

## **Written evidence submitted by Social Care Institute for Excellence (ASC0051)**

### ***Response from the Social Care Institute for Excellence (SCIE) to the Adult Social Care Reform: The Cost of Inaction inquiry***

#### **Introduction**

The Social Care Institute for Excellence (SCIE), welcomes the opportunity to respond to the Health and Social Care Committee inquiry on 'Adult Social Care Reform: The Cost of Inaction.'

SCIE is an independent social care charity working with a wide range of partners and people with lived experience. Our work aims to improve people's lives through better social care for adults and children. We work collaboratively with government to provide extensive resources, information and evidence-based insights to government, local authorities, care providers and care professionals.

We offer the Committee our support in accomplishing our shared mission of improving the state of adult social care.

#### **Inquiry Summary**

Based on our expertise, SCIE has determined that the costs of inaction on adult social care reform affect all parts of the system including service users, care providers, community providers, local government, and partners in the NHS. We urge the Committee to acknowledge the human and economic costs. Those who draw on adult social care rely on the sector to support themselves to live their best lives.

The consequences of government inaction on social care reform are readily apparent after many years of reduced funding for the sector, including long waits for care assessments, unmet care needs, the de-prioritisation of investment in prevention and community services, inadequate support for the workforce and providers, and the squeeze on local government funding.

For individuals, inaction on social care reform restricts access to adequate care and support, prevents them from returning to work, adds further burden on unpaid carers, and affects their overall wellbeing.

The adverse economic effects extend to other public services and the overall state of the UK economy, including longer waiting times for the NHS, reduced participation in the workforce, and overspending by local authorities.

A continuation of inaction is likely to exacerbate these adverse effects. The spirit of the 2014 Care Act, to enable people to have choice and control over their lives, must remain a metric to create a more sustainable social care system.

We need urgent action on social care reform with the spirit of the 2014 Care Act to address underfunding, tackle the workforce challenges, promote innovation, and shift toward preventive models of early support.

We look forward to providing oral evidence on this important discussion to the Committee.

## **1. 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?**

### *1.1 The human costs*

One of the main costs of inaction is the growth of unmet care needs. Since austerity measures were put in place in 2010, local authorities have not been able to meet the growing demand for social care services<sup>1</sup> resulting in fewer people receiving long-term care.<sup>2</sup> Local authorities are reporting significant funding gaps,<sup>3</sup> even as social care increasingly makes up a larger proportion of total spending on their services.

The tightening of local government finances has had, and will continue to have, implications for citizens' access to care. In the recent 2023/24 Care Quality Commission's State of Care Report,<sup>4</sup> it was found that inequalities in access to adult social care are deepening due to the cost-of-living crisis, staff shortages and squeezed council budgets. The number of new requests for care that did not result in a service being provided increased by 27% since 2017/18. For people with a learning disability, three quarters are not accessing the care and treatment they deserve. If they are, their average waiting time to start assessment is nearly a year.

According to the 2024 ADASS Autumn Survey,<sup>5</sup> 81% of councils are on course to overspend their adult social care budget in the current financial year. Demand on local government finance is expected to continue to rise with the changing demographics of an increasingly older population and those living with major illnesses.<sup>6</sup> Recent announcements regarding the Fair Pay Agreement, under the Employment Rights Bill, and the planned increase to National Insurance contributions, as announced as part of the 2024 Autumn budget, are likely to pressure councils' budgets further.

Inaction on adult social care reform also leads to greater reliance on unpaid carers, many of whom leave the workforce or reduce their working hours. Despite carers' rights to state support under the Care Act 2014, taking on caring responsibilities results in personal and financial costs, affecting people's economic wellbeing in the short and long term. Carers UK<sup>7</sup> estimates that, on average, 600 people a day leave work to care, with over 500,000 people leaving work to provide unpaid care prior to the pandemic. In addition, 75% of carers in employment worry about continuing to juggle work and care responsibilities.

