

## **Written evidence submitted by Bristol City Council (ASC0082)**

### **Foreword from Cllr Lorraine Francis, Chair – Adult Social Care Committee, Bristol City Council**

Bristol City Council welcomes the work of the Health and Social Care Select Committee in calling for evidence on the cost of inaction on adult social care. The crisis in adult social care is extremely damaging in terms of lives negatively impacted, poor, often costly outcomes for service users and significant pressures added to already stretched budgets.

In Bristol, the amount we spend on adult social care each year continues to rise (more than 10% in 2023 alone), as does the proportion of our budget that is consumed by the crisis. The rising number and complexity of care cases is pushing us, like many other local authorities, to ever more drastic cuts in spending on non-statutory services. Moreover, annual maximum increases in council tax and the adult social care precept means we are passing costs onto residents, many of whom are already struggling.

Investment in improving the social determinants of health in our city is vital for our citizens health and wellbeing and the long-term economic survival of the NHS and local authorities. Without a long-term sustainable funding model for adult social care the ambition to improve health and wellbeing is impossible because preventative services are cut alongside all non-statutory provisions to fund the broken care system.

Nationally, adult social care is in a desperate state and remaining with the status quo is not an option. Although almost everyone agrees with that statement, successive governments have failed to achieve reform, with the crisis worsening as solutions are delayed.

While the additional £25 billion of funding to the NHS is a welcome announcement, an equivalent commitment of funding and reform needs to be provided to social care. The additional £600 million for social care – when at least £1 billion was needed just to keep local authorities and providers above water - is insufficient. Moreover, it fails to treat the symptoms of the problem. The promise of a National Care Service needs to be urgently realised, and we must focus on early intervention and prevention so the social care system can work for future generations.

The cost of inaction is immeasurable. It will prevent the NHS from successfully reforming, cause more local authorities to issue S114 notices, and open above-inflation costs due to demand outstripping supply, combined with declining service quality and poorer outcomes.

With a sizeable parliamentary majority and near universal acceptance of the need for reform, there has arguably never been a better time to make the changes which are so badly needed.

I would be happy to provide further evidence on behalf of Bristol City Council as a case study of the multi-faceted challenges facing local authorities around adult social care, and the impact these have across everything local government does.

Should the committee need oral or written evidence, I would be eager to support this timely inquiry.

## 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?

### **Summary**

Without reform, there is likely to be no improvement in the key challenges facing adult social care: spiralling costs, increasing number and complexity of service users and their conditions, quality of care, staff recruitment and retention, and an inability to deliver the government's NHS reform successfully. Reform must take place alongside a significant move to early intervention and investment in preventative services to reverse the long-term trend in ever-expanding case numbers, complexity and cost.

The cost of inaction on local authorities and on the NHS is significant, and ultimately neither can provide good quality services at an affordable cost to the taxpayer without reform. However, the wrong reform may make the situation worse. **Reform should always be from the perspective of improving service and outcomes** in a way that provides financial certainty and sustainability for local authorities and service providers.

Inaction on social care reform means remaining with the status quo. Currently, ASC budgets are one of the main causes of pushing local authorities into bankruptcy. Around 70% of local authority spending goes to adult and children's social care, with adult social care comprising the largest proportion of unitary and upper tier authority budgets. This is caused by:

### ***Increase in care needs for working-age adults***

In Bristol, the amount budgeted for adult social care increased by £48 million, 32% (8% in real terms) between 2021/22 and 2024/25. In 2023 alone, the number of service users increased by 3.7%, but the cost increased 10.7%. This highlights the challenges facing councils as cases become more complex and costly.

These pressures sit alongside the increasing pressure on Children's Care Services (of which some cases will become adult social care responsibilities in the future). It is important to note that whilst much of the conversation on adult social care remains focused on older adults, there is a growing trend for rising spend on under 65's. In Bristol, close to 60% of the total adult social care budget is now spent on younger adults (under 65) with enduring multiple, and complex needs.

Accommodation for working-age adults receiving care services is very expensive and has shifted quickly to become our largest financial challenge around adult social care.

