

# Policy, government, and the future of Social Care

What does a new Labour Government mean for you?

Joshua Butt, Principal Consultant





# Overview

1. General election results recap: *what happened?*
2. Labour's social care inheritance: *what are the challenges?*
3. Labour's plans: *What can we expect from the new government?*
4. Your plans: *How should you and the sector prepare?*

# This is what we had before...

## 2019

Conservatives: 365

Labour: 202

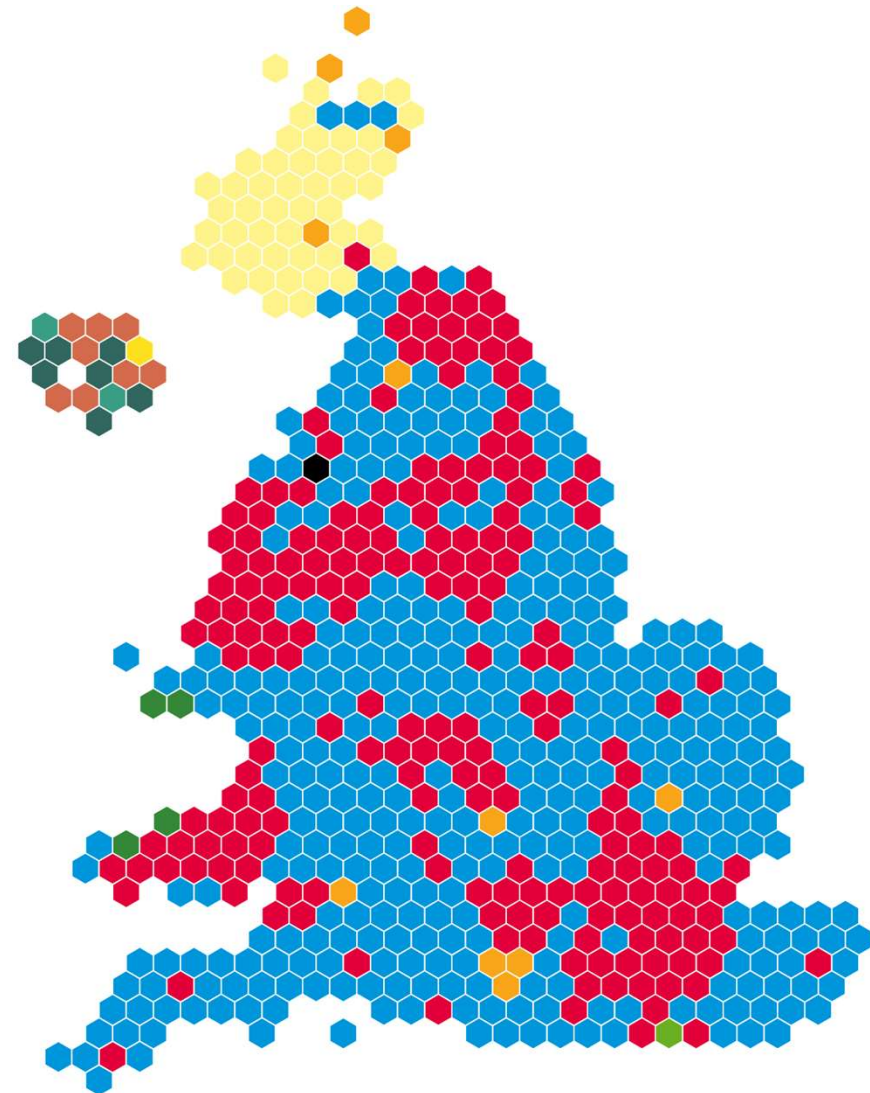
Liberal Democrats: 11

Greens: 1

Brexit Party: 0

SNP: 48

Others: 15



# ...and this is where we are now

## 2019

Conservatives: 365

Labour: 202

Liberal Democrats: 11

Greens: 1

Brexit Party: 0

SNP: 48

Others: 26

## 2024

Conservatives: 121 (-244)

Labour: 411 (+209)

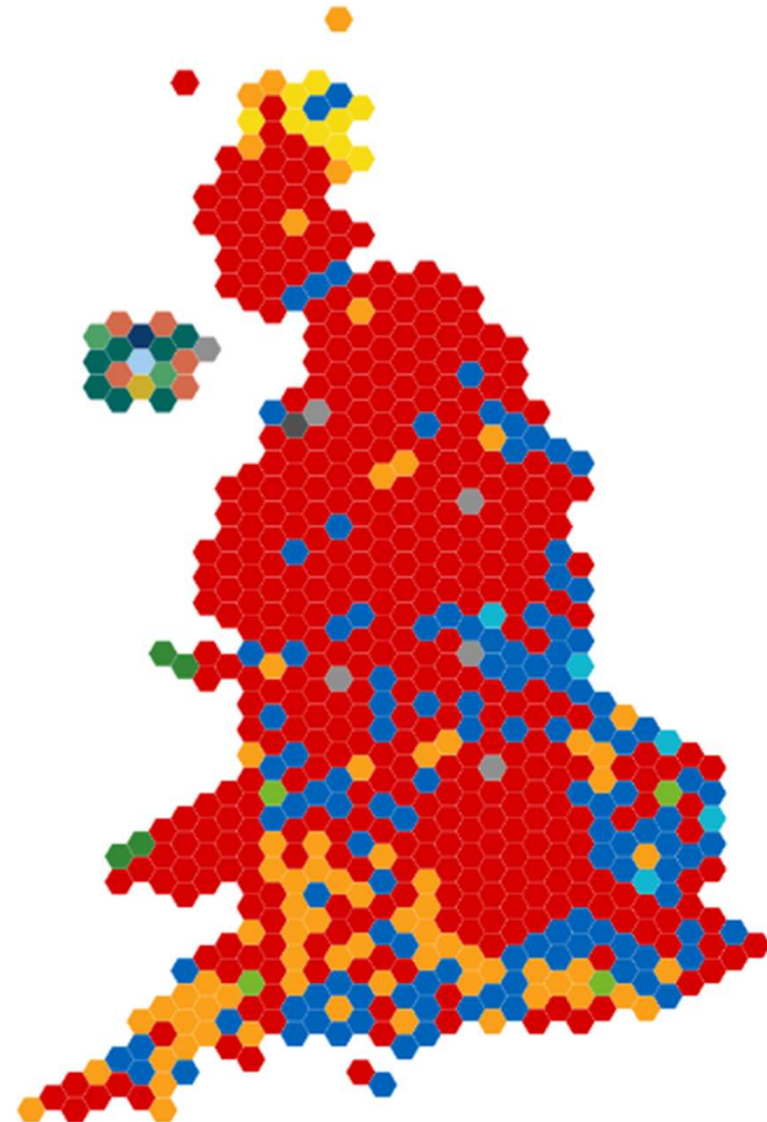
Liberal Democrats: 72 (+61)

