

Written evidence submitted by Care England (ASC0059)

Adult Social Care Reform: The Cost of Inaction - Care England Response

Introduction and Reason for Submitting Evidence

Care England is a registered charity and the largest, most diverse representative body for independent adult social care providers in England. Representing members who deliver care and support to over 120,000 people along with a wide range of services, Care England supports those providing care for older people, individuals with long-term conditions, learning disabilities, mental health needs, and autism.

As the collective voice of our members and the broader care sector, Care England champions a united, quality-driven, and independent sector that prioritises choice, value for money, and exceptional care standards.

We are submitting evidence to demonstrate how delays in addressing the social care crisis intensify challenges for providers, the workforce, and those relying on care. Our aim is to represent Care England's members by reflecting their priorities and the real-world challenges they face, ensuring their voices and perspectives are recognised in the inquiry to shape the narrative and drive actionable solutions in the inquiry's findings and recommendations.

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?

Inaction on social care reform carries profound costs that ripple across society:

The NHS

At present, poor coordination of hospital discharge into the community stands as one of the most pressing consequences of the lack of meaningful social care reform. A significant proportion of hospital beds are occupied by 'bed-blockers'; individuals medically fit for discharge but unable to leave due to a system hampered by outdated structures, insufficient funding, and workforce challenges remain unaddressed in the absence of reform. Care providers with capacity to take on additional residents often go uncontacted, while long waiting lists for specialist services and delays in assessments and reviews exacerbate the problem.

The Government's recent efforts to address delayed discharges have failed to deliver meaningful outcomes. Short term funding has been disproportionately weighted towards the NHS, where the largest number of delays are concentrated, rather than addressing systemic issues in social care which could enable more capacity, alleviating current demand.

The average weekly cost of a standard NHS bed, excluding treatment, is £2,415. Over the Winter Period last year, over 14,000 patients fit for discharge remained in hospital. Reforming social care, addressing its systemic issues, and fostering meaningful integration between the NHS and social care could unlock much-needed capacity and reduce contemporary demand. Such steps could involve introducing a national tariff of £1,500 (reflective of the Fair Cost of Care), saving the NHS nearly

£1,000 per person per week. Across 14,000 cases last year, this would result in annual savings of over £728 million - a practical and efficient use of the independent sector's resources, if its needs were properly addressed by the Government.

Local Authority

The cost of inaction on social care reform is becoming increasingly evident as financial pressures mount on local authorities. They are being left to address inflation, demographic changes, rising workforce costs, increased demand for care, and new digital and environmental responsibilities without any support from the Government in addressing the crux of the issue. As a result, 90% of local authority directors of adult social care lack confidence their budgets will meet statutory obligations for 2024-2025, with 60% expressing concerns about the sustainability of the care market. The financial strain is underscored by the escalating overspend in adult social care budgets, which rose from £74 million in 2022/23 to £586 million in 2023/24. At the same time, the required savings for 2024/25 are estimated at £903 million, and 37% of directors plan to use one-off reserves to cover these gaps - an unsustainable approach that risks long-term stability.

Yet, when the Government had the opportunity to begin meaningful reform within the sector, the changes brought within the budget instead have pushed the sector to insolvency. The sector now faces a £3.7 billion financial burden from the recent increases in Employer National Insurance Contributions (ENI), the lowered NIC threshold, and National Living Wage (NLW) rises. Local authorities, which are responsible for 60% of social care costs, are left to shoulder much of this strain. Even with a £600 million grant, a £1.3 billion shortfall remains, forcing councils to rely heavily on local revenue and council tax precepts. Considering before, where [51%](#) of Councils will likely issue a Section 114 notice in the next 5 years, and [9%](#) may have to issue a notice next year, a lack of social care reform is pushing provider into insolvency. Inaction places an unjust and overwhelming burden on local authorities and care providers, who are left to prop up a system that is fundamentally broken and unable to meet the needs of those it is meant to serve.

The Impact

Most importantly, the impact of current inaction is felt, and paid for, by us all. For individuals receiving care, delays in hospital discharge, gaps in care provision, and resultant unnecessarily prolonged hospital can lead to worsened health outcomes and diminished quality of life. The failure to provide timely care in the community also means people often experience prolonged periods without the required support, leading to increased dependence, and in some cases, deterioration in their physical and mental health.

For care providers, the lack of proper funding and systemic reform leads to overwork, stress, and burnout. The workforce is already stretched thin, and many care providers are unable to meet the growing demand due to insufficient resources. Those working in the sector often feel undervalued and underpaid, leading to low morale and high turnover rates. This can also affect the quality of care provided, as staff are forced to balance increasing workloads with limited support.

However, the consequences of a strained care system extend beyond the individuals directly involved. The failure to reform social care means the wider community suffers from the cascading

effects of a cyclically overburdened health and care system, with increased pressure on emergency services, public health systems, and local economies.

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

The immense strain on adult social care, caused by a lack of reform, is hindering care providers, local authorities and the NHS' collective ability to prioritise prevention, integration, and innovation in service delivery. Instead, all are consumed by the urgent need to respond to immediate crises. This reactive focus undermines long-term reform and progress in these crucial areas.

