

**Written evidence submitted by Norfolk County Council, NHS Norfolk and Waveney Integrated Care Board
(ASC0071)**

Submission to the Health and Social Care Committee Inquiry into “The Cost of Inaction on Adult Social Care Reform”

Introduction

Norfolk County Council (hereafter referred to as the ‘Council’) and the NHS Norfolk and Waveney Integrated Care Board (ICB) support the aim of the inquiry to consider the cost of inaction on adult social care reform.

Social care is a critical service that supports adults of all ages with a range of disabilities or conditions, for a short period or ongoing basis, to **keep people independent, well, and able to deal with life’s challenges.**

There are strong interdependencies between NHS and adult social care provision, with social care essential in reducing demand on secondary health by keeping people independent and in the community. Although, it is important that social care is viewed as a valued service in its own right.

Successive governments have sought to stabilise, strengthen and reform adult social care for the long-term, although none have tackled the need for fundamental reform. The social care system is now under severe strain and any further inaction risks negative impacts both the on people needing care and support, and those delivering it – councils, the social care workforce and care market – and the NHS.

Norfolk Context

Norfolk is the fifth largest shire county in England by area, with a growing population, currently just over 916,000¹, and projected to grow to one million by 2036. The County covers over 2000 square miles and over half of our population lives in rural areas and market towns. The overall population density is low and spread across a diverse range and mix of rural and coastal communities, market towns and urban centres, which provides challenges for service provision and delivery relating to access, infrastructure and economies of scale. Travel times for all methods of transport is longer (and in some regions not available) than England averages, affecting costs and workforce.

The county has some stark differences within it with almost 130,000 living in communities that are in the 20% most deprived in England and yet parts of the county are amongst the most expensive places to live in the country.

In Norfolk, the Council’s adult social care services and the NHS Norfolk and Waveney ICB work together to improve health and care for local people through the Norfolk and Waveney Integrated Care System (ICS). The partnership has three goals:

- i. To make sure that people can live as healthy a life as possible, including by preventing avoidable illness and tackling the root causes of poor health.
- ii. To make sure you only have to tell your story once.
- iii. To make Norfolk and Waveney the best place to work in health and care.

Like all Integrated Care Systems in England, the partnership is working to:

- improve outcomes in population health and healthcare
- tackle inequalities in outcomes, experience and access
- enhance productivity and value for money
- supporting broader social and economic development.

¹ ONS, Annual Population Survey

Response

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?

- It is well evidenced nationally that adult social care funding has not kept pace with the growing cost and demand pressures on the service, and that this is compounded in rural areas. The system is under severe strain and in much need of reform. A well-functioning social care system is essential in providing the care and support people need to live independent lives in the place they call home, as well as a strategic investment in our economy, through supporting more people get into and stay in work.
- In Norfolk, the factors contributing to pressures on adult social care are as follows:

More people using adult social care services:

- In Norfolk, our aging population is a critical driver of the demand for our social care services. Almost all of the population increase over the last five years has been in those aged over 65². Currently 24.4% of Norfolk's residents are aged 65+ compared to 18.4% nationally³.
- Norfolk's older population is also projected to continue to grow significantly. The number of people over 85 expected to double to over 60,000 by 2041⁴, and with that, the number of people with some form of care need is also growing.
- The prevalence of disability and long-term conditions among working-age adults has also increased over recent years.
- Over the last 2 years the number of adults accessing we support has increased by around 14%. This splits into an 18% increase for working age adults and a 12% increase for older people. As a demand led service, as these populations grow, so too does the cost for adult social care services.

Increasing costs of care:

- There continues to be ongoing inflationary pressures that impact on both the cost of services we deliver, and the demand for services, as households and communities continue to struggle with the rising cost of living. These inflationary impacts have not been a short-term issue and have resulted in a permanent uplift in the cost base in many key areas.
- Supporting people with increasing number and complexity of care requirements is also impacting on the costs of care. The NHS Long Term Plan⁵ highlighted that while people are living longer, the "extra years of life are not always spent in good health" and that people are "more likely to live with multiple long-term conditions, or live into old age with frailty or dementia, so that on average older men now spend 2.4 years and women spend three years with 'substantial' care needs".