Greens: 4 (+3)

Reform: 5 (+5)

SNP: 9 (-39)

Others: 28



# Observations about the election results

- A few key takeaways:
  - **For Conservatives:** A disastrous night. They lost votes everywhere, to everyone. No clear way back as they will need to reconcile challenges to their left and right. Nothing about the contenders so far suggests that they have an outstanding talent, ready to lead them back.
  - **For Labour:** A terrific success achieved by playing the rules of the game. There has *never been a majority achieved on such a small share of the vote*. But they've achieved a landslide.
- This result has offered significant stability but also warns of the potential for future instability.
- Scotland's experience of enormous swings in seats based on smaller swings in votes is possibly a vision of our future as a country with multi-party politics under a first-past-the-post electoral system.



## Here's the new team

The ministerial team is now completed:

- **Rt Hon Wes Streeting MP**, Secretary of State for health and social care
- **Karin Smyth MP**, Minister of State for Health (Secondary Care)
- **Stephen Kinnock MP**, Minister of State for Care
- **Andrew Gwynne MP**, Parliamentary Under-secretary for State for Public Health and Prevention
- **Baroness Merron**, Parliamentary under-secretary for Patient Safety, Women's Health, and Mental Health

No role for Preet Kaur Gill MP. Abena Oppong-Asare MP has moved to Cabinet office. Their shadow ministerial roles have been absorbed by the parliamentary under-secretaries.

One to watch will be the elections for the select committees – the Liberal Democrats have been allocated the committee chair, and we expect them to use this as a platform for championing their care agenda. Possibly Daisy Cooper MP.



# What is the Labour Government inheriting?

The period since 2010, has been highly consequential for social care and it's worth taking stock of what that change *actually was*. There has been:

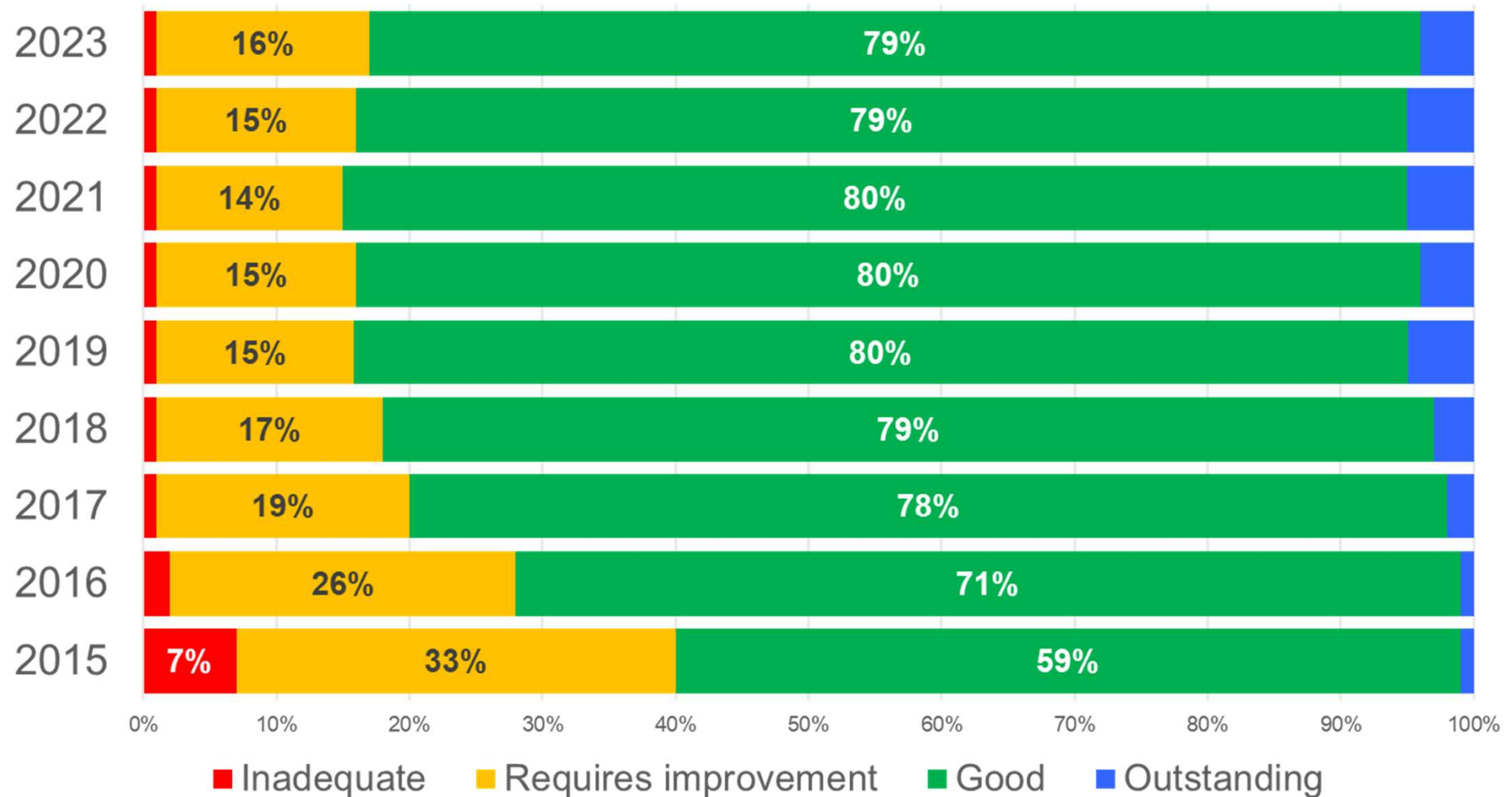
- Fairer Care Funding (Dilnot Commission) (2011)
- The Health and Social Care Act (2012)
- The Care Act (2014)
- Social Funding Reform Green Paper (Proposed 2017)
- “*Dementia tax*” election (2017)
- Dilnot reforms postponed indefinitely (2017)
- People at the Heart of Care: Adult Social Care Reform White Paper (2021)
- Build Back Better: Our Plan for Health and Social Care (2021)
- National Disability Strategy (2021)
- Health and Care Act (2022)
- Macalister Report (2022)
- Health and Care Levy introduced (April 2022)
- Health and Care Levy abolished (October 2022)
- Next Steps to Put People at the Heart of Care (2023)

There has been an unusual mix of activity and drift, with many more plans than have been delivered.



# Quality in social care

## All social care







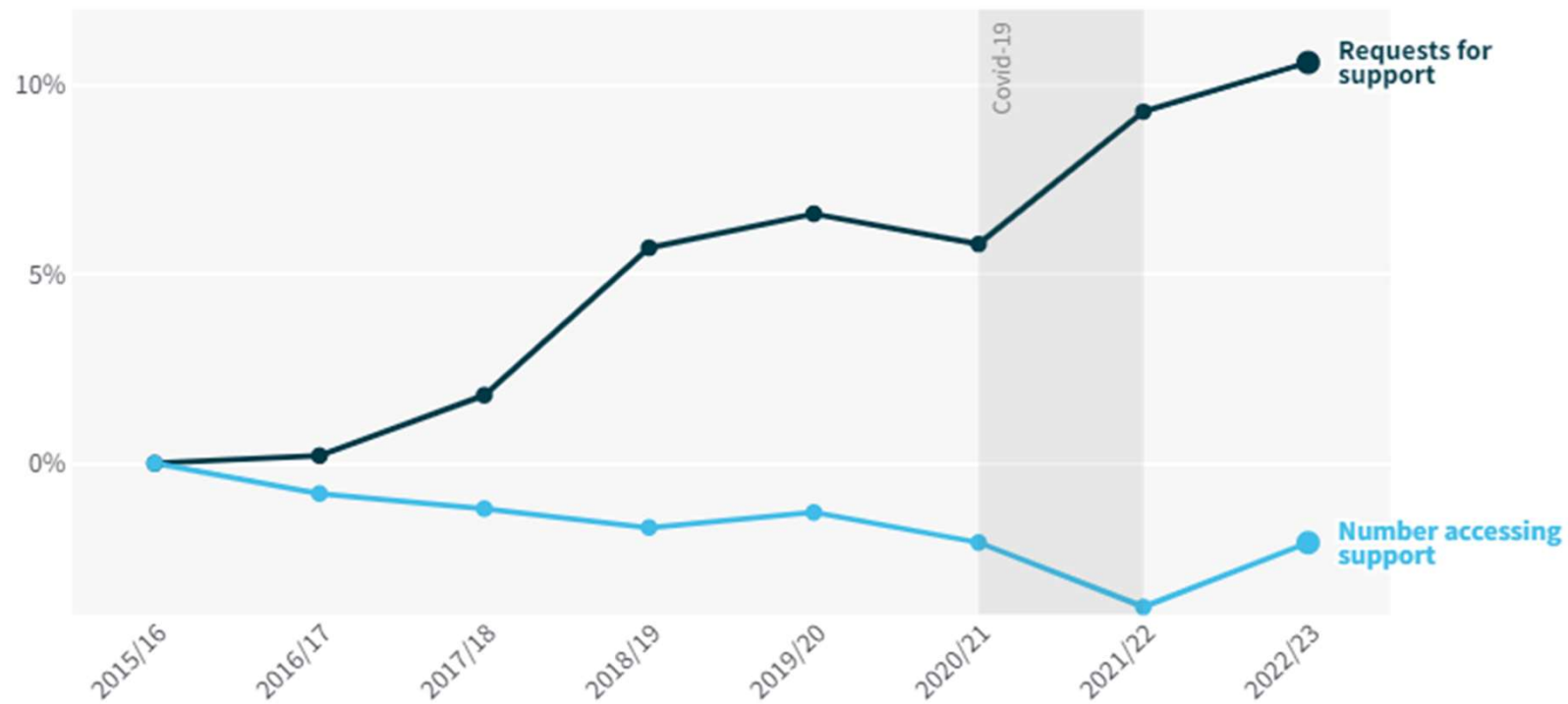
# Labour's inheritance

**Quality:** The sector has been remarkably resilient through this period of Conservative-led governments. Quality has remained good, and even improved in the face of austerity.

