CARERS UK

the voice of carers

Future care






Growing the Care Market: Turning a demographic challenge into an economic opportunity

Contents

Introduction

As our population ages and people live longer with serious disability and long-term conditions, rising care needs are putting increasing pressure on families and health and social care services.

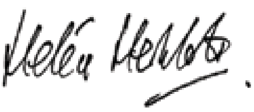
Social care funding has simply not kept pace with rapidly growing demand, and social care services often fail to deliver the support families need. Existing services struggle to match the way families live and work, and so often do not provide the help vital to managing competing priorities including childcare, work, social lives and care for older and disabled relatives.

So, as policy makers grapple with the vexed question of how to pay for care, we also need a fundamental shift in how we approach care provision. Instead of seeing solutions which only 'manage the problem' of growing demand, we need to turn the care challenge on its head and see it as an opportunity to reshape how our public services, society and economy fit around the changing shape of families.

Failures in social care are currently acting to stifle economic productivity. Over a million people, often at the peak of their careers, are being forced to give up work or reduce working hours to care for an ill or disabled loved one. Many end up in debt, forced to depend on the benefits system and facing financial hardship into their retirement. The combination of childcare and eldercare, particularly 'distance caring' – supporting older parents or disabled relatives at the other end of a motorway – is also significantly adding to workplace stress and absence, at a cost to individuals, businesses and the economy.

As well as acting to mitigate against this potential economic damage, we can turn this demographic challenge into an opportunity for economic growth. We are seeing increasing demand from families willing and able to buy care, from service-users with personal budgets, and from employers who see a sufficient supply of care services as essential to retaining employees with caring responsibilities. Yet the market for care remains anaemic.

Stimulation of the care market can not only help to meet demand but can turn the challenges of an ageing population into a driver for economic growth – with new opportunities for existing providers, small scale start-ups and health and care technologies. This paper is designed to kick off that debate and look at some of the key challenges and opportunities in developing a new care economy.



Heléna Herklots
Chief Executive, Carers UK

1. The demographic challenge

The supply and funding of statutory services have failed to keep pace with the explosion in demand for care and support.

Services unable to meet rising demand

Our population is ageing rapidly. 11 million people alive today will live to 100[1], people are living far longer with long-term conditions and disabilities, and the number of working-age adults with learning disabilities will rise by almost a third over the next 20 years[2].

The supply and funding of statutory services have failed to keep pace with the explosion in demand for care and support. While political commitment to the NHS has seen increased funding to help cope with this increase in demand, the same is not true of social care. Since 2004, while spending on the NHS has risen by £25 billion, spending on social care has risen by just £43 million (0.1% per year in real terms)[3].

Existing resources simply cannot be stretched to meet the needs of greater numbers of people. Charges for local authority services are rising, eligibility criteria are getting tighter and fewer and fewer older and disabled people are able to access support from their local authority - 12% fewer people are receiving support from social care services in 2010/11 than did in 2008/09[4].

Age UK estimates that 800,000 older people needing care are going without any support[5] and a Care & Support Alliance survey in 2011 showed that services to 24% of disabled adults had been reduced, even though their needs were the same or had increased[6].

The knock-on costs of a statutory system which cannot meet demand are spilling over in the NHS in the form of costly and avoidable emergency admissions and bed blocking as care services fail to provide the necessary care in the community. For example, in 2011/12 hospitals saw an 11% rise in delayed discharges compared to the previous year[7] and increasing emergency readmissions within 28 days[8].

1 *Number of Future Centenarians by Age Group* (2011) DWP
2 *Estimating Future Need for Adult Social Care Services for People with Learning Disabilities in England* (2008) CeDR
3 *Care in Crisis* (2012) Age UK
4 *Community Care Statistics: Social Services Activity, England - 2010-11 - Provisional Release* (2011) Health and Social Care Information Centre
5 *Care in Crisis* (2012) Age UK
6 *Submission to the Dilnot Commission Call for Evidence* (2011) Care and Support Alliance
7 DH obtained by BBC, published 8th November: www.bbc.co.uk/news/health-15198431
8 *Hospital Episode Statistics; emergency readmissions into hospital* (2011) The Health and Social Care Information Centre

2. The case for change

Employment as a driver for demand

Demographic change also means that we are all juggling increasingly complex family lives with increasingly demanding working lives. By 2050, globally, three times more people of working age will be looking after 2 billion ageing family members[9]. Services that support people to manage these multiple responsibilities are now as much about economic productivity as they are about social cohesion.