### ***Market-price escalation***

Demand for adult social care services is outstripping supply. This is an increasingly dangerous situation which is encouraging unscrupulous providers to enter the market for profiteering, providing poor quality services at increased costs, which local authorities have to pay for. For local authorities, even our trusted providers who deliver good quality care are passing on significant price rises due to increasingly complex cases, the costs of the 'cost of living' crisis, inflationary pressures, and rises in the national living wage. We expect this to increase further with the changes in employer NI contributions announced in the recent budget.

On top of immediate pressures, the longer-term trend for care needs for working age adults continues to grow. This is a direct consequence of more than a decade of under-funding of mental

health and learning disability services and inadequate community provision. As a nation, we have failed to address this growing crisis.

***Lack of investment in prevention and hollowing-out of public services***

The immediate result of pressure on adult social care budgets is the continued reduction in non-statutory services (and quality of statutory services) that councils commission. In Bristol, cuts primarily caused by ever-expanding social care costs have been essential and have included almost all areas outside of adult and children's social care except libraries and domestic violence. However, in our most recent budget we are now reviewing savings to libraries and tackling youth violence, demonstrating the stark choice local authorities face to continue to fund the current system of social care.

***Impact on patients and public***

Ultimately, without reform it is inevitable there will be many more councils issuing S114 declarations. This would cause:

- A reductionist focus on a narrow definition of 'statutory duties'
- Further cuts to investment in creating conditions for health and wellbeing (placemaking)
- Further cuts to investment in social fabric and salience of communities through the voluntary and community sector
- Pressures on other local authority budgets
- Pressures on staff, who feel disillusioned, with higher levels of sickness and turnover

## 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?

### *Local government non-statutory services*

Over the last decade local authorities have been given annual financial settlements in December of each year for the following April. More recently, local authorities have been provided piecemeal additional funding for social care when it becomes apparent the scale of financial challenge is likely to result in S114 notices being issued.

The promise of multi-year funding settlements from 2026/27 is certainly welcome. However, the clarity to plan further into the future does not change the fact that the increasing costs of adult social care and increased proportion of the budget of local authorities spent on this is unsustainable and takes resources away from all non-statutory services.

The lack of reform on adult social care and associated impact on local authority budgets can be felt in a number of ways:

- Inability to invest in measures which would ease the longer-term costs associated with adult social care (placemaking budgets, investment in social housing stock, specialised supported housing)
- A reductionist focus on a narrow definition of 'statutory duties' – cutting service provision in almost all other areas for more than a decade
- Further cuts to investment in social fabric and community resilience through the voluntary and community sector
- Pressures on other local authority budgets

### *Integration between NHS and local authorities*

Whilst there is much goodwill to work towards integrated systems, we are operating under different principles (local eligibility in adult social care; national universal service in the NHS). As a result, integration nationally between Integrated Care Systems and social care has borne very mixed results.

Persistent disputes over funding is harming LA and NHS relations and preventing reforms on all areas, including ASC. In Bristol, we are dealing with numerous challenges with our local ICB which are negatively impacting our working relationship and ability to integrate the health and care system.

These include:

- **S117 Mental Health aftercare:** We have been negotiating with the ICB for more than two years on what we perceive to be an unfair funding agreement whereby the LA pays 70% of the costs, and ICB 30%. (We are calling for 50/50, which appears to be a nationally standard position.) This is a cost differential of almost £7m for the council: an amount critical to ensuring we do not issue a S114 notice. The ICB may choose to legally challenge our position, causing significant damage to our working relationship.
- **Discharge to assess (D2A) hospital discharge:** Since July 2022, Bristol City Council have not been liable to pay for D2A on Pathway 3. The ICB expected BCC to continue paying, but we

have not done so as there is no formal agreement for payment and no legal requirement. The ICB is reviewing this and this may also result in a legal challenge.

- **Adults Continuing Health Care (CHC):** Existing governance arrangements are weak and the number of people assessed has decreased by 20%, despite demand rising. Joint working with ICB is needed to improve approach (e.g. through a pooled budget) but a lack of capacity in the system is causing delays.