---

<sup>1</sup> <https://www.kingsfund.org.uk/insight-and-analysis/blogs/why-critical-for-health-government-learns-lessons-austerity#:~:text=Austerity%20had%20a%20severe%20impact,with%20need%20over%20the%20decade>

<sup>2</sup> <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2019-20/4.-long-term-care>

<sup>3</sup> <https://www.countycouncilsnetwork.org.uk/councils-call-for-honest-discussion-on-what-they-should-be-expected-to-deliver-as-new-data-reveals-local-authorities-spend-two-thirds-of-their-budgets-on-care-services/>

<sup>4</sup> <https://www.cqc.org.uk/publications/major-report/state-care/2023-2024>

<sup>5</sup> <https://www.adass.org.uk/documents/adass-autumn-survey-2024/>

<sup>6</sup> [https://www.health.org.uk/sites/default/files/upload/publications/2023/Projected%20patterns%20of%20illness%20in%20England\\_WEB.pdf](https://www.health.org.uk/sites/default/files/upload/publications/2023/Projected%20patterns%20of%20illness%20in%20England_WEB.pdf)

<sup>7</sup> <https://www.carersuk.org/media/q/sly1mc/state-of-caring-employment-web-2024.pdf>

## 1.2 The costs to the NHS

Government austerity measures imposed in 2010 also reduced the NHS's ability to meet the needs of service users. Long waits for clinically necessary care and poorer care outcomes and experiences have led the current government to prioritise NHS reforms in this Parliament.<sup>8</sup> Yet, as Lord Darzi's recent report<sup>9</sup> acknowledged, social care and the NHS are interdependent, and a lack of support for one ultimately hurts the other.

An examination of the points of intersection between the two systems illustrates how inaction in social care contributes to NHS costs. One example is the number of patients who are unable to be discharged from hospital for lack of social care capacity, whether at home, in community services or residential care. This affects hospital operations and productivity and leads to delays in patient care and recovery. The costs of delayed hospital discharge are not a new problem, but a long-standing challenge. Launched in 2015, the government's Better Care Fund was designed to address the causes and spread solutions, such as discharge to assess and trusted assessor schemes.<sup>10</sup>

Another lost opportunity from inaction is the inability to invest in prevention. By supporting independence and reablement, good quality social care can prevent future admission to hospital and the further deterioration of people's health. Yet prioritising prevention is especially challenging in the current financial climate. Resources are constrained in all parts of the NHS with acute care being prioritised in system response; the 'Independent Investigation of the National Health Service in England'<sup>11</sup> found that between 2006 and 2022 the share of the NHS budget spent on hospitals increased from 47% to 58%.

Despite policy rhetoric about the importance of integrated community services, sustainable investment has not followed suit. Extra attention to hospital care, at the expense of the whole system of health and care, diverts capacity for innovation and improvement, starting with upstream prevention. SCIE's research<sup>12</sup> shows that greater investment in social care community services will help relieve the pressure on the NHS and increase ROI (return on investment).<sup>13</sup>

## 1.3 Workforce instability

Inaction on social care reform has had a direct impact on the adult social care workforce. Austerity measures have squeezed care providers' ability to increase wages in relation to inflation and market forces. Workforce instability persists. Vacancies in adult social care have increased by 173% between 2012-2013 and 2021-2022.<sup>14</sup> With the COVID-19 pandemic, the problems faced by the adult social

---

<sup>8</sup> <https://www.kingsfund.org.uk/insight-and-analysis/blogs/why-critical-for-health-government-learns-lessons-austerity#:~:text=Austerity%20had%20a%20severe%20impact,with%20need%20over%20the%20decade.>

<sup>9</sup> <https://assets.publishing.service.gov.uk/media/66f42ae630536cb92748271f/Lord-Darzi-Independent-Investigation-of-the-National-Health-Service-in-England-Updated-25-September.pdf>