By 2050, globally, three times more people of working age will be looking after 2 billion ageing family members.

Caring can have a significant negative impact on economic activity. In the UK, 1 in 7 employees in any workplace is juggling paid work with care and a 2009 poll by Ipsos MORI found that 1 in 6 carers gives up or reduces work to care, with an obvious impact on the benefits and pensions systems in addition to impacts on individual and family health and wellbeing[10]. The cost to individuals, business and the economy is huge. Recently, research by the Personal Social Services Research Unit at the London School of Economics calculated the public expenditure costs of carers leaving paid work at a staggering £1.3 billion a year, based on the costs of Carer's Allowance and lost tax revenues[11].

The UK cannot afford for this to be the impact of caring; how we manage care must be seen as an economic as well as a social issue. Carers UK's State of Caring Survey 2011 found that 31% of working age carers (1018 of 3223 working age carers surveyed) gave up work to care or reduced their working hours because support services were either not flexible enough, the person they care for did not qualify for support, there were no suitable services in their area, services were too expensive or services were not reliable enough.

Employers for Carers, a membership service for employers providing workplace support for carers, has argued that individuals, families and employers have a right to expect an infrastructure of support for care which enables people to sustain care within families and relationships while maintaining productive working lives. This will be increasingly important as people are expected to care more and work longer in the face of an ageing population and a growing pensions bill[12]. Employers argue that a good system of care and support must be seen as a condition for employment[13].

9 *World population ageing* (2007) United Nations, Department of Economic and Social Affairs, Population Division

10 *One million give up work to care* (2009) Carers UK, DWP and Ipsos MORI

11 Pickard, L., *Public expenditure costs of carers leaving employment* (2012) LSE Health & Social Care, London School of Economics and Political Science (http://blogs.lse.ac.uk/healthandsocialcare/2012/04/25/dr-linda-pickard-public-expenditure-costs-of-carers-leaving-employment/)

12 *Recognised, valued and supported: next steps for the Carers Strategy* (November 2010) Department of Health

13 Leadership Group, Employers for Carers, *Conditions for Employment*, Discussion Paper (April 2011)

The demographic tsunami facing our society raises the spectre of an unmeetable demand for care requiring a bottomless pit of investment in public services.

This has parallels with the debate on childcare in the 1990s, in which employers were a key stakeholder and took much the same position. The resulting UK National Childcare Strategy was predicated on enabling families – women in particular – to work, with childcare seen very much as a condition for employment. Launched in 1998 and updated in 2004, its aim was to provide access to affordable childcare and early years services, to support child development, alleviate child poverty, and, critically, to remove barriers to parental employment. Recognising employment as a key driver of demand for these services, and with employers as key partners in the debate, the Government of the day introduced a duty on local authorities to ensure a 'sufficiency of supply' of childcare to stimulate a mixed economy of provision which would meet that demand from both employer and employee.

What the National Childcare Strategy demonstrated is that if services are seen as facilitators of labour market participation they acquire added value and create a different market imperative.

Turning the care challenge on its head

The Dilnot Commission report on the funding of social care states that while *'we should be celebrating the fact we are living longer and that younger people with disabilities are leading more independent lives than ever before'* instead *'we talk about the 'burden of ageing' and individuals are living in fear, worrying about meeting their care costs'*[14].

The demographic tsunami facing our society raises the spectre of an unmeetable demand for care requiring a bottomless pit of investment in public services. However, if we turn this around and look at addressing supply it enables us instead to identify the benefits of investment in the care business.

