

Written evidence submitted by The Cavendish Coalition, NHS Employers (ASC0064)

Health and Social Care Select Committee Inquiry on Adult Social Care Reform: The Cost of Inaction

About us

The Cavendish Coalition, convened by NHS Employers (part of the NHS Confederation) acts as a shared voice of representatives from the social care and health sectors, trade unions and employers to co-ordinate sector insight and offer expert advice on the issues affecting the social care and health workforce.

The group is made up of 36 health and social care organisations united in their commitment to provide the best care to communities, patients and residents.

The coalition recognises that the talented and diverse group of people we employ and represent are central to the success of that commitment, and that individuals from the UK, Europe and across the world, make a vital contribution to the UK's prosperity and health.

Executive Summary

Adult social care plays a vital role in the UK economy, contributing £46.2 billion in 2018 and £50.3 billion in England alone in 2021¹. However, the sector is facing significant challenges, including a very high rate of workforce attrition, with approximately 131,000 vacancies² in adult social care. This leads to gaps in staffing and inconsistent care for patients.

Carers frequently encounter financial challenges due to caregiving responsibilities. Additionally, the consequences of poor-quality care and associated litigation escalate costs for local authorities and the national government. Members of the Cavendish Coalition highlight the importance of social capital and community support networks, which could be leveraged to improve care outcomes.

Investing in preventive measures and measuring their effectiveness is seen as key to addressing the challenges within social care. There is a need for a broader focus on economic performance, looking beyond healthcare spending to encompass the wider impacts of social care on society.

Without reform, there will continue to be avoidable hospital admissions, delayed discharges, and unsuitable care settings. Vulnerable groups, including looked-after children, young people with mental health issues, individuals with learning disabilities or neurodivergence, and ex-offenders, will remain at risk due to inadequate support.

¹ Skills for Care, 2021, *Economic value of the adult social care sector*, <https://www.skillsforcare.org.uk/About-us/Skills-for-Care-and-Development/Economic-value-of-the-adult-social-care-sector.aspx#:~:text=At%20the%20time%20of%20publication%20the%20adult%20social,worker%20generated%20%C2%A319%2C700%20of%20value%20towards%20the%20economy>.

² Skills for Care, 2024, *The state of the adult social care sector and workforce in England, 2024* <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.pdf>

The failure to address these issues not only impacts individuals and their families but also the wider economy, reducing GDP and contributing to rising cost-of-living pressures. Addressing the reform of adult social care is essential to improving care quality and the health of our communities, as well as reducing pressure on the NHS and local authorities, and supporting the broader economy.

Government focus on the social care workforce is an essential enabler of improvement. The new government's commitment to 'Fair Pay' for social care is an important first step but must be followed by investment and long term reform, as described in the *Skills for Care Workforce Strategy for Adult Social Care*³.

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. Aspects such as care workforce attrition and lack of continuity of care have meant high turnover rates and insufficient staffing leading to inconsistent and sometimes inadequate care.
2. Delays in the government fully funding the Workforce Strategy for Adult Social Care⁴ and having a very clear fair pay and career structure, will lead to failures in the sector attracting new recruits and keeping enough people with the right skills and values to provide the best possible care and support for the people who draw on it.
3. Economic inactivity is a big issue affecting the sector with many potential workers unable to participate in the economy fully due to caregiving responsibilities.
4. Unpaid carers often face financial hardship and burnout which can lead to them unable to provide care. This can lead to more pressure being put on the adult social care sector to provide support to those individuals.
5. Our members have highlighted that inaction on adult social care reform is significantly impacting both the NHS and local authorities in terms of demand for services and funding pressures
6. Unnecessary hospital visits and admissions often stem from insufficient social care provision, leading to avoidable conveyances and access issues. Patients are also experiencing delays in being discharged from hospitals or are discharged to unsuitable care settings once they are medically fit to be discharged.
7. As there are a significant number of vacancies in paid adult social care this can lead to potential exploitation of looked after children, young people with mental health issues, and those with learning disabilities or neurodivergence.
8. This also encompasses ex-offenders who struggle with reintegration due to insufficient availability of support from social care providers. Further to this, social isolation is prevalent among those needing care.
9. Poor social care also contributes to environments that promote obesity and related health issues which in turn drive further demand on services and drive health inequalities.
10. The impact on patients includes avoidable mortality and morbidity, and poor quality of care, causing significant emotional distress to individuals and their families. For the public, this results in reduced GDP and increased cost of living demands.