<sup>10</sup> [https://www.england.nhs.uk/ourwork/part-rel/transformation-fund/better-care-fund/about-the-better-care-fund/#:~:text=Launched%20in%202015%2C%20the%20programme,from%20integrated%20care%20systems%20\(ICSS\)](https://www.england.nhs.uk/ourwork/part-rel/transformation-fund/better-care-fund/about-the-better-care-fund/#:~:text=Launched%20in%202015%2C%20the%20programme,from%20integrated%20care%20systems%20(ICSS))

<sup>11</sup> <https://www.gov.uk/government/publications/independent-investigation-of-the-nhs-in-england>

<sup>12</sup> <https://www.scie.org.uk/housing/independent-living-solutions-empowering-lives-and-enhancing-communities/community-support/>

<sup>13</sup> <https://www.nhsconfed.org/publications/paving-new-pathway-prevention#:~:text=The%20top%20%20interventions%20by%20ROI%20were,across%20NHS%2C%20local%20government%20and%20other%20partners>

<sup>14</sup> <https://www.nao.org.uk/wp-content/uploads/2023/11/Report-reforming-adult-social-care-in-England.pdf>

care workforce, such as low pay, job insecurity, and poor working conditions, grew significantly, resulting in worsening outcomes for recruitment and retention.<sup>15</sup>

Evidence in the Skills for Care Workforce Strategy<sup>16</sup> shows that if pay does not increase, turnover rates do not improve. Low wages in social care are not comparable to pay scales for other care professionals. For example, lower-paid social care workers leaving for nursing auxiliary and assistant roles within the NHS (17%)<sup>17</sup> and high turnover rates for nurses in social care (32.6%)<sup>18</sup> are predominately due to higher pay rates and clear career progression in the NHS.

The size of the adult social care workforce is about 1.59 million, or 5.4% of all jobs in England, and yet the system struggles to recruit enough workers to meet the growing demand.<sup>19</sup> The vacancy rate of care workers is three times that of the wider economy at 8.3%. According to Skills for Care, the number of people over 65 in the UK is expected to grow most sharply over the next decade, which means 430,000 extra posts will be needed by 2035. It will be impossible to meet the rising demand in the care sector if we do not have a well-trained, well-supported workforce.

Initiatives and funds have been deployed to help realise this ambition. Most recently, in the 'People at the Heart of Care' white paper set out by the previous government in 2021, the Department of Health and Social Care (DHSC) allocated £500mn for adult social care workforce reforms around training, qualifications, and staff wellbeing. However, this was subsequently halved to £250mn in 2023.<sup>20</sup>

Without strategic, long-term investment into the social care workforce, people who draw on care and support will have to survive on less provision while care workers, who are already overworked and poorly paid, will continue to be stretched too thin on insufficient wages.

## **2. 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?**

### *2.1 Access to community-based services: Intermediate care, rehabilitation and reablement*

The government's priority is to shift the NHS from treating illness to prevention. While we fully support this ambition, previous NHS reforms have attempted the same but failed to achieve the sustainable investment required in community services. Successive governments and NHS leaders have prioritised acute care productivity and outcomes, resulting in preventative and community-based services being deprioritised despite their potential to achieve long-term savings. Yet, evidence shows that access to intermediate care and reablement services can reduce the need for hospital readmissions, support recovery after a hospital stay, and enable people to live independently for longer.

---

<sup>15</sup> <https://www.health.org.uk/news-and-comment/blogs/social-care-workforce-crisis>

<sup>16</sup> <https://www.skillsforcare.org.uk/Workforce-Strategy/resources/Supporting-resources/A-Workforce-Strategy-for-Adult-Social-Care-in-England.pdf>

<sup>17</sup> <https://www.unfairtocare.co.uk/wp-content/uploads/2024/03/Unfair-To-Care-2024-Single-Pages.pdf>

<sup>18</sup> <https://www.skillsforcare.org.uk/Workforce-Strategy/resources/Supporting-resources/A-Workforce-Strategy-for-Adult-Social-Care-in-England.pdf>