# Demand for adult social care

In 2021/22 there were approximately 818,000 people receiving publicly funded long-term care (care/nursing home or in their own homes) and a further 224,000 episodes of short-term care.

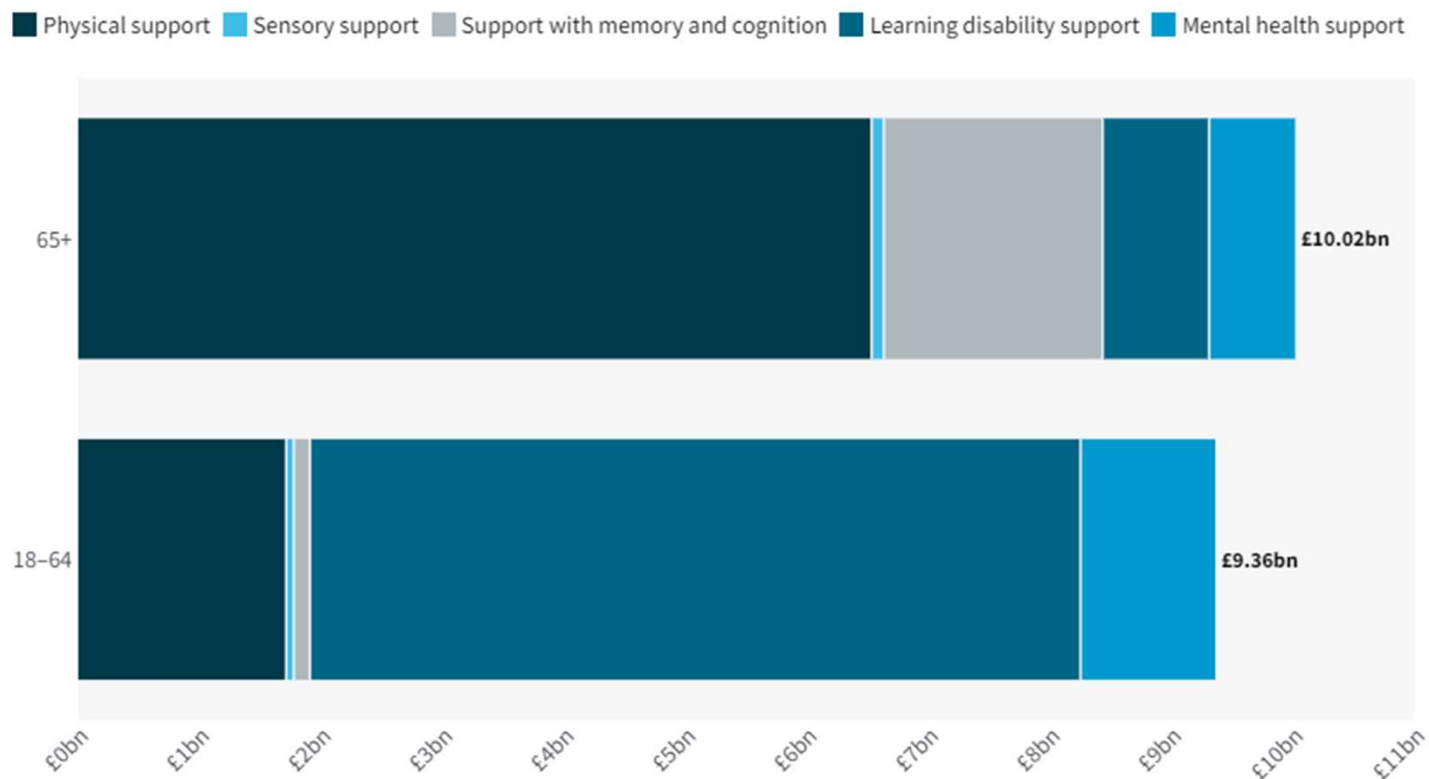
Over the past decade, social care has been an increasingly rationed service.



# Demand for adult social care

Despite the media and policy focus often being on older people, just under half of social care expenditure is on working age adults.

Physical support for older adults and Learning Disability support for 18-64 are the biggest areas of expenditure.