Although much of the focus of the current debate on providing and funding care is on statutory services they are only part of the picture. Increasing numbers of families are sourcing and paying for independently provided services, and almost all are paying for the low level preventive services that local authorities no longer provide – cleaning, gardening, shopping, and befriending. It is estimated that 'self funders' – people whose assets exceed the means-test for local authority support- spend £5.5 billion on care, with 'top ups' to statutory services worth an additional £1.15 billion[15]. However, that figure relates to formal services accessed through the statutory system, and not to the services families simply

[14] *Fairer Care Funding* (July 2011), The Report of the Commission on Funding of Care and Support

[15] *Estimating the number and distribution of self-funders of care in England – a quantitative study* (2010) Institute of Public Care

find and pay for themselves. It certainly does not take account of the kinds of low level services that are very often paid for 'cash in hand' outside the formal labour market. In reality, we know little about how many self-funders there are in any local population, and what they buy. All we know is that the demand for care is increasing, without a sufficient supply of services to meet it.

Given that is the case, care surely is *the* inevitable growth sector - a good news story for struggling economies. Policy commentators such as Fred Block and Ian Pearson have already predicted the emergence of a global care economy, arguing that in the same way that societies have always responded to challenges through systemic change, shifting across the centuries from agricultural and industrial to service and information economies, demographic imperatives will now see a shift towards care economies[16]. These will see relational or interpersonal activity valued equally with transactional activity in what Fred Block has called the meeting of an 'economy of care' with an 'economy of things'[17]. People must and will continue to provide formally and informally the face to face care that cannot and should not be replaced, but with proper value placed on both paid and unpaid care. Alongside and integrated with this interpersonal care, our increasingly sophisticated health, care and information systems and products can then provide a fit-for-purpose infrastructure and a vibrant market that meet the needs of 21st century caring and working lives.

Increasing numbers of families are sourcing and paying for independently provided services. It is estimated that 'self funders' spend £5.5 billion on care.

[16] Ian Pearson, *Progress and the Care Economy (btw, the UN is badly wrong)* (2 February 2012) http://timeguide.wordpress.com/2012/02/02/progress-and-the-care-economy-btw-the-un-is-badly-wrong/

[17] Fred Block, *The 'Thing' Economy and the 'Care' Economy* (10 November 2003) Alternet

3. Economic Opportunities

New business models in care

Care could be the next great employment opportunity, and care businesses the next great growth opportunity. There are already an estimated 1.56 million people working in the adult social care workforce, more than in the NHS. By 2025, it is estimated that an additional 400,000 to 1.3 million staff will be needed to support demographic demand[18].

However, these figures do not cover the plethora of services delivered outside the statutory system that provide families with support - low level home care and domestic services that can mean independence for the user, and peace of mind and time for their families and carers. A report published in 2011 by Employers for Carers and Carers UK in association with Nomura, highlighted the challenges of caring at a distance, a phenomenon increasingly common as a result of changing family structures and the demands of the labour market[19]. People working and caring at a distance placed significant value on services that supported the independence of the person they were caring for, and gave the carer the peace of mind that enabled them to work productively. These services ranged from domestic services, gardening and companionship to assisted living solutions such as telecare.

As people juggle multiple responsibilities for family and work they are now often 'externalising' - paying someone else to do – a range of domestic and care tasks in order to free them up for other demands. Recent European Commission figures show that if every working person in the EU – 215 million – 'externalised' just one hour a week of the tasks they were struggling to provide, it would create 5.5 million new jobs[20] in what are loosely termed 'lifestyle and homecare' services elsewhere in Europe and which cover a wide range of services supporting families across a lifecourse of care.

A recent study valued the UK home care market at £5.1 billion[21], yet there has been very little investigation not only of the sector's value added contribution to the UK economy, but its potential to integrate 'lifestyle' with other care services and develop different models of care.

---

18 *The size and structure of the adult social care sector and workforce in England 2011* (2011) Skills for Care

19 *Caring at a Distance: Bridging the Gap* (2011) Carers UK, Employers for Carers and Nomura

20 *Plenary presentation, European Convention on Homecare Services* (January 2012), Jean-Francois Lebrun, Head of Unit New Skills for New Jobs, DG Employment, European Commission

21 Laing and Buisson, *UK domiciliary care market report* (2011)

As with childcare, a mixed economy in care for older and disabled people could offer individuals better opportunities to work flexibly around other family commitments, but it could also present new and diverse opportunities for small business start-ups providing family support services. New flexible models of service provision would have the potential to deliver the wider spectrum of services that families need – integrating care with lower level support such as companionship, shopping and household services.