<sup>19</sup> <https://www.skillsforcare.org.uk/Workforce-Strategy/resources/Supporting-resources/A-Workforce-Strategy-for-Adult-Social-Care-in-England.pdf>

<sup>20</sup> <https://www.nao.org.uk/wp-content/uploads/2023/11/Report-reforming-adult-social-care-in-England.pdf>

Despite the introduction of Integrated Care Systems, the potential for integrated health and social care community services remains unrealised. Inaction has been directly affected by the squeeze on social care funding. About four in five councils are on course to overspend their adult social care budget in the current financial year. This leaves local authorities with limited resources to invest in community services and prevention. As noted above, the result is a struggling adult social care system, which in turn adds pressure to the NHS.

Investment in preventative and community-based care is essential to both NHS and social care sustainability. SCIE's research<sup>21</sup> on reablement and intermediate care highlights how these approaches can reduce long-term dependency and improve outcomes for people post-discharge, while also relieving NHS pressures. In SCIE's Intermediate Care Guide,<sup>22</sup> research has shown that 92% of people who used home-based or reablement services maintained or improved their dependency score (a measure of the help they need with activities of daily living).

## *2.2 Digital Technology*

Action on adult social care is urgently needed if we are to benefit from the opportunities for innovation available from digital technology. Technology creates value in the quality of people's lives and in the productivity of care organisations, and technology-enabled care offers novel ways to support people's independence and control over their lives. In many respects, digital advances are a driver for change and better outcomes, especially for upstream prevention and early intervention. Digital technology such as secure communication tools, digital systems with accurate and updated information, remote monitoring devices, online training platforms, and assistive technology such as AI, all enhance the quality of receiving and delivering care.<sup>23</sup> Despite these opportunities and existing innovations, social care pressures result in short-term stop-gap funding from government, rather than the long-term investment needed for expanding access to digital technologies.

There are potential risks to "digital first" reforms, such as increasing the digital divide for communities such as older adults, people with disabilities, and individuals with mental health conditions that need to be addressed. Studies from Sage Journals,<sup>24</sup> Health Economic Journal,<sup>25</sup> and the International Journal for Equity in Health<sup>26</sup> reference that addressing these potential risks requires improving digital skills, ensuring accessible tools, and promoting awareness among care providers to foster digital inclusion. To ensure the holistic success of digital technology and technology enabled care, it is vital that these recommendations are included in the rollout of capacity and capability building programmes for adult social care.

## *2.3 Housing with care and support*

We cannot examine the costs of inaction without considering the opportunity costs in relation to housing. Housing is directly tied to health and wellbeing, especially for older adults and those with

---

<sup>21</sup> <https://www.scie.org.uk/integrated-care/intermediate-care-reablement/supporting-client-and-family-engagement/>

<sup>22</sup> <https://www.scie.org.uk/integrated-care/intermediate-care-reablement/intermediate-care-guide/>

<sup>23</sup> <https://www.skillsforcare.org.uk/Support-for-leaders-and-managers/Managing-a-service/Digital-technology-and-social-care/Digital-technology-in-social-care.aspx>

<sup>24</sup> <https://journals.sagepub.com/doi/10.1177/0969733020945765>

<sup>25</sup> <https://onlinelibrary.wiley.com/doi/10.1002/hec.4175>

<sup>26</sup> <https://equityhealthj.biomedcentral.com/articles/10.1186/s12939-022-01689-2>

disabilities. With the increasing older population, suitable housing options can prevent care needs from escalating, reducing the demand for social care and the NHS,<sup>27</sup> and providing assistance to unpaid carers.<sup>28</sup> In addition, care models that directly involve housing partners offer ways to expand community capacity for social care.