Rural accessibility:

- Around half of the Norfolk population live in a rural area, and the older population in rural areas is increasing more rapidly than in urban areas.
- There is an inherent additional cost of delivering services in rural areas, due to lower population densities and vast distances, that exacerbates the financial pressure on rural councils.
- This 'rural premium' has been an ongoing issue but is becoming harder to manage as the demand for adult social care outstrips the funding available.

Local government funding:

- While recent Settlement funding announcements have begun to reverse the trend of year-on-year funding cuts for local government, it has not fully reversed the sustained level of reductions experienced since 2010-11, where up until 2019-20, the grant from the government was cut by £220m⁶. As a result, like most other local authorities, the Council is facing increasing budgetary pressures.

² Norfolk Insight, [Older people's health & wellbeing](#)

³ Norfolk Insight, [Population Report for Norfolk](#), Census 2021

⁴ Norfolk Insight, [Older people's health & wellbeing](#)

⁵ NHS, The NHS Long Term Plan, January 2019, p16

⁶ [Norfolk County Council Budget Book 2024-28](#)

- The Council spends a significant portion of its budget on adult social care. For **2024-25 the spend on adult social care is £667m** (34% of the total Council revenue spend). The vast majority of that goes on ‘buying’ care for people – from home care providers, care home providers, and specialist providers. Workforce costs on average make up between 60-70% of care costs.
- **Adult social care cost pressures have been broadly around £30m each year.** This reflects wage rises, including the impact of Government announcements such as National Living Wage, price inflation and demographic growth pressures.
- The Council has not been complacent to the growing financial challenges in adult social care and has **delivered over £100m of recurrent Social Care savings over the last 8 years.** But despite this the Council now faces the prospect of **having to replicate this scale of delivery again, over just 4 years.**
- Councils are increasingly reliant on funds raised locally through council tax, including the social care precept. This is a difficult choice for councils, as whilst increases add to residents’ cost of living pressures, they are necessary to protect council’s vital services and help prevent future financial insolvency.
- Recent funding towards social care, whilst always welcomed, continues to be short term and often last minute, and largely has come with a requirement to spend or deliver towards a particular wider objective, such as supporting the NHS. This means there is little flexibility to address the core challenges facing social care funding and move towards a greater focus on prevention.

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?

- The Government’s priority on shifting towards systems that not just treat, but prevent, ill health is hugely important. Section 2 of the Care Act makes it explicit that councils must take steps which they consider will contribute towards preventing, reducing or delaying the need for care and support of both adults and carers in its area. By utilising specific services and being responsive and proactive in the provision of advice and support, we can prevent need, or prevent the escalation of need, to keep people independent for longer and deliver long-term cost savings. This helps to deliver better outcomes for our service users and residents, whilst at the same time addressing unsustainable future demand and cost.
- However, preventing ill health requires a long-term strategy. The 2024 survey carried out by the Association of Directors of Adult Social Services (ADASS)⁷ found that financial constraints and competing services pressures, such as delayed discharge, are limiting councils’ ability to invest in, and implement, preventive services, at a time when prevention needs to be at the forefront of our approach.
- The patchwork of funding across local government and health, and the lack of a long-term funding settlement, is hindering planning. This, together with the increasing demand pressures in the system, is driving the available system resources onto short-term action.
- In Norfolk, that does not mean that we are not shifting our focus towards greater prevention, but that our action is somewhat restricted by the funding environment in which we operate.
- As a system, in Norfolk, we have a strong public health focus, with the reduction of inequalities, prevention of poor health and promotion of healthy lifestyles running throughout our various workstreams. We have changed the way we work to manage increasing demand. This includes investing in short-term reablement support for people leaving hospital or who need to regain independence after being unwell and investing in technology which helps people stay in their own homes. It also includes supporting young disabled and autistic adults to be independent and have the same opportunities as everyone else in society, such as their own home and a paid job, and to offer support to people to recover from long term mental illness.
- Whilst the number of working age adults supported in long term services is up 18% since 2018/19, this is despite an increase in requests for support of 62.4%. Similarly, although less pronounced, since 2018/19, older people supported in long term services is up by 13%, whilst the requests for support have increased by 19%. Admission rates into long term residential and nursing services is relatively static over recent years despite the increase witnessed in contacts requesting support, which suggests that attempts to prevent, reduce and delay admission into those services are having an impact, with people being provided support and advice, short term support or support in community settings as an alternative.