³ Skills for Care, 2024, *A Workforce Strategy for Adult Social Care in England*, <https://www.skillsforcare.org.uk/Workforce-Strategy/Home.aspx>

⁴ Ibid

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?

11. Due to the pressures on adult social care services, several necessary reforms with the NHS and local authorities are not being implemented. In urgent and emergency care for example lack of investment means outdated models of care, leading to overwhelmed services and increased demand for hospital services as well as difficulties transferring care from acute to social care settings. As a result, patients, and the public miss out on the benefits of a modern, fit-for-purpose supportive community and social care environment. Examples of integrated roles and teams demonstrate benefits to the population but need investment to scale⁵. This also encompasses local authority investment. Repeated disinvestment in local authorities prevents them from addressing the wider determinants of health and maintaining a stable society. Before the autumn budget was announced, the Local Government Association (LGA) highlighted to the Chancellor that councils had a 22.2 per cent real terms cut in core spending power since 2010/11, due to inflation in recent years, unfunded increases in the National Living Wage, and growing demand for services. Consequently, councils' costs are increasing more rapidly than funding, with LGA analysis showing English councils facing a £2.3 billion funding gap in 2025/26, rising to £3.9 billion in 2026/27: £6.2 billion over two years⁶. 1.3 billion of extra funding was given through the local government finance settlement in the budget, this meant that for the next financial year it will provide real terms increase in total core spending power in 2025/26 of around 3.2%. However, this will still not meet all of the significant pressures in adult social care.⁷

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

12. The Cavendish Coalition emphasises that the lack of action regarding adult social care reform carries significant consequences for individuals. This inaction leads to emotional distress and diminished well-being, deeply affecting both individuals and their families, and resulting in immense strain. It can also drive further deterioration of physical health for those in care without support for undertaking day-to-day tasks.

13. The growing disparities in wealth amongst the population are further intensified by the lack of adequate social care services. This deficiency not only hampers the well-being of individuals but also contributes to a cycle of inequality, making it increasingly challenging for people grappling with significant disparities⁸. This feeling of ambiguity fosters a sense of marginalisation among individuals. With effective reform, individuals could experience improved wellbeing, reduced inequality, and a more secure future.

⁵ Social Care Institute for Excellence, 2023, *Care and support in a crisis – Activities to achieve integrated care*, <https://www.scie.org.uk/integrated-care/research-practice/activities/care-support-crisis/>

⁶ Local Government Association, 2024 *Letter to the Chancellor of the Exchequer The Rt Hon Rachel Reeves MP, on stabilising council finances and protecting vital services* | Local Government Association, <https://www.local.gov.uk/joint-letter-chancellor-budget>

⁷ Local Government Association, 2024, *Autumn Budget 2024: LGA briefing*, <https://www.local.gov.uk/parliament/briefings-and-responses/autumn-budget-2024-lga-briefing>

⁸ Care Quality Commission, 2024, *The state of health care and adult social care in England 2023/2024*, <https://www.cqc.org.uk/publications/major-report/state-care/2023-2024>

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

14. The most vulnerable in society bear the brunt of inaction on adult social care reform. This includes elderly and disabled individuals and those generally who rely heavily on social care services. There are around 1.4 million older people who are not able to access the social care support they need.⁹

15. The cost of inaction also falls on carers and individuals providing unpaid care who face financial and emotional strain, as well as a reduced ability to work for pay. It is also felt in other public services, especially the NHS.

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

16. Adult social care significantly contributes to the economy and the HM Treasury. For example, the social care sector in 2018 alone contributed £46.2 billion in the UK and in October 2021 it was reported by Skills for Care that the social care sector contributed £50.3 billion just in England.¹⁰ The voluntary sector alone contributes about £20 billion in the UK.¹¹

17. With workforce attrition and high turnover rates in the social care workforce, there are gaps in staffing in social care that need to be addressed. Currently adult social care has an estimated 131,000 vacant posts.¹² There have also been reports of social care staff leaving the workforce due to uncompetitive pay and poor employment conditions.¹³ Some social care staff leave to join the NHS for better pay.¹⁴

18. There are also further concerns of poor-quality care resulting in increased litigation^{15 16} which leads to costs arising from inadequate care.

19. The coalition understand that reform could enhance these contributions by stabilising the workforce, improving care quality, and reducing economic inactivity.

