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**The Cost of Inaction in Adult Social Care Reform in the UK**

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## Introduction

The United Kingdom's adult social care system has long been under scrutiny due to chronic underfunding, inefficiencies, and increasing demands from an aging population and working-age adults with disabilities. Despite numerous reform proposals, successive governments have failed to deliver comprehensive changes. This lack of action imposes escalating costs on the NHS, local authorities, individuals, families, and the broader economy. These costs are not limited to financial burdens but extend to missed opportunities for better quality of life, improved health outcomes, and enhanced economic productivity.

This submission explores the multifaceted costs of inaction and emphasizes the urgent need for reform. It focuses on five key areas: the financial and operational impact on the NHS and local authorities, the societal and economic costs to individuals, missed service reforms, contributions to the wider economy, and the evaluation of inaction costs in government decision-making.

### 1. The Financial and Operational Costs to the NHS and Local Authorities

#### 1.1 Financial Impact on the NHS

The NHS bears a significant burden due to the lack of effective adult social care services. Key areas include:

- **Delayed Transfers of Care (DTOCs):** DTOCs arise when patients medically fit for discharge cannot leave hospitals due to unavailable care arrangements. These delays cost the NHS approximately **£2.4 billion annually**, with over **4,500 hospital beds occupied daily by patients awaiting social care services (NHS England, 2023)**. This bottleneck reduces hospital efficiency and delays treatment for other patients.
- **Emergency Admissions:** Unmet social care needs lead to avoidable emergency admissions, particularly among the elderly and disabled. In 2022-23, nearly **2.2 million emergency admissions** were directly linked to inadequate care support, costing the NHS around **£1 billion annually**. Falls, medication errors, and deteriorating chronic conditions are common causes.
- **Readmissions and Long-Term Care Costs:** A lack of coordinated care results in higher readmission rates. A report by Age UK indicates that 25% of older patients were readmitted within three months due to insufficient post-discharge care. This adds another **£850 million** annually to NHS costs.

#### 1.2 Impact on Local Authorities

Local authorities are similarly strained by the absence of reform, forced to adopt reactive rather than preventive measures:

- **Crisis Care Expenditure:** The lack of early intervention services results in higher spending on expensive crisis interventions. Local authorities spend an additional **£1.7 billion annually** to manage these avoidable crises.

- **Funding Shortfalls:** Chronic underfunding has left councils struggling to meet statutory obligations. The Local Government Association (LGA) projects a **£7 billion funding gap** by 2030 if current trends persist.

### 1.3 Impact on Patients and the Public

Inadequate social care provision has severe repercussions for patients and the public:

- **Deteriorating Health Outcomes:** Patients face prolonged hospital stays, which increase their risk of infection and decline in functional abilities. Delays in accessing community care exacerbate existing health conditions.
- **Public Dissatisfaction:** Families often experience frustration and distress when navigating fragmented care systems, undermining trust in public services.

## 2. Missed NHS and Local Authority Service Reforms

### 2.1 NHS Service Reforms

The pressures of inadequate social care prevent the NHS from implementing critical reforms:

- **Integrated Care Systems (ICSs):** ICSs aim to provide seamless care across health and social care systems. However, resource constraints hinder their development, delaying potential improvements in care coordination and efficiency.
- **Preventative Health Programs:** Initiatives to address preventable conditions such as falls, diabetes, and cardiovascular diseases are deprioritized due to resource diversion to crisis management. This short-term focus increases long-term healthcare costs.
- **Digital Innovations:** Digital health solutions, including remote patient monitoring and AI-driven diagnostics, are underutilized due to the lack of integration with social care systems.

### 2.2 Local Authority Reforms

Local authorities face similar constraints, limiting their ability to invest in transformative services:

- **Housing Adaptations:** Programs to retrofit homes with mobility aids and other adaptations are underfunded, forcing many individuals into more expensive residential care settings.
- **Community Outreach Services:** Funding cuts limit local authorities' ability to support early intervention programs, such as befriending schemes or community hubs, which could reduce isolation and improve mental health.