⁷ ADASS, [ADASS Autumn Survey 2024](#), 2024

CASE STUDY: The power of preventative technology

Together, we are embracing cutting-edge technology to move from reactive, formal support towards more proactive, targeted, and preventative support. Taking inspiration from the world of commerce, where data and technology combine, we are piloting an approach to identify and support people most likely to benefit from falls prevention early help.

On average, a hospitalised fall increases care costs by £3358 per year and there are 4,150 falls related hospital admissions in Norfolk per year.

The technology allows us analyse data records to find trends and patterns to predict who are at most risk (up to 70% accuracy in predicting a serious fall within 12 months), with those identified offered interventions.

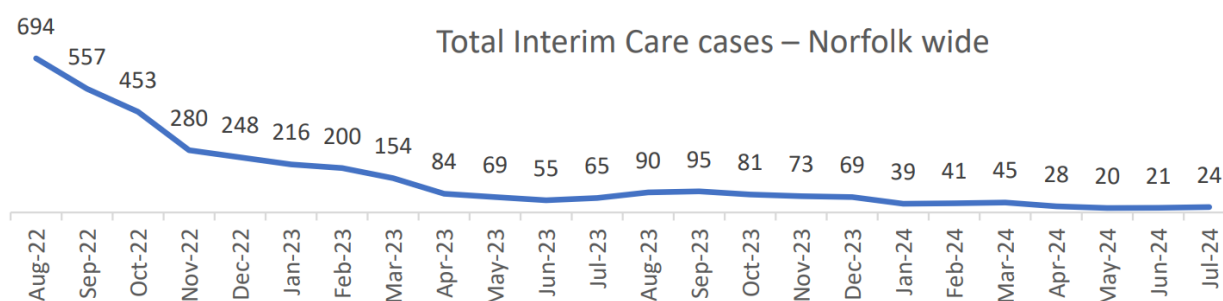
For people at a high risk of a fall who receive an intervention, we have seen an average £175 per week lower social care cost than those who don't have any contact with the programme, and if we roll out the model, we expect to see at least 2000 people who see their rate of falls drop. This case study demonstrates how proactive and preventative technologies can not only improve care outcomes, but also reduce pressure on acute services.

- We are seeing on the ground how prevention can increase independence and reduce or delay the need for care and support services; delivering better outcomes for residents. However, we need to ease council pressures that currently limit spend to those with the highest need. This means equipping systems with sufficient, long-term funding to allow us to get ahead of the curve and shift our approach to achieve longer-term outcomes. The dedicated prevention grant funding for children's social care set out in the Local Government Finance Policy Statement⁸ is very welcome and we would like to see this extended to adult social care (with a fair and sustainable allocation of funding across all councils).

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

Meeting people's needs

- Short-term funding boosts from Government has helped reduce the number of people waiting for care and reduce pressure on acute hospitals by supporting hospital discharge.
- In Norfolk, we are seeing c.90% of people being discharged from acute hospitals back to their normal place of residence, be that their own home or a residential setting where they live. Reablement support from the Council's Norfolk First Support service, community support and increased financial support for the Home Care market have all contributed to this success, using Better Care Fund investment.
- There has also been a continued steady decrease in the number of cases on the Interim Care List⁹ during 2023-24 and 2024-25, following its highest levels following the Covid-19 pandemic (as shown in the chart below).



- Despite the progress, and as noted in question 1, the growing mismatch between the population's need for support and the availability of publicly funded care leaves very little resilience in the system. This is a particular challenge during periods of high seasonal pressure. This is increasingly making it difficult to deliver the much-needed investment in areas like workforce and prevention, all of which are critical to improving long term health outcomes, and people's experience of social care services.

⁸ [Local government finance policy statement 2025 to 2026](#), 28 November 2024

⁹ This is the list of people not currently being provided with full care, based on their identified care and support needs.