Existing examples include care worker co-operatives and social enterprises set up to provide 'whole family care', joining up domestic support with childcare and care for older or disabled relatives - all provided by the same staff. Social enterprises which re-invest profits in their services and communities are well placed to respond to wider community as well as client needs and to look at new and innovative ways of delivering social impact and they have a growing presence and influence in the care sector

This is also natural territory for the voluntary sector, which is already a significant provider of services, either commissioned through local authorities or purchased privately, and which could be a market leader in the development and delivery of new service models, including those which integrate health and care technologies.

However, flexible care and support services do not have to be delivered by small or not-for-profit providers, and there are increasing examples of large private providers making tailored services available, through local authorities and private purchase, in an increasingly person and family centred approach.

There are also examples of information and advice on care and also direct access to care services being provided by employers to their employees, through employee benefits packages or employee assistance programmes (EAPs). These are contracted by employers to help their employees juggle work and care, and there are a growing number of private providers developing a wide range of services – from concierge services to childcare and adult care - specifically tailored for working carers.

New flexible models of service provision would have the potential to deliver the wider spectrum of services that families need.

A different kind of workforce

A vibrant care economy could grow a different kind of workforce with different skills.

Care requires a mix of interpersonal as well as professional skills and a new and growing range of care and support – or 'lifestyle and homecare' - services could offer opportunities to grow an infinitely diverse and multi-skilled workforce. These services could be as varied as the needs of the families who use them, and could encompass an ever-wider range of functions. Critically, they could bring into the formal workforce alongside those in recognised care and support roles the people who provide a multitude of low level services to individuals and families that keep them independent and active. These are currently most often arranged and paid for 'cash in hand' outside the formal labour market, with a loss of tax revenue but also a lack of protection for both user and provider. If these services were recognised as an integral part of the suite of services on offer to individuals, families and carers, and brought into the scope of what was on offer from the care sector, they would be valued – and could be delivered - differently.

The Adult Social Care Workforce Strategy published by DH in 2009[22] outlined the workforce implications of Putting People First[23], which sought to transform social care through greater personalisation. It looked at how the social care workforce itself could be transformed and for the first time acknowledged the service needs of self funders who represent at least 50% of older people and in some areas as much as 80%, a percentage which will increase over time.

In line with this trend the Strategy looked at the falling numbers of people employed by local authorities to provide care, and the growing number employed in the independent sector, with over two thirds working in the private and voluntary sectors. 60% of their estimated 35,000 employers were classified as micro (fewer than 10 employees) and a further 30% small (fewer than 50). 93,000 people, or 6% of the total, were not directly employed but worked as self-employed care workers.

This presents challenges but also extraordinary opportunities for workforce transformation. A vibrant care economy could grow a different kind of workforce with different skills. Imagine, instead of the current situation in which certain care roles are seen as low skilled and low value - the average rate of pay for a careworker in England is £6.80 an hour - a workforce recognised for the contribution it makes to the maintenance of robust family, community and working life. Imagine this workforce performing hybrid roles in an increasingly valued sector with a defined career structure, opportunities for professional development and commensurate remuneration. Imagine, instead of struggling to recruit into poorly paid and undervalued jobs, care businesses creating jobs that people *want* to do and careers they *want* to stay in.

[22] *Working to Put People First: The Strategy for the Adult Social Care Workforce in England* (2009) DH
[23] *Putting people first: a shared vision and commitment to the transformation of adult social care* (2007) DH

We can then add the value of the multiplier effect from job creation, with more tax revenue for the national economy and more spending power in local economies.

The Treasury's Plan for Growth 2011 recognises that the social care sector is a key employment market in the economy, worth around £24 billion, but it also acknowledges that recruitment vacancy rates are high at just over twice the national average (3.4 percent) and that the sector suffers from high turnover rates, 24 percent in the private sector in 2010, 10 percent in the statutory sector[24]. Based on 2007 figures, after investment and training costs are taken into account, the loss to the sector from high staff turnover is £78 million[25]. If ever there was a market ripe for transformation, this is it.