Disputes over joint-funding issues are antithetical to supporting joined-up, integrated services which provide seamless transitions of care. Disputes take valuable time, energy and resources away from improving outcomes, as senior leaders are focused on striving to maintain positive working relationships whilst fighting over insecure funding to maintain financial viability.

### ***What patients and the public are missing out on***

As well as the impact of cuts to services provided by local authorities as listed above, a wider issue is a feeling that 'Britain isn't working'. There is a popular perception that annual Council Tax increases result in worse outcomes that are felt and seen by most citizens (deteriorating roads, closing community centres and youth services etc.). This fosters a sense of distrust towards public institutions and all forms of government.

Reform must meet the needs of residents. If social care was not taking up ever-increasing proportions of local authority budgets, we would be able to fund vital civil services such as libraries, museums and the arts, parks and green spaces and anti-social behaviour. Without reform enabling investment in other services, it is difficult to see the perception that 'Britain isn't working' improving.

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

Without reform, the quality and standard of care will continue to decline. The negative consequences of the current system include:

#### ***Service users and families***

Clients receiving adult social care need to be enabled to maintain their independence. The increased pressure on the sector is causing a reduction in the quality of services and inhibits care providers' ability to innovate and provide tailored care and support which meets the physical and mental health and wellbeing needs of the service user.

The recruitment and retention issues in the sector are causing a reliance on agency workers, which lowers the standard of care and provides less consistency for service users. The disjointed nature of the system continues to frustrate users who are unclear on their care and often pushes family members (disproportionately women) to take on the role of unpaid carers. This impedes gender equality and the government's plans for the employment rate to reach 80% as part of their mission for the highest growth in the G7.

Bristol City Council's position is that reform should prioritise improving outcomes for all service users and focus on early intervention, rather than the financial impact on service users. That said, the current system can significantly penalise service users and their families who can afford care as there is no limit on the amount service users of long-term care may be liable to pay, depending on their circumstances.

#### ***Staff***

Despite the physical and emotional input required to be a care worker, pay in the care sector is comparatively low, with many earning below the Real Living Wage. Staff shortfalls lead to increased workloads on staff and a decrease in the sense of satisfaction in providing high quality care, causing more to leave due to burnout and disillusionment.

Consequently, turnover in the sector remains around 25%, and was almost 30% in 2023. High turnover is also a symbol of the high levels of stress, sickness and disillusionment within the sector.

#### ***Employers***

International recruitment has recently plugged the gap in vacancies, which are now down to 8.2%. However, changes to the family visa eligibility status are likely to increase the challenge of recruitment into the adult social care sector. The lack of exemption for NIC employer contributions for social care providers places further strain on providers.

#### ***Wider impacts (reduction in prevention)***

In addition to the direct implications for social care, the reduction in levels of funding local authorities have available to spend on other services, vital for the wider social determinants of health, will see a reduction in quality of life for all.

Around 80% of what determines our health is not based on genetics and clinical care but these wider social determinants. By increasingly focusing resources on the crisis of social care, funds for transport, housing, education and adult learning, environment and green spaces and community cohesion are all reduced at a direct cost to the future health of the nation.

With the correct type of adult social care reform, we can achieve the following:

1. Focus on prevention and early intervention to reduce the length of time spent in ill-health and needing care by enabling people to access the right support before conditions deteriorate.
2. Care can be tailored to individuals, so that service users receive the support to live the life they want to live, rather than the one resources will allow.
3. Service users and their families will be able to plan for the future, knowing how much their care will cost but knowing that a system of competent care for all is available.
4. Allow people to live more independently for longer by providing more care at home and in the community and reducing the need for hospital admissions.

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

##### ***Quality of adult social care***

Inaction is squeezing finances within the adult social care sector, leading to a worrying trend in the reduction of quality and assurance around care that is provided.

Despite the recent CQC assurance framework and inspection process, the latest [State of Care](#) report concluded that there was an increase of 27% of requests for adult social care support not being granted by a local authority since 2017/18. There was also a three-fold increase in referrals of modern slavery and labour exploitation within the sector, suggesting staffing of the care sector is increasingly prone to abuse.

