

Seventh Report of Session 2021-22

Department of Health and Social Care and Department for Levelling Up, Housing and Communities

Adult Social Care Markets

Introduction from the Committee

Adult social care includes social work, personal care and practical support for adults with a physical disability, a learning disability, or physical or mental illness, as well as support for their carers. Family or friends provide most care unpaid. The Department of Health and Social Care (the Department) is responsible for setting national policy and the legal framework. The Ministry of Housing, Communities and Local Government (the Ministry [and now the Department for Levelling Up, Housing and Communities]) oversees the distribution of funding to local government and the financial framework within which local authorities operate. In 2019–20, local authorities commissioned care for 839,000 adults; spending a net £16.5 billion on care, 4% less in real terms than in 2010–11. They commission most care from independent providers. The Care Quality Commission (CQC) regulates providers for quality and also oversees the financial resilience of large providers. Many people arrange and pay for their care privately. If current (pre-COVID-19) patterns of care and current funding systems continue, the Department projects there will be a 29% increase in the number of adults aged 18 to 64 and a 57% increase in the number of adults aged 65 and over requiring care by 2038 compared with 2018.

Based on a report by the National Audit Office, the Committee took evidence on 19 April 2021 from the Department of Health and Social Care; Ministry of Housing, Communities and Local Government (now the Department for Levelling Up, Housing and Communities); and Care Quality Commission. The Committee published its report on 16 June 2021. This is the government's response to the Committee's report.

Relevant reports

- NAO report: [The Adult social care market in England](#) – Session 2019-21 (HC 1244)
- PAC report: [Adult Social Care Markets](#) – Session 2021-22 (HC 252)

Government responses to the Committee

1: PAC conclusion: The Government has provided significant short-term support to help providers through COVID-19, it is vital that the Department of Health and Social Care now sets out how it will help providers move beyond it.

1: PAC recommendation: The Department of Health and Social Care, working with the Ministry of Housing, Communities and Local Government, should assess and outline by July 2021 how much support providers need in the short to medium term to deal with COVID-19 and lower occupancy in care homes.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 On 30 September 2021, the government announced a further £388.3 million of adult social care COVID-19 support, which will be delivered through the third Infection Control and Testing Fund. The £388.3 million will help fund infection prevention and control and testing for adult social care for a further six months. This will enable care providers to take measures to

reduce transmission and enable close contact visiting. The Department of Health and Social Care (the department) expects this to be the last funding of this kind, and as such, the length of the extension will help the sector to transition as it emerges from the pandemic and returns to a normal practice of commissioning and paying for care.

1.3 On 21 October 2021, the government announced that it would be making available an additional £162.5 million of additional funding social care through a workforce retention and recruitment fund to help local authorities to work with providers to boost staffing and support existing care workers through the winter. This brings the total specific funding for adult social care during the COVID-19 pandemic to over £2.5 billion.

1.4 Since the start of the COVID-19 pandemic, the government has committed over £6 billion to councils through un-ringfenced grants to tackle the impact of COVID-19 on their services, including adult social care. The total support committed to local authorities throughout the pandemic is over £12 billion.

1.5 The department has made clear to local authorities that the un-ringfenced funding can be used to compensate providers for the income they have lost as a result of temporary reductions in demand. The department is carefully monitoring the recovery of occupancy using several different metrics. As of mid-October 2021, local government funding for 2022-23 onwards will be decided at the 2021 Spending Review.

1.6 The government has announced that it will be investing an additional £5.4 billion across three years in social care. Further details will be agreed later this year.

2: PAC conclusion: Despite years of promising social care reforms to address longstanding issues, the Department of Health and Social Care has still not put in place a reform plan.

2: PAC recommendation: The Department of Health and Social Care must set out by the end of 2021 a comprehensive, cross-government reform plan for care; with as much focus on support for carers and supporting people at home as on older adults and care homes.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2021

2.2 The adult social care sector has never been under as much pressure as in the last year (2020-21). Throughout the pandemic the government has been working with the sector to ensure all recipients of care receive the support they need.

2.3 There are lessons to be learnt from that experience and the government is aware of the long-term challenges facing the social care system. This is why, on [07 September 2021](#), the government committed to investing an additional £5.4 billion over three years, which will allow it to begin a comprehensive programme of reform for adult social care. This includes charging reforms that protect individuals of all ages from unpredictable and unlimited costs.

2.4 The government also announced major improvements to the wider social care system in England, including an unprecedented investment of at least £500 million to support the development and wellbeing of the care workforce. It will enable a five-fold increase in public spending on the skills and training of care workers and registered managers. This package of reforms will enable investment in the Disabled Facilities Grant and supported housing, allowing people to live independently for longer.

2.5 The department will work with care users, providers, and other partners to develop these plans and will publish further detail in a White Paper for reform later this year.

3: PAC conclusion: Care provision has suffered from a lack of long-term funding.

3: PAC recommendation: Alongside care reforms the Department of Health and Social Care should publish a multi-year funding settlement by the end of 2021.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2021

3.2 The government is providing councils with access to over £1 billion of additional funding for social care in 2021-22. This will support councils to maintain care services while keeping up with rising demand and recovering from the impact of the COVID-19 pandemic. As well as this additional funding, the government is maintaining all existing grants for social care services which are worth £3.5 billion in 2021-22.