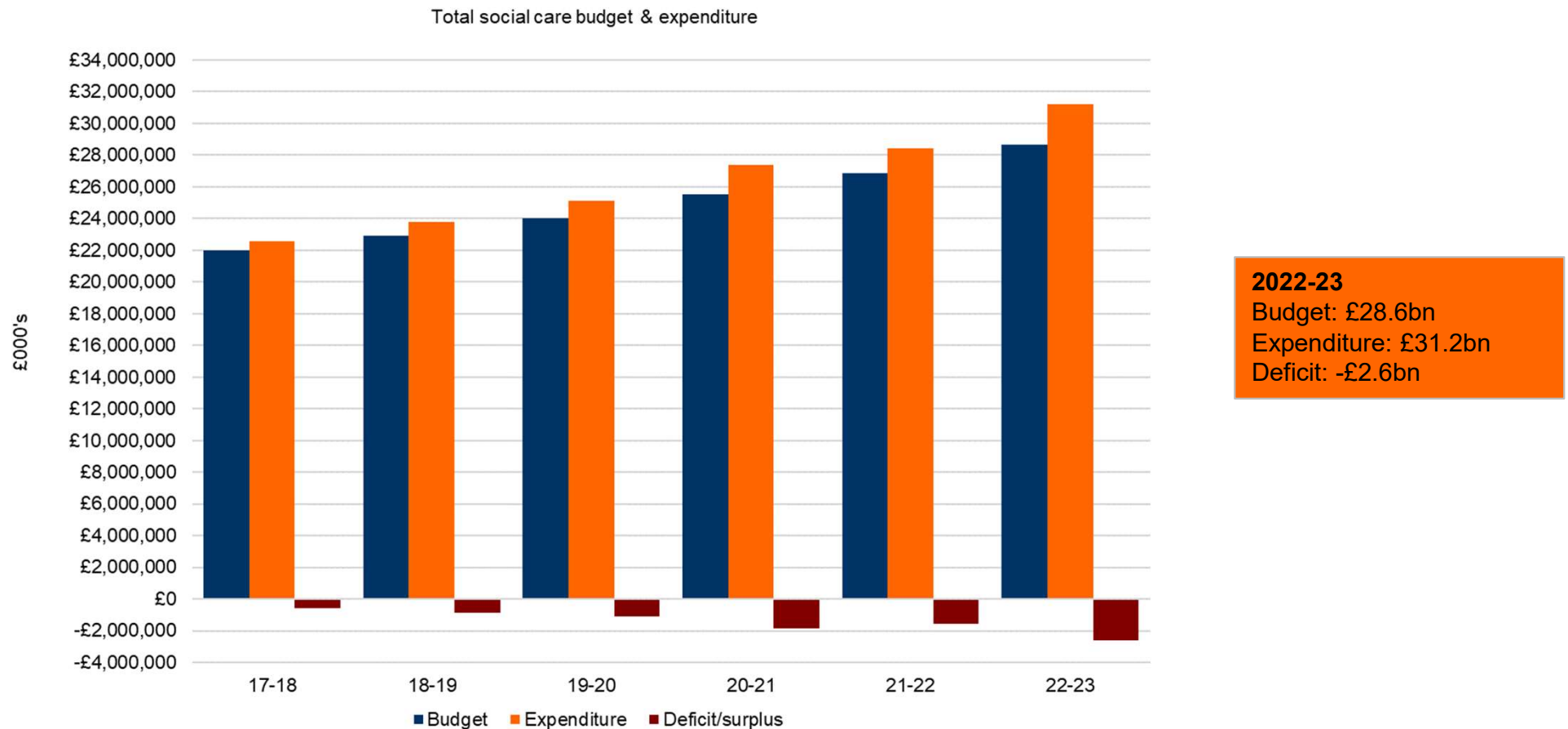
# Labour's inheritance

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**Demand:** All data points towards services that are available for fewer people, with more complex needs and higher unit costs. This has become a default position without much discussion about who social care really is meant for.