Informal carers

- The contribution of informal carers to health and social care is immense. In Norfolk, it is estimated there are over 100,000 unpaid carers, providing essential care and support. Carers' UK has estimated the value of informal care in England and Wales to be worth £162 billion per year, which is more than the total spending on the NHS in England¹⁰.
- We know caring can place a real strain on individuals – with many suffering 'care burnout'. 91% of Directors of Adult Social Services have reported that informal carers are coming forward with increasing levels of need¹¹.
- This risks adding further pressure to the paid workforce, and in turn, pressures on the paid workforce can also lead to informal carers having to take on additional load when many are already struggling.
- The adult social care system could not survive without the contribution of informal carers. However, we know that an over-reliance upon informal carers has a detrimental impact them – including on their mental wellbeing, as well as their ability to be in paid employment.
- Enabling councils to better support informal carers must be a crucial part of the plans to reform adult social care to ensure their needs are met, but this must be done as part of a comprehensive approach that also addresses wider challenges in the paid workforce (see section below).

Impact on self-funders:

- There remains inequity in the system (depending upon people's conditions) as to whether their care is fully funded through the NHS or provided through social care. Unlike the NHS, social care operates a financial 'means test' to decide who is eligible for publicly funded care. For those using social care, as care costs increase, those who are not eligible for publicly funded care (known as self-funders), are seeing their assets deplete more quickly and there need publicly funded care come sooner.
- Previous governments have sought to address this inequity and protect people from the rising costs of care, which are particularly impactful for those with dementia conditions. Inaction to address this issue, however, continues, and the problem is now exacerbated as core funding shortfalls inevitably place more costs on self-funders (see care market sustainability section below).

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

- In Norfolk, the cost of inactions on adult social care reform is being borne across several parts of the system, with impacts seen in the care workforce, care market and the health service.

The care workforce:

- Workforce shortages in the delivery of care have been widely reported and understood nationally for some time. Long-standing issues around pay and conditions are being exacerbated by workplace demands and stress, cost-of-living pressures and competition for staff from other sectors, such as hospitality.
- The ability to deliver adult social care is contingent on solving these shortages, and is in part, also a risk to market stability, as well as impacting on continuity of care.
- In Norfolk, we have seen both high levels of vacancies related to Social Workers and indeed a high level of turnover. The rural nature of the County adds additional challenges, with recruitment and retention impacted by long travel distance, lack of affordable housing near service users and a more limited availability of a local workforce.
- Whilst we are doing a lot of work to both attract workers to Norfolk, retain our existing staff and "grow our own" new practitioners, it is still a very challenging staff position.
- Simply put, without sufficient high quality, experienced, professionally qualified staff, our ability to deliver a sustainable social care service will not work over the longer term. The future requirements of the social care workforce need to be a prominent consideration for Government, both in its own right, and in respect to the links and parity with NHS workforce planning.
- The Government's proposed Fair Pay Agreement aims to address the issues by improving pay and working conditions. This is to be welcomed, but as noted in the impact assessment of the Fair Payment Agreement

¹⁰ Carers UK, [Valuing Carers Research Report](#), 2023

¹¹ ADASS, [ADASS Autumn Survey](#), 2023

proposal contained in the government's Employment Rights Bill, providers have limited scope to absorb the expected increases¹². It is, therefore, essential that any wage increase be fully funded by the Government, via local councils, to limit the impact on self-funders and lessen workforce challenges.

Care market sustainability:

- The vast majority of social care funding goes on 'buying' care for people – from home care providers, care home providers, and specialist providers. Over the next few years, we estimate that, in Norfolk, people over 75-years-old will need around 15,000 residential and nursing beds and more than 6,000 specialist housing units.¹³ We need to develop more appropriate housing options that promote independence and shape the market to increase provision of nursing and enhanced residential care.
- However, there remain critical challenges with sustainability in the care market. Providers have been hit by increasing costs, especially for staff (resulting from changes to the National Living Wage (NLW)). Whilst the NLW increase is undoubtedly positive for care workers, it comes with significantly increased costs to the public purse - typically, 1p added to the NLW can cost us £300k per annum in additional fees if passed on from providers. The recently announced changes to National Insurance Contributions (NIC) will also add further financial burden to the Norfolk care market (estimated at £11 million in Norfolk), as well as to council finances indirectly through the management of increased instances of market failure.
- Providers understandably expect to see their fees increase to absorb these increases in cost and some providers are choosing to focus on services for self-funders who will pay more and hand back contracts to councils. This results in a shortage of places for council placements and fee levels that councils increasingly cannot afford. Government must allocate sufficient funding to councils to address these cost pressures.
- We also recognise that there is inequity in the current system with self-funders in effect cross-subsidising council-paid places. The previous government sought to address this and reduce the gaps in fee rates paid by councils and self-funders, with council-paid rates increasing sufficiently so as to render the cross-subsidy unnecessary. This ambition is to be welcomed, but without sufficient investment it only increases the severe pressures already felt within the sector.