Housing as a prevention intervention was highlighted in the last government's Adult Social Care White paper 'People at the heart of care' (2021), which included the ambition of 'Making every decision about care a decision about housing'. This White Paper both drew on and referenced the research findings and policy recommendations of SCIE's Commission on the Future of Housing with Care and Support (2021).<sup>29</sup> Funded by Dunhill Medical Trust, the Commission found that people want housing choices as they age, especially choices that preserve their independence, but they find the current options and system confusing, hard to navigate and are concerned about value for money.

SCIE's Commission recommended local place-based plans for housing for older adults, and the Adult Social Care White paper concurred, promising a £300 million 'housing transformation fund' that included £40 million ringfenced to support local authorities to develop such plans. Unfortunately, these plans were significantly pared back by March 2022, and progress in local authorities appears to have floundered as a result.

The new government's housing mission offers a fresh opportunity to join up housing policy with social care. Local strategies must invest in the quality of housing, including accessible and lifetime designs, along with investment in the number of housing units. SCIE has developed a toolkit<sup>30</sup> to support local areas in developing a place-based plan for older people's housing, including determining the costs and benefits of different housing options depending on care needs. We are now piloting the toolkit with local authorities and have found they are struggling to gain cross-council consensus and access resources to develop a housing strategy for older people's housing without a national steer and/or funding.

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

Insufficient funding for social care hurts individuals' ability to access care services, including increased time on waiting lists for assessments, the strict eligibility criteria for publicly funded care and often the need to self-fund care. Individuals waiting for care find their ability to conduct day-to-day activities worsens the longer they are waiting,<sup>31</sup> resulting in unmet needs, greater dependency and decreased wellbeing. Overall, a lack of investment in adult social care results in worse outcomes and experiences for individual service users and their family carers.

People's lives would change dramatically if reforms led to significant investment in community services. Evidence describing the overall effectiveness of community-based services and their ROI for the NHS has continued to mount.<sup>32</sup> SCIE's report, 'Supporting engagement with reablement: a

---

<sup>27</sup> <https://www.nhsconfed.org/publications/state-integrated-care-systems-202324>

<sup>28</sup> <https://www.ageuk.org.uk/our-impact/policy-research/publications/reports-and-briefings/>

<sup>29</sup> <https://www.scie.org.uk/housing/role-of-housing/commission/>

<sup>30</sup> <https://www.scie.org.uk/housing/housing-toolkit/>

<sup>31</sup> [https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.cqc.org.uk%2Fsites%2Fdefault%2Ffiles%2F2022-10%2F20221021\\_ipsos\\_4000-Voices\\_0.docx&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.cqc.org.uk%2Fsites%2Fdefault%2Ffiles%2F2022-10%2F20221021_ipsos_4000-Voices_0.docx&wdOrigin=BROWSELINK)

<sup>32</sup> [https://assets.publishing.service.gov.uk/media/5e2ad80a40f0b62c49e4dd57/Older\\_adults\\_NHS\\_and\\_social](https://assets.publishing.service.gov.uk/media/5e2ad80a40f0b62c49e4dd57/Older_adults_NHS_and_social)

practice guidance resource for reablement services',<sup>33</sup> demonstrates the effectiveness of these services in promoting recovery, independence, and continuity of care post-hospitalisation.

Other evidence<sup>34</sup> shows that investing in these services not only leads to better health outcomes for individuals but also reduces the likelihood of hospital readmission, which is crucial for relieving pressure on both health and social care as well as supporting people to live healthier lives with greater wellbeing.

Other models of care, including intermediate care, have an equally positive effect on both individual people and the NHS; SCIE's 'Intermediate Care Guide'<sup>35</sup> indicates that 70% of people who received intermediate care after a hospital stay returned to their own home, whilst 72% did not move to a more dependent care setting.