##### ***Impact on other local authority services***

Inaction on adult social care is reducing the amount of funding and resources available for wider local authority services. These services, including housing, parks and leisure, transport, culture, regeneration and economic development, environmental services and community activities are all bearing the costs of adult social care pressures. The impacts of this include:

- Funding which is meant to be set aside for early intervention and prevention work such as enabling people to live independently for as long as possible is swallowed up annually to cover the shortfall in the immediate funding crisis of local authority ASC budgets
- Inability to invest in measures which would ease the longer-term costs associated with adult social care (placemaking budgets, investment in social housing stock, specialised supported housing)
- A reductionist focus on a narrow definition of 'statutory duties' – cutting service provision in almost all other areas for more than a decade
- Further cuts to investment in social fabric and salience of communities through the voluntary and community sector

##### ***Impact on NHS***

The inability to fund social care demand is not only bankrupting councils but also increasing the costs for the NHS, worsening patient conditions at point of admission and delaying hospital discharge.

A lack of appropriate housing and care support is a significant factor contributing to delayed discharges from hospital, with ageing care givers (e.g spouses) increasingly struggling to provide the necessary support.

Each person in hospital costs the NHS upwards of £500 per night – with [CQC research](#) showing 45% of delays in discharge are due to waits for care home beds and home-based care (4,000 per day). The NHS cannot solve delays in discharging to suitable accommodation, be it to home with adaptation, temporary respite settings or permanent care facilities, without reform of the adult social care sector.

##### ***Case study of cost of inaction: Specialised supported housing***

One example of the cost of inaction is the lack of investment in Specialised Supported Housing (SSH). SSH is a prime opportunity to reduce costs through initial capital investment, as well as significantly improving lives. There is a projected need for 2,300 new SSH units annually, however a small fraction of these are currently being built.

For many people with learning disabilities, autistic people, people with mental health needs and people with unmet care requirements, the fundamental need for suitable support and housing often remains unmet, leading to extended stays in residential care or hospitals.

Whilst we know SSH achieves higher outcomes for those with higher care costs and can be cheaper to provide once running, the funding limitations and high build costs are preventing local authorities and relevant partners from investing in this provision.

With the government's agenda to shift care to community, there is an opportunity to ensure that the housing agenda aligns directly with these priorities, helping people with learning disabilities, autism, and mental health needs to thrive, through the provision of tailored, community-based housing and support.

While typically costing more to develop and maintain in comparison with standard housing, the supply of high quality SSH, designed for people who need bespoke housing alongside care and support, is critical to achieving these outcomes. To do this, government needs to:

1. *Understand the case for investment:* While SSH is more expensive and complex than general housing, strategic investment in SSH can mitigate the long-term costs associated with delayed discharges and inadequate housing options.
2. *Amend the Rent Standard Exemption:* This limits access to public subsidies, forcing providers to rely heavily on private capital, in turn restricting the number of units that can be delivered. Reform would allow public funding for SSH and grant local authorities the same powers as private Registered Providers to deliver all types of 'specified accommodation'.
3. *Make Affordable Homes Programme Funding available to SSH –* bridging the gap in capital requirements
4. *Reinstate initiatives like the Housing Transformation Fund:* The previously proposed £300 million fund would catalyse collaboration and strategic planning, enabling tailored solutions for individuals with complex care and mobility needs.

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

### ***Direct impact of care sector***

More than 1.5 million people work in the care sector, one of the largest sectors in the UK. Care workers contribute directly through taxation, and the care sector can contribute significantly as a cost-effective measure of preventing further ill-health and enabling people to maintain independence and access employment, reducing the burden on the NHS and welfare budget.

### ***Impact on economic growth***

Any reform will require an increase in funding for adult social care. This funding must be fully targeted at improving outcomes by supporting care at home first and early intervention to address unmet and under-met needs.

Enabling service users into the workplace can lead to a wide range of individual and macro-economic and social benefits and support diversification of the workforce. If reform can improve outcomes, some disabled people whose current care needs are unmet would be in a position to work with support without losing care packages. With the correct reforms, it is possible to contribute more widely to economic growth by supporting unpaid carers to remain in employment and to raise employment levels in working-age adults receiving care services.