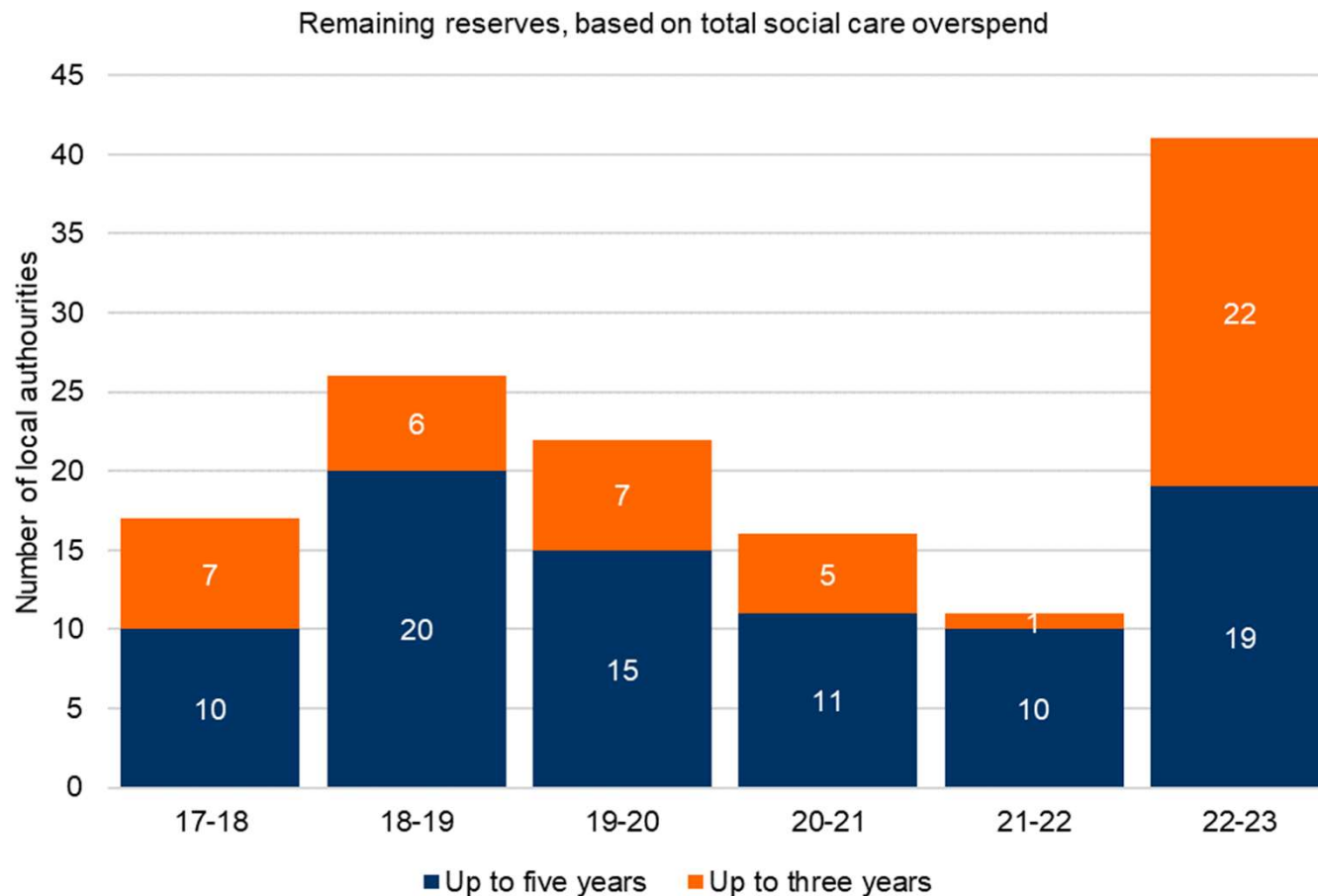
# Funding social care

There have been steady increases in the funding of social care since 2015 onwards, however, increasingly more local authorities are spending beyond their budgets.



# Funding social care

We look at the *ratio of social care deficits to levels of reserves* held by local authorities as a measure of financial security. Our analysis shows 22 local authorities in a high degree of financial distress, and a further 19 at risk.





# Labour's inheritance

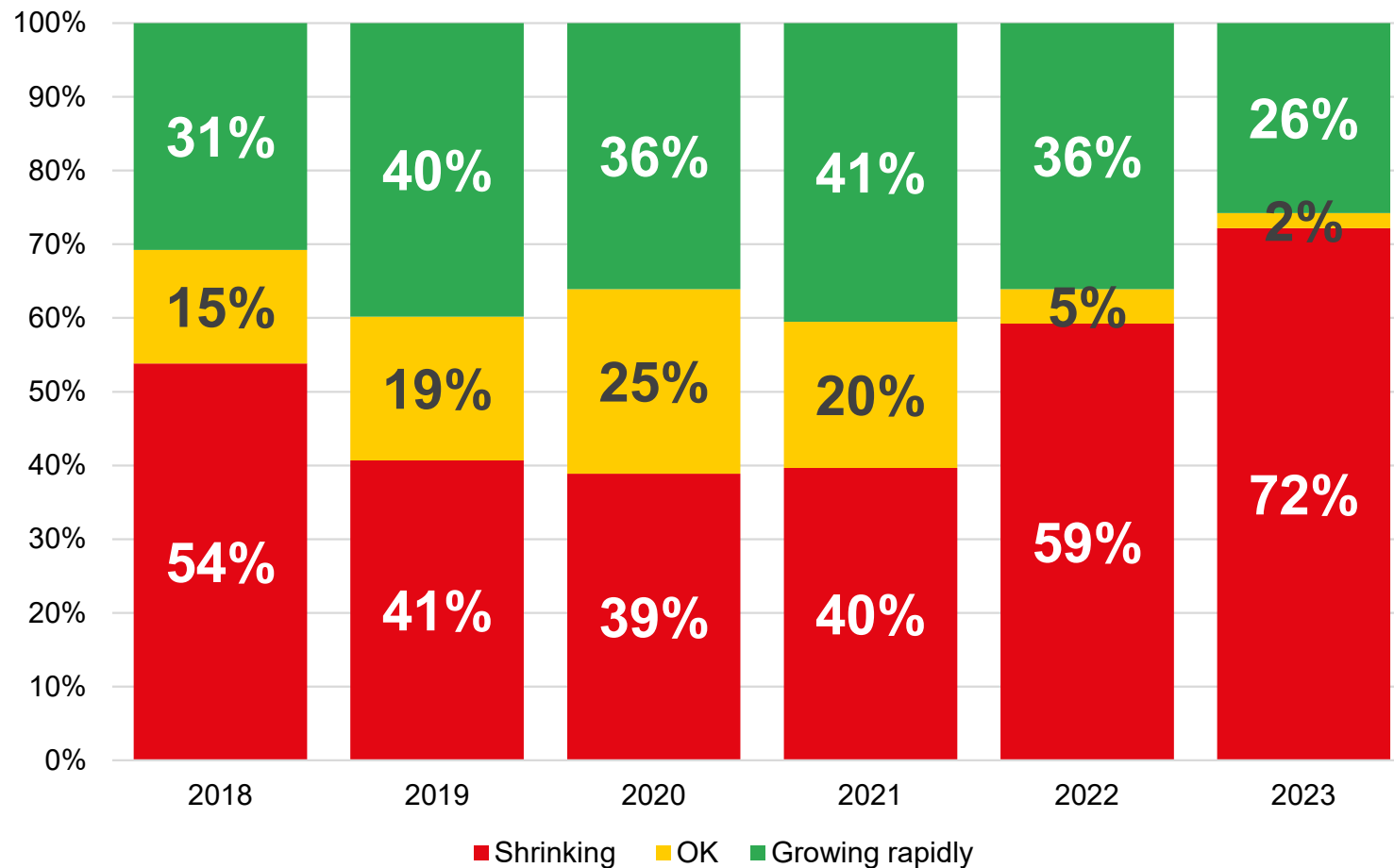
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**Demand:** All data points towards services that are available for fewer people, with more complex needs and higher unit costs. This has become a default position without much discussion about who social care really is meant for.

