Written evidence submitted by Hft (ASC0048)

Hft is one of the largest and longest-established charities supporting learning disabled people in England and Wales. Services range from residential care and day opportunities to supported living/domiciliary care at home – from a few hours a week to 24 hours a day. We provide support that means learning disabled people can experience life to the full – from enjoyment, satisfaction and improved health to finding meaningful friendships and paid employment.

We are submitting this written evidence to inform the vital work of reforming social care, which becomes more urgent with each passing day.

- **How much is inaction on adult social care reform costing the NHS and local authorities, and what impact does this have on patients and the public?**

Social care and the NHS are deeply intertwined. Social care supports recovery, prevents avoidable health crises, and helps people remain independent. Without it, the NHS will be overwhelmed.

Already lack of capacity in the care sector is impacting acute care. The Darzi report highlights that some 13% - nearly one in seven – beds in the NHS are occupied by people waiting for social care support. ADASS data from 2023 reported that more than 400,000 people are waiting for social care assessments – of which more than 80,000 were waiting for more than six months. There is a clear risk that long waiting lists for social care assessments can cause people's needs to become more complex, requiring larger and more costly care packages. ADASS's Autumn 2024 Survey suggested that the most positive investment the NHS makes in social care is in increasing the capacity of "discharge to assess" beds – moving more people from acute settings into settings where they can be assessed for rehabilitation and reablement.

There is an increasing risk that a trickle will turn into a flood and many care providers will collapse; this could be "for-profit" providers leaving the market due to decreasing profitability, or charities needing to cease operating. If the trend accelerates, hospital discharges will stall, and avoidable admissions will rise. Beds will be occupied by patients who could recover at home with proper support. Without robust social care, the NHS's £22 billion budget becomes an exercise in futility—patching holes in a sinking ship.

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Local government experiences these same headwinds, as their statutory obligations make them the primary purchaser of social care. However, our Sector Pulse Check findings for 2023 suggested that the vast majority (79%) of local authorities are not compensated for (commendable) uplifts in the National Living Wage. This means local authorities struggle more each years to pay for social care contracts, causing real term pay cuts for social carers and incentivising providers to leave the local authority market altogether.

The impact on patients is profound – an under-resourced, demoralised sector with inflated rates of vacancy and turnover against the national average to the wider economy. The knock-on effect is providers are not able to innovate, change models of care or be as responsive as local commissioners would like, compounding the issue on how people who draw upon care and support experience it.

- **What NHS and local authority service reforms are not happening as a result of adult social care pressures, and what benefits are patients and the public missing out on?**

Rising demand for two key areas of statutory provision (social care and homelessness) has caused massive pressure on local government finance. More and more local authorities report that they are in danger of needing to issue a "section 114" notice (that they anticipate they will be unable to set a legal budget) due to these service pressures.

In addition, our research tells us that without sustainable and adequate funding, lots of added support - which helps learning disabled adults to access employment, to create networks and to live with greater independence - is stopped entirely due to efficiency measures. The inherent *financial* value of these types of "preventative" care is being consistently undervalued in central government funding decisions. If councils had more reliable and substantial funding, they would be able to make investments in preventative care to delay entry into more formal (and more costly!) forms of care.

Within the NHS, the amount of acute bed spaces being occupied by people who could be in social care settings is causing huge issues with tackling the backlog in NHS appointments. As these appointments are delayed, health conditions worsen, requiring more urgent or costly intervention, which shifts bottlenecks through to emergency care and creates crises (particularly acute on a seasonal basis) in accident & emergency departments.

One of the fundamental principles the government has set itself is prevention being the basis of the health and social care systems, and the position of limiting reform means a continuation of the more reactive, "as-is" position.

Thus appropriate social care investment has three measurable positive outcomes: improved satisfaction, recruitment and retention within the sector itself; urgent relief to local authority general funds; and investment in the NHS backlog.

- **What is the cost of inaction to individuals and how might people's lives change with action on adult social care reform?**

Hft's Sector Pulse Check survey from 2023, which identifies key challenges for the social care sector, found that due to financial pressures, almost a fifth of providers offered care to fewer individuals in 2023, while two in five providers considered taking steps to shut up shop altogether. This includes Hft which slated its care home in Sussex (Walberton) for closure in 2023 due to unsustainable financial pressures.

The result of inaction on adult social care reform is a worsened quality of life for the older people and learning disabled adults who receive care. Residents and families connected to the Walberton care home understandably and vigorously challenged Hft over the plans to close the site until Hft agreed to engage in a full consultation exercise. However the financial pressures remain, impacting on residents via staff shortage, increased vacancy rate and high turnover.

