were felt to be the fairest ways of addressing the gap as it include more people and meant people were

contributing to social care (and understanding its importance) from an early age.

- Most-older people were open to extending National Insurance to include 65+ in the interest of intergenerational fairness.

What does a good social care system look like?