Preventative services, which could significantly reduce future demand on both social care and the NHS, are being sidelined. Local authorities, care providers, and NHS organisations should be investing in early intervention programmes, however, limited resources are being diverted to emergency care and crisis management - leaving little capacity to address problems before they escalate. Additionally, the current pressures on social care systems prevent providers, local authorities, and NHS bodies from effectively collaborating to achieve seamless, person-centred care. True integration demands joint funding, shared infrastructure, and coordinated planning. Yet, the overwhelming demands on adult social care, such as managing day-to-day crises and supporting an overstretched workforce, mean that long-term structural changes are repeatedly deferred. The result is a fragmented system, where gaps in coordination between social care and the NHS lead to inefficiencies, poorer outcomes for individuals, and increased costs for both sectors.

The financial and operational constraints facing social care providers and local authorities leave no space for experimentation or investment in transformative approaches. For example, Care England, Stow Healthcare and UHL found a 30% reduction in toileting-related falls by providing decaffeinated hot drinks as the default option. If scaled across the sector, the results would mean thousands of falls prevented and NHS savings of up to £85m per year. Lord Hunt of Wirral highlighted the research in the House of Lords debate on social care reform on the 10th of October, remarking "*these [innovative solutions] should be encouraged and supported through financial support and regulatory understanding.*" - Yet, the absence of reform means providers do not have the ability to look at adopting new approaches. Sector-wide, a lack of innovation risks perpetuating a stagnant, reactive care system unable to adapt to changing demands.

As a result of the above, individuals are missing out on the dignity, autonomy, and quality of life they deserve and the public is being denied a health and care system designed to support them holistically, efficiently, and proactively at every stage of life.

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

The lack of meaningful social care reform has placed the sector in a perilous position, with far-reaching consequences for both individuals who rely on care and the providers who deliver it. A survey of 1,184 care and support providers reveals a growing sense of crisis within the sector,

exacerbated by the recent Budget, and underscores the devastating impact that inaction will have across the entire system on older people, working-age adults, and the care workforce alike.

Key findings show that without immediate government intervention:

- 73% will have to refuse new care packages from local authorities or the NHS
- 57% will hand back existing contracts to local authorities or the NHS
- 77% will have to draw on reserves
- 64% will have to make staff redundant
- 92% of providers who also serve people who pay for their own care will be forced to increase rates for self-funders.
- 22% are planning to close their businesses entirely.

This inaction carries a devastating human cost. Vulnerable groups, including those with learning disabilities, autism, mental health challenges, and older people, are the most at risk, pushed aside and disregarded as their needs fail to be recognised as political priorities. As a result, these individuals will face increasing difficulty accessing the care they need, with long waiting times, delayed services, and gaps in provision undermining their ability to live independently and with dignity. The strain on families will intensify, as relatives are forced to take on unpaid care duties or witness the deterioration of their loved ones' health and wellbeing due to unmet care needs.

However, social care is not merely about supporting those in need; it serves as a lifeline, preventing crises before they escalate. It ensures that people receive the right support at the right time, sparing them from unnecessary pain and hardship. Without it, the NHS is left to shoulder the burden, resulting in a system overwhelmed by individuals who should not be in hospital, waiting weeks or months for care they could have accessed earlier. Hospitals become overcrowded, doctors and nurses are stretched to their limits, families are left in limbo, and, in the worst cases, tragically, lives are lost, or families are left to deal with the aftermath of preventable crises - outcomes that a properly funded and functional social care system could have averted.

With action on adult social care reform, people's lives could be transformed, offering greater stability and support for those who rely on care services. This would enable people to live more independently, participate fully in society, and experience improved overall wellbeing, knowing they can rely on a system that meets their needs. With the right resources, families could focus on being loved ones, rather than unpaid carers, improving their quality of life and reducing the emotional toll of caregiving.

A reformed care system would also create more job stability for care workers, attracting and retaining skilled professionals by ensuring fair pay, better working conditions, and a clear path for career progression. This would reduce staff burnout and ensure consistent, high-quality care for all. A critical part of social care reform is improved pay for the workforce. Analysis by Care England shows that, accounting for an estimated 943,000 care workers and senior carers and a £4 increase on the current average hourly rate, a £15 minimum care wage would have an upfront cost of £7.3bn per year.

A £15 minimum care wage would boost the English economy by £9.5bn per year. As TUC research confirms, the impact of higher tax returns to the Treasury, reduced in-work benefits payments and the economic impacts of additional consumer spending mean the net cost would be substantially

lower than the £7.3bn upfront cost. It would also disproportionately benefit women, who make up 79% of care staff, and BME workers, who make up 31% of care staff, helping to reduce gender and race pay gaps.

On a broader scale, the reform would offer an opportunity to rebalance the focus between prevention and crisis management, ensuring people receive the right care before situations escalate. It would help build a resilient social care infrastructure, preventing vulnerable people from falling through the cracks and reducing the long-term strain on the NHS. By fostering a proactive care model, reform would not only ease pressure on the health service but also enhance the quality of life for everyone in society, allowing them to thrive with the support they deserve.