A 2024 Sector Pulse Check respondent, who receives care in a home for people with profound and multiple learning disabilities (PMLD) told us:

"When we don't have enough support workers, it directly impacts our quality of life. We're here to gain independence, but many of us need help with activities and personal care, and that support isn't always there.

I believe if support workers were paid more, we'd have more consistent and reliable support, which would help us become even more independent. It's really hard when a support worker you've built a relationship with leaves—they know your routine, and you trust them. Starting over with someone new takes time and can be unsettling.

There's talk of a 10-year plan to improve things, but I think we need action much sooner—within five or six years. This is urgent. We all deserve to lead full, independent lives, and that means valuing and supporting the people who make that possible."

- **Where in the system is the cost of inaction on adult social care reform being borne the most?**

Hft's Sector Pulse Check survey from 2023 found that two in five adult social care providers were in deficit and a further three in ten were in a state of decreasing surplus. This does not break down evenly across provider types, however – of the 40% in deficit, roughly five in eight were not-for-profit providers with the remainder being for-profit providers. However, for-profit providers have less flexibility around their deficits, due to insolvency laws. Finally, organisations that mainly provide care for learning disabled adults (as opposed to older people) reported more significant financial strain. We anticipate that these trend lines will continue and indeed worsen in the data from Sector Pulse Check 2024, which is due to be published in January 2025.

- **What contribution does adult social care make to the economy and HM Treasury and how might this change with action on reform?**

The adult social care workforce employs 1.7million people in England (albeit with noted issues with vacancy and turnover) and may need to employ more than 500,000 more staff by 2040 just to deal with growing rates of over-60s in the population. A substantial proportion (roughly one in twenty) of the entire productive workforce works within the social care sector, requiring substantial investment from HMT but also contributing substantial tax receipts. Many more work as unpaid carers: The most recent census reported that some 5.8 million people work as unpaid carers, which the ONS valued in 2016 at nearly £60bn. While the Treasury makes some support available through Carer's Allowance, this is undoubtedly a cheaper alternative than the resourcing of millions of additional paid carers.

Receiving care in social care settings is cheaper for the Treasury than in acute settings like hospitals, and considerably less traumatic for the service user. With many carers in the UK being over 50 and approaching retirement, it is clear that paid and unpaid carers also add value to the economy through increased efficiency and productivity, keeping the working age population active by looking after their loved ones.

An appropriately resourced social care sector eases pressure on local authority budgets, protecting other services delivered locally from painful cuts and minimizing the risk of local councils serving Section 114 notices (or “going bust”).

- **To what extent are the costs of inaction on adult social care reform considered by the Government when evaluating policies, including within the Budget and Spending Reviews? How should these costs be assessed and evaluated?**

The sector is gravely concerned about the government’s October 2024 Budget, which increased Employer National Insurance Contributions (ENICs) from 13.8% to 15% and reduced the threshold at which employers would need to begin to contribute from £9,100 to £5,000. The same budget made provision to raise the minimum wage from £11.44 to £12.21. While this is to be welcomed and low pay in the sector is a key issue to tackle, it places an impetus on providers to continue to raise pay at a rate above the minimum wage.

Hft CEO Stephen Veevers has publicly commented, “Rising employer National Insurance contributions alone will add £940 million to already stretched budgets. Coupled with increases to the National Living Wage, the funding gap balloons to £2.8 billion. Yet, of the £22.6 billion allocated for NHS and social care, just £600 million was earmarked for social care—a paltry amount, not even enough to cover these added costs let alone all other cost pressures.”

Providers have three options in response to this new, un-funded pressure: absorb the costs; pass the costs on to local authorities; or pass the costs on to self-funders.

These options are all unpalatable or unworkable for different reasons – most providers are unable to absorb costs at scale, as most (70%, according to Sector Pulse Check 2023) are already in deficit or heading towards deficit; most local authorities contracts already do not cover the full cost of care and therefore self-funders are already subsidising funding gaps.

With “no good option” for service continuity or improvement, many providers will be at risk of making cuts, freezing pay increases above the NLW, leaving the local authority market altogether or indeed closing.

For those who choose to cut experienced (higher-paid) staff to recruit at a more junior level, and for those who choose to freeze pay increases, the impact will be a less “professionalised” care sector adding to recruitment and retention issues across the sector. This is clearly untenable given the workforce and vacancy rate.

Without additional funding from central government, the combined financial impact of the ENIC rise and the new minimum wage level might see not just single providers going out of business but large swathes of the market collapsing.

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