There will be demand for whatever the market can supply, but transformation will only take place if it delivers to individuals and families – and employers – services they actually want, not simply what is on offer. Services also have to be affordable and accessible, with good and universally available information to make navigating the system easy.

The better, more affordable and more widely accessible the service, the more demand there will be for it, the more demand for it the more the competition and the better the quality. Demand and supply will be the best driver of transformation.

If the ultimate goal is the reduction of whole life health and care costs, it makes sense to maximise the potential of technology to achieve that goal.

Efficiency, innovation and growth through health and care technologies

The potential of health and care technologies, both in terms of effective service solutions and cost efficiencies, has recently been recognised in the headline findings of the UK's Whole System Demonstrators[26]. The Whole System Demonstrator programme was set up by the Department of Health to show just what telehealth and telecare is capable of. It has provided clear evidence of the benefits of health and care technologies, both in terms of how technology supports people to live independently and take charge of their own health and care but also critically as a basis for investment in the technology business as a result of cost and efficiency savings.

The initial findings for telehealth show that, delivered properly, it can substantially reduce mortality, reduce the need for admissions to hospital, lower the number of bed days spent in hospital and reduce time spent in A&E, with clear gains in terms of service efficiencies and cost effectiveness. The findings for telecare are expected shortly.

[24] *The Plan for Growth* (November 2011) HM Treasury
[25] *NMDS-SC Briefing, Issue 2 – Turnover and Vacancy Rates* (2007) Skills for Care
[26] *Whole system demonstrator programme: Headline findings* (December 2011) DH

There are a multitude of technology applications in addition to telehealth and telecare that could help transform the way services are delivered to individuals and families.

At the same time the Government's innovation review of the NHS[27] has flagged up the need to integrate these technologies into mainstream care and services, and looks towards a transformation of the way services are delivered through the use of appropriate technology to give individuals and families choice and control. Taken in the context of transforming the supply of care services to the population, this represents another whole dimension in terms of business growth, and the Treasury's Plan for Growth identifies innovation as a key driver of long-term growth in the sector. It includes as one of the Government's measures to improve the take up of assisted living technology an investment of £18 million by the Technology Strategy Board in DALLAS, a programme to help local and health authorities and businesses to deliver assisted living lifestyles at scale through collaboration, innovation and interoperability of service models.

In addition, the WSD headline findings indicate that at least three million people with long term conditions and/or social care needs could benefit from using telehealth and telecare. To achieve this level of change the Department of Health is planning to work with industry, the NHS, social care and professional partners in what it is calling 'a collaboration with a difference', the Three Million Lives campaign. This will deploy remote medical or monitoring devices - such as home-based equipment that can send details of the vital signs of at-risk patients to doctors, or monitor temperature or movement and respond in case of emergency – to 3 million people over the next five years, generating valuable new business for technology developers and providers.

However, there are a multitude of technology applications in addition to telehealth and telecare that could help transform the way services are delivered to individuals and families – from applications that enable care workers to share information and co-ordinate care tasks to online tools that can assess and match families to the right care services.

This is in itself a huge area for potential growth. As the current 'baby boom' generation ages, it will take technology for granted not only in the management of its own health and care, but that of the older parents, partners or adult disabled children it cares for. It will also take technology for granted in managing work, leisure, socialising and community activity. If this is true for the baby boomers, it is truer still for their children, and they certainly will not be content with being given whatever system they are told they can have by a local authority limited by eligibility criteria and budget constraints. What they are not offered they will buy, in the same way as they buy a smart phone, i-Pad or WiiFit, and forward thinking developers – and businesses - should be busy ensuring the product is there to meet the need.