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

As demonstrated above, the cost of inaction on adult social care reform is not confined to a single part of the system, it is a burden shared by everyone, whether directly or indirectly. From individuals in care to their families, the workforce, local authorities, the NHS, and wider society, the ripple effects of a system in crisis touch all corners of our communities and economy.

Those who rely on care experience the most immediate and visible consequences of inaction. Gaps in provision, long waiting times, and inadequate funding mean that vulnerable individuals often lack timely access to the support they need. This diminishes their quality of life, independence, and, in many cases, their health outcomes.

The adult social care workforce, already stretched to breaking point, bears a disproportionate share of the burden. Chronic underfunding leaves many care workers undervalued and underpaid, leading to burnout, low morale, and high turnover rates. These challenges not only compromise the quality of care but also deter new entrants to the sector, exacerbating workforce shortages and creating a cycle of instability that threatens the entire system.

Inaction in social care reform directly impacts the NHS, where delayed discharges are one of the most visible signs of failure. Individuals medically fit for discharge are left waiting for community or residential care, occupying beds that could otherwise be used for acute needs, a scenario the CQC identified as representing [45%](#) of patient discharge delays after 14 days in an acute hospital last year.

Local authorities, which shoulder significant financial responsibility for adult social care, are increasingly unable to meet their statutory obligations. Many rely on one-off reserves to cover funding gaps, a short-term solution that only delays an inevitable reckoning.

A well-functioning adult social care system supports local economies, provides job opportunities, and fosters community resilience. When this system falters, everyone feels the effects. Businesses face productivity losses as employees take on caregiving roles, communities lose out on economic growth driven by care sector employment, and society as a whole shoulders the growing costs of an overwhelmed NHS. Critically, adult social care underpins our health and social infrastructure. It ensures that the NHS remains accessible for everyone, that older and disabled people can live fulfilling lives, and that families are not left to carry an impossible burden alone.

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

The evidence makes clear that investing in adult social care offers both economic and social returns yet is left unacted upon by the Government. Adult social care contributes [£68.1](#) billion to the economy, up 13.2% from the previous year, and the sector shows a return on investment (ROI) of [175%](#), meaning that for every £1 invested in ASC, £1.75 is returned to the economy. The report also estimated that a further £7.9 billion could be gained through increased employment opportunities for carers and working-age adults, as well as improved wellbeing for carers and family members.

From a levelling-up perspective, investment in adult social care reform could generate widespread economic benefits, particularly in the North and Midlands, where adult social care workers are more concentrated. The additional earnings of care workers in these areas would be spent in local economies, stimulating growth in less affluent regions and helping to address economic disparities across the country.

By delaying investment, the government is exacerbating adult social care's financial struggles. Providers have faced over a decade of reducing profits, and critical inward investment - vital to both sustaining the sector and driving economic growth. While there is debate over exactly how much adult social care requires, failing to invest now only increases future costs, both financially and in terms of human wellbeing. We understand that addressing these challenges requires difficult trade-offs, but the cost of inaction is far greater. The question is not whether we can afford to support social care; it is whether we can afford not to.

With action on reform, the economic impact of the adult social care sector could significantly improve, providing greater returns both in terms of financial growth and societal benefits. The current multiplier effect created by social care is a strong foundation, but reform could amplify these returns, particularly in underserved regions but also across the nation entirely.

Reform could create thousands of new jobs in the sector, providing opportunities for carers and working-age adults. In addition to direct job creation, sustained growth in adult social care would stimulate broader economic activity. This growth would be driven by increased demand for services, greater investment in care infrastructure, and higher wages for workers, all of which would have a ripple effect across local economies. As discussed, reform in the sector would lead to improved service quality, fewer unmet care needs, and less strain on the NHS. Ultimately, addressing these needs early on would mitigate the increasing pressure on both systems and lower future financial burdens.

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 Government's consideration of the costs of inaction on adult social care reform, particularly in relation to the Budget and Spending Reviews, appears limited, despite the clear and widespread consequences identified. The economic, societal, and human costs highlighted in the adult social

care crisis are critical for guiding policy decisions, but the focus in recent Budget allocations has often leaned toward the NHS, without addressing the systemic issues in social care that drive much of the demand on healthcare services. Taxpayers will see no real value from NHS investment unless it is matched by equivalent investment in social care.

While the Government may evaluate social care within the context of funding and spending, the evidence suggests that current policy assessments do not fully account for the long-term financial, economic, and human impact of inaction. Reform would not only alleviate pressure on the NHS but also create significant economic opportunities across the care sector. However, without a more strategic and immediate investment in social care, the full impact on the public sector, economy, and most critically, the lives of vulnerable individuals, will continue to escalate.

The costs of inaction in adult social care should be assessed and evaluated through a comprehensive, multi-dimensional approach that considers both the direct financial implications and the broader societal impact. This includes evaluating the economic burden on the NHS, the costs to local authorities facing budget shortfalls, the human cost of poor care, and the long-term societal implications of ignoring the needs of the most vulnerable. Only by assessing these costs in full can we begin to understand the true price of inaction and drive the reforms necessary to ensure a sustainable, fair, and effective adult social care system for the future.

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