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

We encourage the Committee to answer this question by starting with the costs to people who rely on social care every day. The costs on family carers and voluntary community support organisations can then be examined, both in terms of their impact on individual lives and society at large. The impact on service demand, the quantity and quality of care, along with the workforce crisis, are other considerations. As noted above, the costs of inaction are also borne at the intersection of the NHS and social care, from delayed discharges in hospital to inadequate provision of intermediate care services. Moreover, the precarious financial state of the industry's 13,000 care providers suggests inaction on adult social care reform threatens to upend an entire industry. Leadership and sector consensus are needed to invest for the future whilst maintaining the status quo.

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

Adult social care makes a significant contribution to the economy with a proven return on investment in the sector itself. According to Skills for Care,<sup>36</sup> the social care sector contributes £68.1 billion annually to our economy. Supporting the social care workforce will help to improve the sector's substantial contribution to the economy.

Skills for Care estimates that for every £1 invested in social care, £1.75 would be generated in the wider economy. Smith Institute research<sup>37</sup> shows that if a quarter of low-paid workers had their pay increased to the real Living Wage, the UK economy would grow by £1.7 billion.

This does not consider the value of unpaid carers; Carers UK<sup>38</sup> estimates that unpaid carers in England and Wales contribute £445 million to the economy in England and Wales every day – that's

---

[care\\_return\\_on\\_investment\\_tool\\_-\\_Final\\_report.pdf](#)

<sup>33</sup> <https://www.scie.org.uk/integrated-care/intermediate-care-reablement/supporting-client-and-family-engagement/>

<sup>34</sup> <https://www.scie.org.uk/integrated-care/intermediate-care-reablement/intermediate-care-guide/>

<sup>35</sup> <https://www.scie.org.uk/integrated-care/intermediate-care-reablement/intermediate-care-guide/>

<sup>36</sup> <https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/State-of-the-adult-social-care-sector/The-state-of-the-adult-social-care-sector-and-workforce-in-England-2024-Executive-Summary.pdf>

<sup>37</sup> <https://www.smith-institute.org.uk/wp-content/uploads/2021/09/The-Living-Wage-Dividend.pdf>

<sup>38</sup> <https://www.carersuk.org/media/2d51e03c/valuing-carers-report.pdf>

£162 billion per year. If inaction continues in supporting unpaid carers, public expenditure costs will be about £1.3 billion annually according to the State of Care Report by Carers UK.<sup>39</sup> Further findings from the State of Caring Report, state that 40% of unpaid carers had to give up their employment and 44% had to reduce their working hours. Action on social care that includes better support for unpaid carers might keep many more in employment or enable them to return to the workforce.

Action on social care reform will generate economic benefits for the larger economy along with the NHS, which itself is a significant economic driver. Investment in social care has a significant ROI for the NHS which in turn supports the economy and HM Treasury. People becoming healthier from a more successful NHS will be able to return to work or continue working, thus helping the wider economy further. Another adult social care example is the investment in reablement, which has a positive societal ROI: for every £1 invested, £4.71 in total benefit is achieved.<sup>40</sup>

## **6. 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?**

We believe public value should drive the decisions being made by government, and we call for the government to publish the impact of their public policies on those who draw on social care and support.

Many of these people represent some of the most vulnerable in society because of life-long disabilities, debilitating conditions and frailty associated with old age. But we must not equate vulnerability with economic inactivity or economic burden. Especially among working age adults, SCIE's experience suggests many people want to be employed or make contributions to their local communities.

Within the Budget and Spending Reviews, the key question should be: 'Are the options being appraised enabling people to live their best lives?'

***December 2024***

---

<sup>39</sup> <https://www.carersuk.org/media/qlsly1mc/state-of-caring-employment-web-2024.pdf>

<sup>40</sup> [https://assets.publishing.service.gov.uk/media/5e2ad80a40f0b62c49e4dd57/Older\\_adults\\_NHS\\_and\\_social\\_care\\_return\\_on\\_investment\\_tool\\_-\\_Final\\_report.pdf](https://assets.publishing.service.gov.uk/media/5e2ad80a40f0b62c49e4dd57/Older_adults_NHS_and_social_care_return_on_investment_tool_-_Final_report.pdf)