[27] *NHS Chief Executive Innovation review* (June 2011) DH

4. Barriers and incentives

Barriers and stimulants for growth

Research by the Resolution Foundation has demonstrated the monopsony status of local authorities in terms of care supply, as the main purchasers of care but from a wide range of providers. This has had a significant impact on how services have developed and are provided in local authority areas. In addition to the impact on how and what services are provided, the squeeze on fees paid in many areas as a result of budget constraints is given as a key factor in the low pay, recruitment and retention issues in the care sector[28].

In terms of individual choice within the statutory system, although recent community care statistics from the Association of Directors of Adult Social Services show that the numbers of service users receiving a personal budget has increased from 13% to 35%, this still leaves 65% without a great degree of choice or control[29].

Critically, this is also far too small a proportion to drive proper care market development. In direct contrast to the influence a local authority has on the provision of care and support services in its locality, the majority of families fall outside the orbit of statutory services and receive little or no support in negotiating a complex and fragmented care market.

Local authorities have a duty to meet the needs of their whole population, not only those eligible for statutory services. Introducing a duty to ensure a sufficiency of supply of care services would stimulate local action to meet those needs, in conjunction with mechanisms such as Health and Wellbeing Boards, the Joint Strategic Needs Assessment, Local Employment Analysis, and Local Employment and Local Enterprise Partnerships. All of these relevant local planning mechanisms need to address the availability of social care to give families greater resilience as they juggle multiple responsibilities across a lifecourse of care.

In looking at a new vision for adult social care, Government – with cross-government and cross-party buy in - needs to look too at the real drivers and levers which can stimulate the care market, working not only with local authorities but with private and voluntary sector providers of care, disabled and older people, insurers, and forward looking employers such as members of Employers for Carers, the Employers Network for Equality and Inclusion and the Employers Forum on Disability. The growth potential of the care sector must be recognised, and action taken to stimulate and incentivise it, so that localism becomes a driver, not a barrier, to innovation and growth.

Introducing a duty to ensure a sufficiency of supply of care services would stimulate local action to meet needs.

[28] *National Minimum Wage* (2009) Low Pay Commission report

[29] *Survey of Personal Budgets* (2011) ADASS

Tax incentives for new care businesses could play a key role in stimulating the care market.

Incentivising the care market

The Government has already announced improved backing for small business, with Treasury committing £20 million in its Plan for Growth[30] over the next two years to the Small Business Research Initiative, including £10 million from the Department of Health for specific competitions to address healthcare challenges. It has also pledged improvements to the Enterprise Investment Scheme. The first will encourage small and medium-sized businesses to invest in developing new technology, including health and care technologies. The second will see greater incentives for investment in small business.

The Plan for Growth also targets social care micro-enterprises with measures to reduce unnecessary regulatory barriers to market entry and flexible service delivery.

However, tax incentives for new care businesses could also play a key role in stimulating the care market. An existing example is the success of the 'progressive beer duty' tax in generating rapid growth amongst real ale microbreweries. A similar 'progressive care duty' for microenterprises in the care market could support the expansion of a new generation of small businesses, including social enterprises, providing flexible solutions to families in local communities.

Affordability and accessibility

Investment in start-ups does not necessarily address issues of affordability or accessibility of services for individuals and families. In France, a key factor in stimulating demand and consolidating supply of what they call 'Services a la Personnes', exactly the 'lifestyle and homecare services' referred to by the European Commission, has been to reduce the cost of services while maintaining quality, flexibility and choice through a system of tax credits. A universal subsidy is delivered through a universal voucher system, the CESU, which can be purchased directly by individuals and families or provided by local authorities and employers.

It is also the mechanism for registering providers, and this includes individuals working outside the formal labour market. The process that manages registration also manages the contributions and PAYE of individual workers traditionally paid 'cash in hand' and so brings them into the employment and tax system. This has dual benefits, with more tax revenue from formal employment but without families having to assume responsibility as employers, which has been reported as an additional burden on users and families in the UK system of personalisation[31]. In addition to the CESU there is tax relief of 50% on the costs of services incurred by individuals and families and a reduced VAT rate on services of 5.5%. All this makes

---

[30] *The Plan for Growth* (November 2011) HM Treasury

[31] *Choice or Chore* (2008) Carers UK

it less desirable for families to buy services outside the formal labour market, and results in a 'virtuous circle' of demand and supply. The system also allows agencies to monitor quality, to provide robust information on the availability of services, and gives protection to both user and provider.

