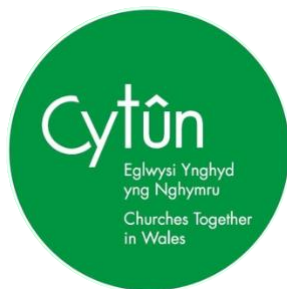


Social Care in Wales briefing



Updated March 2021
by Gethin Rhys

Social Care in Wales

The funding and organisation of health and social care in Wales is a devolved matter for Welsh Government. Currently, health care is the responsibility of the Welsh Government (working through four regional Health Boards), and is funded through general taxation. Individuals pay (on a means-tested basis) for dental and optical services, but not for general health care. Social care is funded and delivered through local authorities, and individuals are means-tested, so those with sufficient income or savings contribute towards the cost.

According to a recent [Wales Fiscal Analysis report](#), produced by the non-partisan Wales Governance Centre, informal care provided by friends and relatives is by far the largest source of adult care provision. The cost of purchasing this care at market price is estimated at £8 billion – roughly equivalent to the annual NHS Wales budget. The [third \(voluntary\) sector](#) also provides much social care. Some of this is provided formally, through contracts with local authorities. Much of it, however, is provided informally. Churches and other voluntary bodies offer opportunities for those being cared for (perhaps due to dementia or disability) and their carers to meet for social occasions, to share experiences, or simply to have an hour or two away from home.

In 2018 a cross-party [Parliamentary Review of Health and Social Care in Wales](#) recommended far greater integration of health and social care services. The outgoing Welsh Government has [proposed](#) some greater co-ordination of social and health care, without fundamentally changing the current arrangements.

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Social care has been hit hard by Covid-19. 23% of all deaths due to Covid-19 in Wales to the end of January 2021 were of care home residents. Many of the legal obligations on local authorities to assess the care needs of those living at home and their unpaid carers were suspended during the pandemic.

Not only has the pandemic highlighted the importance of the sector, it has also exposed its vulnerabilities. The Wales Fiscal Analysis report identifies four key issues with which future policy in Wales must grapple:

- 1.** The level of resourcing required to deliver effective care services. Having accounted for inflation, public spending on older adult social care in Wales fell from £1,058 to £956 per head between 2009–10 and 2018–19. A [report](#) commissioned by Welsh Government showed that a rapidly ageing population will soon make even the current level of publicly funded social care provision unaffordable. It therefore recommended either increasing income tax rates in Wales by about 1.5p in the £ to fund social care, or introducing a social care levy to set up a separate social care fund. Neither proposal has yet been taken forward.
- 2.** The currently fragmented nature of service provision, particularly in residential care, with over 1,000 providers operating across Wales. Local authority run care homes account for only 9% of care home places, and three local authorities (Torfaen, Powys and Cardiff) are wholly reliant on the private sector for care home provision.
- 3.** Low pay and high staff turnover. Fewer than half the personal care workforce in Wales are paid the [Real Living Wage](#) (currently £9.50

per hour), and workers have faced a decade of no relative improvement in pay.

4. The difficulty in projecting and meeting future demand. Levels of public resourcing have seen little growth in more than a decade, and there are questions about whether the current fee structure can attract new investment into a supply that is predominantly private.

A further [report](#) by the Wales Governance Centre considered the lessons that can be learnt from the introduction of free personal care in Scotland, and examined the possible implications of implementing the same policy in Wales. Wales has already placed a cap of £60 per week on charges for care in your own home and increased to £50,000 the asset threshold above which residents of care homes need to fund their own costs. This means that the starting point for Wales in relation to free personal care would be different to Scotland, with some of the policy's associated costs already part of the Welsh Government budget.

The report calculates that the option of providing 'free personal care' to older adults along the lines of Scotland could cost initially around £300m per year (equivalent to 1.5% of the Welsh Government's budget for day-to-day spending). But there are factors that could drive up the long-term cost of the policy. The over-65 population in Wales is proportionately a little larger than in Scotland and the over-85 is population expected to grow slightly faster. Higher prevalence of frailty could be another factor that would increase costs. There are also implications for the interaction between the funding of social care in Wales and the benefits system which is controlled by the UK Government.

Questions for candidates

1. Are you in favour of increasing taxation to fund future social care? If so, how would you arrange this? If not, how do you propose that care be funded?
2. How do you think the next Welsh Government should support unpaid carers and voluntary bodies who provide informal care?
3. Should health and social care services be better integrated, or even merged into a single service? If so, do you think this new service should be governed locally or nationally?

Contact

We would like to know how this guidance was useful and what should be added or changed for future publications.

If you have questions, suggestions or comments please write to:

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