**Funding:** Local authorities are in a deeply precarious situation – easily the worst position they've been in since 2010. Combination of inflation and demand have pushed a number of councils to the financial brink.

# What about providers?

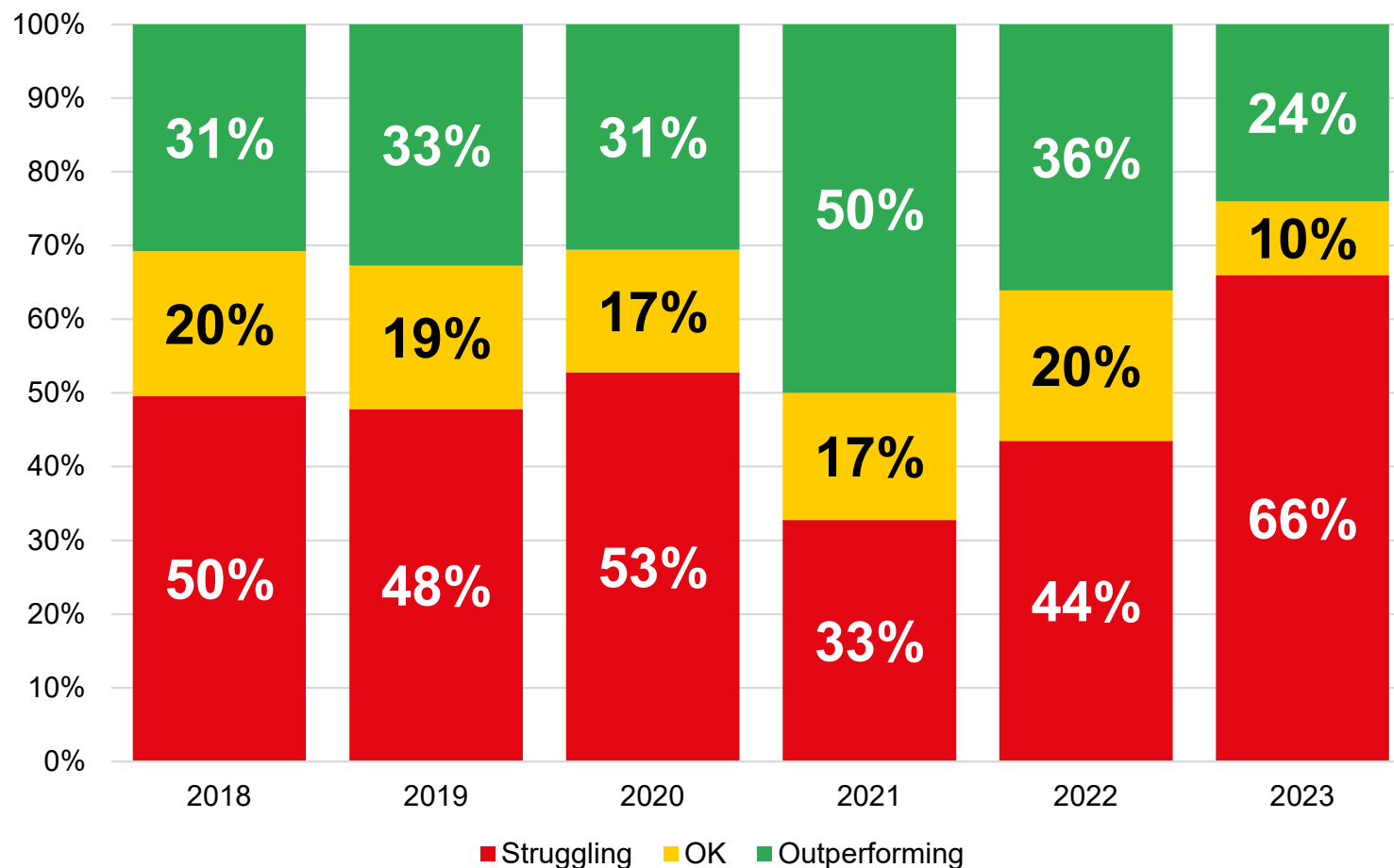
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Labour has choices, including who social care should be for, what it should aim to deliver, and how it can be funded.

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At the same time there are immediate and critical challenges to the current system.

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have pushed a number of councils to the financial brink.

**Providers:** Not only are the funders in a tough position, but you all as providers are increasingly under pressure. We see growing evidence of contracts handed back, services closed and using reserves to cover loss-making services.



# What can we expect from Labour?

- What do we know already about Labour's plans for social care?
- Where is social care in the list of Labour priorities?
- Are there lessons from this campaign about how Labour might govern?
- Have we learnt anything from Labour's early moves?



# Labour's social care policies

The centre piece of Labour's social care plans is a proposal for a National Care Service. For a detailed summary of the proposal see the [Fabian's report](#).