There is a precedent for this in the UK. The National Childcare Strategy supported its target to create 2 million childcare places and 2,500 Children's Centres through the creation of a universal information service to support access to supply and the introduction of a tax credit system for childcare to promote affordability, along with a tax exemption on the Childcare Vouchers used by employers for their employees to purchase services directly. The mixed economy in childcare that resulted offered many individuals, particularly women, opportunities to register as providers and work flexibly around other family commitments within the formal childcare economy.

A 'progressive care duty' for micro-enterprises in the care market could support the expansion of a new generation of small businesses providing flexible solutions to families.

5. Care as a growth sector: the case in France[32]

The French Borloo Development Plan of 2005 and a second Development Plan in 2009 aimed to double growth in the sector of Services a la Personne - homecare services - through:

- Raising the sector's professional status by improving working conditions, providing or incentivising training and acknowledging and promoting the value of inter-personal skills
- Stimulating demand by improving quality and reducing cost through tax incentives (a universal tax credit through the CESU voucher provided by local authorities and employers, tax relief of 50% on costs incurred by individuals and families, a 5.5% VAT rate on services and reduced employer contributions for providers, including individual workers)
- Simplifying and facilitating access to services through light touch regulation and brokerage

A single agency (the ANSP) was set up to implement the Plan, taking on the former responsibilities of 18 different ministries for the development, delivery and sustainability of a range of services to individuals and families. This effectively reduced red tape and dealt with the integration of services previously delivered through diverse agencies, often in 'silos', much as we see today in the UK with the disjunction between health, social care and other local authority services, all of which in reality make up the tapestry of services which support real people's everyday lives.

A system of national mediators was introduced to help match demand with supply by working with regional and local agencies to provide information, broker services and to provide quality assurance.

Critically, employers were engaged as key stakeholders from the outset, with their role in delivering the CESU central to access to services for people juggling work and family life.

Above all, the strategy in France has led to sustained growth and job creation. In the first phase of the Borloo Plan 100,000 jobs a year were created year on year in the sector, with around 2 million employees working in Services a la Personne at the end of 2008. In 2007 one in three jobs created in the French economy was in this sector. The second Development Plan was affected by the global economic crisis but despite a significant slowdown in 2009, the ANSP's Observatoire 2010 predicted annual growth of 50,000 jobs for 2010 and 2011.

[32] *The Development of Lifestyle and Homecare Services in France* (2008) ANSP

The success of this revolution in care has been in seeing it first and foremost as a growth sector, and incentivising it to stimulate supply. Services a la Personne is one of France's biggest growth sectors, with a 44% increase in its value between 2004 and 2007. The latest report from the ANSP shows that the sector has withstood the recession and continued to grow, albeit more slowly, a success story not only for the economy, but also for the social economy, with families getting more support through a supply of flexible services to manage their increasingly complex lives alongside paid employment.

6. Making it happen

Although the Dilnot report does seek to address investment in services, it does not deal with supply.

How we manage care and caring is one of the 21st century's greatest societal challenges and has never had a higher political profile.

We now accept that how we care for our older, sick or disabled population is the mark of a civilised society. We will always need a safety net of services provided through local authorities to protect the most vulnerable or the poorest in our society, and these should be personalised to meet people's needs, funded fairly, not subject to a postcode lottery and portable to reflect people's changing lives.

However, what about those not eligible for local authority services? What can they, the majority of the population, expect from the care and support system? The funding settlement proposed by the Dilnot Commission[33] would go a long way to protecting families from the potential 'catastrophic costs' of care in the future. However, although the Dilnot report does seek to address investment in services, it does not deal with supply. There is an opportunity now to review and reshape the way we supply care to give the best possible outcomes to individuals and families and the best possible returns for UK plc. .