The Health Service:

- Health and social care are highly interdependent. As Lord Darzi highlighted, in his recent report on the state of the National Health Service in England¹⁴, it is 'impossible to understand what has been happening in the NHS without understanding what has happened to social care', which he has suggested is in a 'dire state'.
- The Government has set out its plans to develop a ten-year plan for the NHS, however, if the full value of adult social care is to play into the Government's mission of building an NHS fit for the future, adult social care reform must be prioritised alongside the plans for the NHS.
- Addressing issues in adult social care could help solve some of the NHS's biggest challenges, with adult social care playing an important part in mitigating demand pressures on acute hospitals through effective discharge and preventative work to keep people out of hospital. This in turn would help to improve the financial position of the NHS and sustainability of its services.

Council services:

- Finally, there is a real danger that spending is increasingly concentrated on fewer people, with more complex needs, as councils protect services such as social care where there are clearly defined statutory responsibilities and regulatory oversight.

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

- As well as supporting those that use the service to get into and stay in work, in Norfolk, the health and care sector brings significant and widespread economic and societal benefits.
- The sector delivers £1.66 billion Gross Value Added (GVA) to the economy¹⁵, with large hospitals and teaching provision located in Norwich, King's Lynn and Great Yarmouth, in addition to a care market of over 500 providers of care services.

¹² [Impact assessment: Establish a Fair Pay Agreements process in the Adult Social Care sector](#), 2024, pg 20

¹³ Norfolk Insight, [Older people's health & wellbeing](#)

¹⁴ [Independent Investigation of the National Health Service in England](#), 2024, pg 22

¹⁵ Norfolk Economic Strategy, 2024

- It is the largest contributor to Norfolk employment (supporting 61,399 jobs)¹⁶. As a key foundation employer across all areas of the county, it offers valuable and meaningful employment and supports significant opportunities from entry level to higher qualified and higher earning potential jobs.
 - The health and care sector made up 16.7% of all regional apprenticeship starts in academic year 2022/23, higher than any other subject area, and 29% of all Norfolk adult learners train or retrain in the health and care sector. This generates indicatively £2.5 million in education provider income and onward employment/career entry (circa 4000 learners).
 - We have forecasted significant employment growth of 15,200 jobs by 2040 and a projected 53% GVA growth over this same period in the health and care sector.
 - Given its scale and size, the much-needed investment in the sector should help to the deliver the Government’s mission to kickstart economic growth and raise living standards in every part of the UK. Skills for Care¹⁷ have stated that for every £1 invested in adult social care, £1.75 is returned to the economy.
- 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?**
- Successive Governments have failed to deliver the much-needed reform of social care and address the need for a long-term sustainable funding settlement. The sector is now running ‘out of road’.
 - Investment and reform have been, in many cases, sporadic and short-term, and this has created uncertainty for the sector, making it harder to plan ahead. We would also welcome a stronger correlation between government policy announcements (such as NLW, NIC) and the funding allocated to local councils.
 - To build a system that is stable, sustainable and resilient in the face of future pressures, and which delivers better outcomes for our population, we need a comprehensive approach. The exact funding requirement for adult social care in the longer-term should be identified through a collaborative process, but should include:
 - An urgent injection of funding to address the immediate challenges, and place social care on a more sustainable footing for future reform.
 - A commitment to increasing overall investment to increase access to care to those who need it, meet future demographic demand, and pay more for care.
 - An end to the reliance on council tax and the social care precept as a key means for funding adult social care.
 - The additional costs of delivering services in a rural area are real. The Government must provide a fairer funding assessment for rural councils, who receive far less in per-head funding than their urban counterparts, while also facing higher delivery costs.
 - A shift to a prevention-led approach to public spending, with protected funding for long-term investment in preventive action, which recognise the time periods required to realise the benefits.

December 2024

¹⁶ Ibid

¹⁷ Skills for Care, [The Value of Adult Social Care in England](#), October 2021