### ***Impact of unpaid carers***

In addition to paid carers, there are around 5 million unpaid carers in the UK, and 34,000 in Bristol alone. 2.7% of the UK population provide more than 50 hours of unpaid care a week, with the total work of unpaid carers [contributing £162 billion per year](#), roughly equivalent to the total NHS budget for England and Wales. However, being an unpaid carer falls disproportionately on women, and on those aged 45-64 and caring can often bring an individual financial penalty as the carer is unable to work.

Supporting unpaid carers to remain in work, and to re-enter the workplace with improved support is critical to the government's central mission of economic growth and increasing the employment rate to 80%.

### ***Population changes: opportunities and challenges***

More widely, population trajectories suggest nationally there is a growing proportion of disabled adults, including those with neurodiversity and complex needs. There is also a growing population of older adults, with a social gradient of age-related disability / frailty. Healthy life expectancy continues to stagnate in England, around 62 for men and 64 for women, with significant variations based on geography and socio-economic status. This brings a number of opportunities and challenges:

- There will be more adults in the workforce who have caring responsibilities
- There is an opportunity to ensure that disabled people can enter the workforce and sustain employment

- Employment within care services needs to be a rewarding, well paid and respected career option with prospects
- Investment in digital solutions through science, technology and innovation
- Focus on the conditions which prevent care from being needed through early intervention which is less costly and can save the NHS significant future costs
- Prevention and early intervention is less costly and can save the NHS significant future costs

**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?**

***Evidence base***

The case for investment in adult social care is impossible to ignore. The current system is causing local authorities to go bankrupt and failing service users who are receiving a poorer quality of care than they should expect.

However, the ability to assess and evaluate the cost of inaction is almost impossible. When compared with the NHS there is a much poorer research base for adult social care, particularly in relation to large, quantitative (clinical trial scale) research. It is difficult to make the case for how to improve outcomes in social care without a strong empirical evidence base. As well as the cost implications of reform, the lack of a strong evidence base which can be assessed and evaluated is partly why reform has continued to be put off by successive governments.

***Investment in adult social care***

We recognise the Health Secretary's stance that there is "no further funding without reform" regarding the NHS and anticipate a similar approach to adult social care.

Our position is that reform is badly needed, but we must not conduct the wrong type of reform which does not tackle the long-term challenges. Reform must have three things at its heart:

1. Improved outcomes for service users and their families
2. A significant focus on prevention and early intervention
3. Support for local authorities and providers to be financially sustainable

***Prevention and early intervention***

In relation to the government's commitment to shift from hospital to prevention through the NHS 10-year reforms, this is only possible when significant additional investment is made. Recent [LGA analysis](#) has shown savings of approximately £3.17 could be saved for every £1 spent on preventative work in the area of social care – saving £11bn by 2031 if early interventions were escalated.

The financial benefits of investing in early intervention are well understood. However, this is often ignored by government when budget setting and spending reviews. Assessing and evaluating investment decisions should be done through an 'invest to save' lens as prevention is well-known to save significant funds in the long-term.

Reform needs to be considered within a life course view – rather than a narrow ASC Services perspective. Reform should be considered only with prevention at its centre, including:

- Investment in conditions at birth and early years that sets the foundation for life long health
- Attention to the needs and establishing expectations for aspiration and independence among children and young people, their parents and families
- Investment in creating healthy, liveable places: including affordable and good quality homes; transport and connectivity; lifelong learning, local communities – shops, amenities, and parks and green spaces

- The role of employers in supporting healthy workplaces and practices
- Investment in grass roots voluntary and community groups who can act local and act fast – supporting the governments 'hospital to community' agenda
- Much better holistic population modelling, which is essential for service planning around anticipated future demand. This needs to be coordinated between Integrated Care Systems and local authorities, with health and social care at the heart of developments

Work to support the prevention agenda should include housing related support, supported and specialised housing, social prescribing, promoting physical activity and healthy lifestyles, peer support and advocacy.

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