### 2.3 Missed Benefits for Patients and the Public

Patients and the public miss out on the benefits of integrated, proactive care systems:

- **Improved Health Outcomes:** Coordinated care would reduce emergency admissions, improve recovery rates, and enhance overall well-being.
- **Reduced Caregiver Burden:** Families would benefit from reduced emotional and financial stress, enabling better work-life balance and productivity.

### 3. The Cost of Inaction to Individuals

#### 3.1 Financial Costs

Individuals face crippling out-of-pocket expenses due to the lack of affordable social care:

- **Care Costs:** In 2023, the average monthly cost of residential care was **£800-£1,200**, with many families forced to sell assets to meet these expenses.
- **Catastrophic Costs:** Approximately **1 in 10 people aged 65+** face lifetime care costs exceeding **£100,000**, placing a disproportionate financial burden on middle-income households.

#### 3.2 Personal and Emotional Costs

- **Unmet Needs:** Over **1.6 million older adults** are estimated to have unmet care needs, leading to diminished quality of life, loneliness, and preventable health complications.
- **Carer Strain:** Informal caregivers, often family members, experience high rates of burnout, depression, and physical health problems. The lack of formal support exacerbates these issues.

#### 3.3 Potential Benefits of Reform

- **Enhanced Independence:** Accessible and affordable care services would enable individuals to live independently, improving dignity and well-being.
- **Family Stability:** Adequate care support would reduce the caregiving burden, allowing families to focus on their careers and personal lives.

### 4. Where the Costs of Inaction Are Borne

#### 4.1 NHS and Local Authorities

Public services bear the immediate financial and operational costs of inaction:

- **Acute Care Settings:** The NHS absorbs the financial impact of delayed discharges and avoidable admissions.
- **Social Services:** Local authorities face rising costs from crisis interventions and unmet care needs.

#### 4.2 Individuals and Families

- **Household Finances:** Families shoulder the dual burden of caregiving and out-of-pocket expenses, eroding their financial stability.
- **Health and Well-Being:** Vulnerable individuals face poorer health outcomes due to delayed or denied access to care.

#### 4.3 Wider Economy

- **Lost Productivity:** Informal caregiving leads to reduced workforce participation, costing the economy an estimated **£2.7 billion annually** in lost productivity.
- **Business Impacts:** Employers face absenteeism and lower productivity as employees struggle to balance work and caregiving responsibilities.

### 5. Contribution of Adult Social Care to the Economy and HM Treasury

#### 5.1 Current Contribution

- The adult social care sector contributes **£51.5 billion annually** to the UK economy and employs over **1.6 million people**. It supports local economies through direct employment and supply chain impacts.

#### 5.2 Potential Contribution with Reform

- **Economic Growth:** Investment in social care could stimulate economic growth by creating jobs in care delivery, training, and technology development.
- **Increased Tax Revenue:** Higher workforce participation resulting from reduced caregiving burdens would boost tax revenues.
- **Reduced Welfare Dependency:** Affordable care options would decrease reliance on welfare benefits, reducing public spending.

### 6. Evaluating the Costs of Inaction

#### 6.1 Current Government Assessments

- Government evaluations focus primarily on immediate fiscal impacts, neglecting the long-term societal and economic costs of inaction.

#### 6.2 Recommendations for Comprehensive Assessment

- **Holistic Cost-Benefit Analysis:** Evaluate direct and indirect costs, including healthcare expenditures, lost productivity, and informal caregiving impacts.
- **Dynamic Models:** Use dynamic panel data models to capture the ripple effects of reform across sectors.
- **Scenario Analysis:** Assess the implications of various reform options, including "no change," incremental reforms, and transformative changes.

### Conclusion

The costs of inaction on adult social care reform are unsustainable, affecting individuals, public services, and the economy. Addressing these challenges requires bold and comprehensive reforms

that prioritize early intervention, integration of services, and sustainable funding. Policymakers must adopt a holistic approach to evaluating the costs of inaction to unlock the full potential of a reformed care system, ensuring better outcomes for individuals and society.

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