3.3 The government is committing to investing an additional £5.4 billion over three years. It will work with care users, providers, and other partners to develop more detail on the plans for reform of adult social care, [announced on 07 September 2021](#), and will publish further detail in a White Paper for reform later this year.

3.4 As of mid-October 2021, the government will ensure local authorities have access to sustainable funding for core budgets at the Spending Review. The department will work closely with the Department for Levelling Up, Housing, and Communities (formerly MHCLG), and the overall level of local government funding will be determined at the Spending Review 2021.

4: PAC conclusion: Three years after promising to produce one, the Department of Health and Social Care still has no workforce strategy or plans to align the care and NHS workforces.

4: PAC recommendation: Alongside care reforms, the Department of Health and Social Care should set out by end 2021 a national strategy for the care workforce which sits alongside the NHS People Plan; identifying skills, training and development across health and care.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2021

4.2 The government has listened to the sector and prioritised the adult social care workforce, recognising their tireless commitment and dedication during the pandemic. The investment of at least £500 million across three years will deliver new qualifications, progression pathways and new wellbeing and mental health support. This workforce package will support the development and wellbeing of the care workforce. It will enable a five-fold increase in public spending on the skills and training of care workers and registered managers.

4.3 The government recognises that ensuring the country has a workforce with the right values, skills and knowledge, and with real prospects for career progression, is essential if a high-quality service is to be provided for all those who have need of care services.

4.4 The department will continue to work with a range of partners to ensure its approach is informed by diverse perspectives. This will include care users, providers, and other partners to develop more detail on the plans for reform of adult social care and publish further detail in a White Paper for reform later this year, which will include our strategy for the social care workforce.

4.5 The department has also recently commissioned Health Education England to work with partners to produce an updated version of its existing 15-year strategic framework for health workforce planning. For the first time, the framework will also include regulated professionals working in social care, reflecting the interlinked nature of health and social care, as well as the introduction of Integrated Care Systems.

5: PAC conclusion: The Department of Health and Social Care has had poor oversight over local authorities' provision of care and appears complacent about the risks of local market failure.

5: PAC recommendation: Alongside the proposed Health and Care Bill, the Department of Health and Social Care should set out how it will support Care Quality Commission and local government to carry out their new duties; and ensure there is better readiness for local market failure.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2024

5.2 The department has supported the market by providing £6 billion funding to local authorities for COVID-19 pressures including for adult social care, undertaking a Service Continuity Review to understand risk in local care markets, contingency planning with partners, and setting up a regional team of sector experts to provide intelligence.

5.3 The Health and Care Bill 2021-22 places a duty on Care Quality Commission (CQC) to assess local authorities' delivery of their adult social care duties as set out in the Care Act 2014. CQC is well-placed to undertake this role due to its experience as an independent regulator of health and social care.

5.4 The department is working closely with CQC and other government departments to develop the detailed approach for the new assessment function, with funding provided to CQC for the 2021-22 financial year for this purpose. As of mid-October 2021, the department will continue to assess the support required by CQC and local authorities as part of the next spending review process in advance of the CQC assessment framework's future launch.

5.5 The department has commissioned the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) to provide support to local authorities in 2021-22 in respect of their market-shaping and contingency-planning responsibilities. The department's Adult Social Care Regional Assurance Team will complement this by strengthening communications, intelligence, and understanding of risk between the department and local authorities.

5.6 The department funds support and improvement work in the sector, including funding the LGA and ADASS to deliver the Care and Health Improvement Programme (CHIP). This includes the Market Development Support Programme which delivers market development and market management support to councils.

5.7 In addition to the CQC Market Oversight scheme, the department continues to actively pursue additional means of improving and strengthening contingency planning to cover a wide range of eventualities, including local market failure.

6: PAC conclusion: Neither local authorities nor people paying for care have access to clear information on what they get for their money.

6a: PAC recommendation: From April 2022, all providers should give clear and comparable information over fee levels.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2023

6.2 Although the government agrees with the Committee's recommendation, it disagrees with the proposed implementation date. The department is committed to improving transparency of information and is currently considering options for doing so. Some options under consideration would take longer than April 2022 to deliver.

6.3 In response to the Competition and Markets Authority's '[Care homes Market study, final report](#)', the government agreed that there is a need to support those entering care to make informed decisions, ensure that those in care are sufficiently empowered, and to protect care home residents and families from unfair practices.

6.4 The government's landmark [announcement on 07 September 2021](#) marks the next step in its transformational plans for the sector.

6.5 The government is committed to providing care users with better information to help them navigate the care system and understand their options. It knows that informed care users choose high quality care providers, which will help to drive up adult social care standards everywhere.

6.6 The department will work with care users, providers, and other partners to develop more detail on its plans for reform of adult social care, announced on 07 September 2021, and will publish further information later this year.

6b: PAC recommendation: From April 2022, all providers should give a breakdown of how this [fee] money is spent, for example by accommodation, workforce, debt interest and profit.

6.7 The government disagrees with the Committee's recommendation.

6.8 Under the [Care Act 2014](#), it is for local authorities to put in place the best ways of improving their market intelligence, including their ability to be able to assess value for money, so they are able to effectively discharge their duties.

6.9 The government will continue to discuss with local authorities and providers how it can best support this objective.