⁹ NHS Confederation, *Social care*, <https://www.nhsconfed.org/topic/social-care>

¹⁰ Skills for Care, 2021, *Economic value of the adult social care sector*, <https://www.skillsforcare.org.uk/About-us/Skills-for-Care-and-Development/Economic-value-of-the-adult-social-care-sector.aspx#:~:text=At%20the%20time%20of%20publication%20the%20adult%20social,worker%20generated%20%C2%A319%2C700%20of%20value%20towards%20the%20economy.>

¹¹ UK Civil Society, 2022, *UK Civil Society Almanac 2022*, <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2022/>

¹² Skills for Care, 2024, *The state of the adult social care sector and workforce in England, 2024* <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.pdf>

¹³ Nuffield Trust, 2022, *The long goodbye? Exploring rates of staff leaving the NHS and social care*, <https://www.nuffieldtrust.org.uk/resource/the-long-goodbye-exploring-rates-of-staff-leaving-the-nhs-and-social-care> <https://www.skillsforcare.org.uk/resources/documents/Recruitment-support/Retaining-your-staff/Understanding-the-reasons-care-workers-move-on-and-their-future-intentions.pdf>

¹⁴ Skills for Care, 2023, *Understanding the reasons care workers move on and their future intention*, <https://www.skillsforcare.org.uk/resources/documents/Recruitment-support/Retaining-your-staff/Understanding-the-reasons-care-workers-move-on-and-their-future-intentions.pdf>

¹⁵ The New England Journal of Medicine, 2011, *Relationship between Quality of Care and Negligence Litigation in Nursing Home*, <https://www.nejm.org/doi/pdf/10.1056/NEJMs1009336>

¹⁶ BMC, 2014, *Conditions that influence the impact of malpractice litigation risk on physicians' behavior regarding patient safety*, <https://bmchealthservres.biomedcentral.com/articles/10.1186/1472-6963-14-38>

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?

20. The costs of inaction on adult social care reform are often overlooked in government policy evaluations, including budget and spending reviews. The impact will fall on overall population health and wellbeing and in turn, wider economic growth.

21. The Cavendish Coalition highlights the importance of workforce capacity and morale in social care. This means ensuring staffing levels match the population needs of local areas. However, to ensure this, job satisfaction must be improved in order to not only recruit but to retain staff. DHSC should commission and invest in a consistent 'Employee offer' for social care which focuses on improving pay, work-life balance and career development to mirror the NHS People Promise.¹⁷ The commitment to introduce 'Fair Pay' arrangements for social care workers is acknowledged as an important step forward by the new government. The government's draft legislation to introduce a Negotiating Body for Adult Social Care could be a powerful lever to introduce and support consistency in relation to the 'employee offer' in the sector, but it must be followed by investment and long term reform, as described in the Skills for Care *Workforce Strategy for Adult Social Care*¹⁸.

22. Overseas workers are a valued and significant part of the social care workforce. More coherence between government departments about the rules that determine how overseas workers are recruited, sponsored and supported in the sector could help to increase efficiency and provide better protection to individual recruits. Further, previous evidence submitted by the Coalition to the Lords Select Committee raised concern that the impact on the social care workforce had not been considered when immigration rules had been changed. More recently the Coalition has also voiced concern about the negative effect of curbs introduced on how many family members overseas social care workers can bring with them to the UK. The Cavendish Coalition calls for an in-depth assessment on the impacts of the current immigration rules on the recruitment and retention of the workforce within social care.

23. Our members emphasise the importance of understanding deprivation and its impact on social mobility. This means the economic and social impacts deprivation will have in certain areas in turn impacts the level of social care need amongst the population and rates of economic inactivity. To help solve issues within social care it is crucial that we invest in preventive health measures and interventions¹⁹, as well as measuring their effectiveness, to reduce the demand for social care services in the medium to long-term.

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¹⁷ NHS Employers, 2024, *First ever adult social care workforce strategy*, <https://www.nhsemployers.org/news/first-ever-adult-social-care-workforce-strategy#:~:text=First%20ever%20adult%20social%20care%20workforce%20strategy%201,Strategy%20for%20Adult%20Social%20Care%20in%20England.%20>

¹⁸ Skills for Care, 2024, *A Workforce Strategy for Adult Social Care in England*, <https://www.skillsforcare.org.uk/Workforce-Strategy/Home.aspx>

¹⁹ Care England, 2024, *Bridging The Gap: Tackling Inequalities in England's Social Care Sector and Beyond*, <https://www.careengland.org.uk/bridging-the-gap-tackling-inequalities-in-englands-social-care-sector-and-beyond/>