The plan set out by the Fabians (which may not fully align with Labour's views), included:

- **Stabilise (24/25 to 25/26):** workforce pay (sector minimum wage), fair provider pricing.
- **Prepare (25/26 to 27/28):** improve eligibility and access, prioritise prevention, build local authority capacity, workforce terms and conditions (Fair Pay Agreement). Introduce a National Care Service Act.
- **Launch (28/29):** workforce pay (National Care Service pay bands), arrange services for all, initial charging reforms.
- **Embed (29/30 to 30/31):** improve adequacy of support
- **Evolve (29/30 onwards):** further charging reforms.

This aligns with the manifesto, which proposed introducing a collective bargaining agreement to set fair pay, terms and conditions, and enforce training standards.

# Labour's social care policies

Additional details in the manifesto suggest that social care will continue to be seen as a tool for improving NHS performance and sustainability:

- Reaffirm the ambition for integrated health and care teams in the community.
- Labour will develop local partnership working between the NHS and social care on hospital discharge.
- Regulators to assess the role social care workers can play in basic health treatment and monitoring.

Of greater consequence, might be Labour's commitments on Worker's Rights:

- A ban on zero hours contracts (with some possible exceptions)
- Requirement for people's contracts to reflect their regular hours and reasonable notice of any change in shifts or working time
- Removal of age bands for NMW.
- Eligibility for work benefits immediately.
- A new Fair Pay Agreement in the adult social care sector, empowering workers and the trade unions that represent them to negotiate fair pay and conditions, including staff benefits, terms and training



# Where is social care in Labour's priorities?

- **Social care was not prominent or central to Labour's campaign.**
  - It's not part of Labour's *first steps* or its *Five Missions to rebuild Britain*.
  - It does feature in the manifesto, but commitments to a *Fair Pay Agreement* don't have any funding attached.
- Local authority financial collapse is on Labour's risk list, and social care demand/funding is at the heart of that challenge.
- Two possible interpretations of how Labour will approach social care:
  - It's been earmarked for the '*too-difficult*' box. It will continue to view (adult) social care narrowly through the lens of NHS concerns and children's services only in relation to YJ, MH, or education.
  - Numerous policies and areas of reform cut across social care. As a package, social care will not be the focus of policy, but actions on work and wages, immigration, and NHS will be important.
- Even if social care isn't a priority, the Labour party agenda is likely to be highly consequential. But it might feel quite piecemeal...



# Clues from the campaign and manifesto

At this early stage, it's still difficult to know for sure what to expect from Labour. You might recognise yourself as one of these two people:

- An optimist's perspective:
  - Labour has been **ultra-decisive, ruthlessly efficient, and not afraid to take tough decisions**, and has been **rewarded for tackling problems with an enormous majority**.
  - A low vote share demonstrates the need to be bold and win back voter's trust and enthusiasm by delivering on the challenges of the day.
  - A National Care Service policy implies a greater vision than anything we saw under the previous Government, with the potential to drive forward change.
- A pessimist's perspective:
  - Labour has run an **ultra-safe, ultra-cautious**, and slightly **uninspiring campaign**, and been **rewarded for playing it safe with an enormous majority**.
  - A low vote share is a warning that people are not fully with this Labour Party, and it shouldn't rock the boat.
  - The National Care Service is a ten-year plan that we might never see implemented. Financial constraints mean it's unlikely that they can achieve adequate funding for existing services at the same time as expanding the amount of support and the number of people receiving support.



# What has Labour done so far?

Since taking office, we've seen a lot of announcement and actions taken:

- 4<sup>th</sup> July: Labour wins UK general election.
- 5<sup>th</sup> July: Wes Streeting announces “*NHS is broken*” and it is his mission to save it.
- 11<sup>th</sup> July: Prof Darzi is commissioned to conduct a review into NHS performance in England.
- 17<sup>th</sup> July: King's Speech includes 40 bills – includes a Mental Health Bill and Tobacco and Vapes Bill, but nothing specific to social care.
- 26<sup>th</sup> July: Interim report into CQC's 'failings' published.
- 29<sup>th</sup> July: Fresh pay offer made to BMA and accepted.
- 29<sup>th</sup> July: Chancellor announces end of Dilnot pricing reforms.
- 30<sup>th</sup> July: Minister for care announces plans for social care training scrapped.

Broadly a continuation of the NHS-centric approach so far, with a notable focus on workforce and regulation.

The other event has been the riots that have taken place nationally. The response to this has been administratively effective, but it's difficult to say the PM has risen to the moment in terms of story-telling.

Reform of social care needs to be based on ideas as well as cash. Secretary of State probably has this skill, but does the government as a whole have sufficient vision?





# What should you be thinking about?

- **Pay and conditions:** This ought to be your first priority. Many changes won't cost the government anything to implement, so you should be ready for these. *But not just pay, is your training and progression offer as good as it could be?*
- **Funding:** It's unlikely that there will be game-changing new money available, and if it is, it will be directed to raising pay of existing staff. Are you continuing to be financially proactive in your relations with commissioners (including negotiating uplifts and handing back unsustainable contracts)?
- **Being heard:** There will be a consultation on the Fair Pay Agreement. It's an opportunity for you to be heard as a sector – highlight what is needed not only to improve pay for staff, but what would be needed to improve social care as a whole.

**It's unlikely that Labour can “fix” social care on its own or quickly. You will need to continue to seek your own solutions – don't wait for Labour!**



# Thank you

We would love to hear from you. Get in touch via:  
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