This will need some radical rethinking, and real political commitment. However, in tight times this will also require a powerful business case for the UK Treasury. We have to promote:

- The growth potential of the care, and health and care technology sectors;
- The bottom line benefits to employers in terms of employee retention and productivity – individual and organisational - of services that enable people to combine work and care;
- The potential return on investment in tax incentives - for business and for individuals, with more labour market participation not only in the care sector but more widely through more effective reconciliation of work and care;
- The benefits in terms of increased tax revenue from individual workers brought into the tax system;
- The benefits in terms of job creation; and ultimately the benefits in terms of our global productivity and competitiveness;
- The very obvious benefits in terms of improved public health and wellbeing and longer term labour market participation.

[33] *Fairer Care Funding (July 2011) The Report of the Commission on Funding of Care and Support*

We all know the human arguments for investment in care services that keep individuals and families resilient, healthy and flourishing. However, it is the economic arguments that will open the purse strings. It is time to embrace the 21st century care economy and start making the case.

Carers UK is calling for the introduction of a National Care Strategy, supported by a business led taskforce, to identify the potential and the mechanisms for growth in the care sector, and produce a roadmap for action.

The Strategy's outcomes should include:

1. Incentivising the care market:

- Duty on local authorities to ensure a sufficiency of supply of care services, to stimulate supply;
- Universal information service, on the whole range of services available in any locality, to support access to supply;
- Tax incentives, including care credits, tax allowances and tax exempt Care Vouchers, to promote affordability and greater private purchase capacity, and stimulate demand.

2. Identifying the benefits of growing the care sector across different areas of government:

- DH with regard to the health and wellbeing of the population;
- BIS with regard to reconciliation of work and care, the growth of the care sector and economic productivity;
- DWP with regard to employability, use of the benefits system, and meeting the future pensions bill;
- DfE with regard to skills, workforce and sector development;
- CLG with regard to meeting the needs of whole local populations;
- GEO with regard to equality of opportunity and mitigation of the opportunity costs of caring.

3. Building a coherent evidence base across different areas of interest and different government departments

- Government and key stakeholders must commission new and collate existing research to build an evidence base for incentivising the care market, to support development and unlock investment.

4. Promoting the business case for growing the care sector

- Government and key stakeholders, supported by Employers for Carers, must collaborate to build and promote the case for growing a new infrastructure of care services fit for 21st century living and working.

Carers UK is calling for the introduction of a National Care Strategy, supported by a business led taskforce.

5. Recognising the potential of technology to transform services

- Government and key stakeholders must promote the potential of technology in delivering new models for care services and support its integration;
- Organisations providing advice and information on services must ensure that they have knowledge of or expertise in technology options for support.

6. Promoting new jobs and new skills

- Government and key stakeholders must collaborate to identify new job roles and training needs in a wider care sector ;
- Sector Skills Councils and professional bodies must lead on a training framework for new and hybrid roles in both integrated statutory and private purchase systems of health, care and family services.

A roadmap for action will bring together public, political and business interests to tackle one of our greatest societal challenges while unlocking real potential for growth - a 21st century solution to a 21st century challenge.

Carers UK
20 Great Dover Street
London SE1 4LX

Tel: 020 7378 4999
Fax: 020 7378 9781
Email: info@carersuk.org
Web: www.carersuk.org

Carers Wales
River House
Ynys Bridge Court
Gwaelod y Garth
Cardiff CF15 9SS
Tel: 02920 811 370
info@carerswales.org
www.carerswales.org

Carers Scotland
The Cottage
21 Pearce Street
Glasgow
G51 3UT
Tel: 0141 445 3070
info@carerscotland.org
www.carerscotland.org

Carers NI
58 Howard Street
Belfast
BT1 6JP
Tel: 02890 439 843
info@carersni.org
www.carersni.org

Carers UK is a charity registered in England and Wales (246329) and in Scotland (SC039307) and a company limited by guarantee registered in England and Wales (864097). Registered office 20 Great Dover Street, London SE1 4LX.

Carers UK Adviceline: 0808 808 7777
(open Wednesday and Thursday 10am-12pm and 2pm-4pm)

Publication code: UK4051 © Carers UK April 2012

This report has been produced with support from the
Technology Strategy Board's Assisted Living Innovation Platform

Technology Strategy Board
Driving Innovation

www.innovateuk.org