

Written evidence submitted by National Care Association (ASC0087)

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

Representation by the National Care Association: Submitted by the Co-Chairs Nadra Ahmed CBE and Ian Turner OBE

The National Care Association (NCA) is recognised as a leading authority in the field of social care, with over four decades of expertise and frontline experience. Our core mission is to support more than 1100 small and medium-sized care providers, who constitute the largest segment of the social care sector.

We submit this evidence to the Health and Social Care Select Committee to highlight the critical issues within the adult social care sector and provide the economic case for urgent reform. The sector is in a precarious financial state, widely recognised by all stakeholders, and the consequences of inaction are severe. This submission examines the key issues through two critical lenses: funding and workforce, while proposing essential interventions.

Executive Summary

The adult social care sector is grappling with an annual funding gap of £8.4 billion, projected to grow to £18.4 billion by 2032/33¹. This financial instability affects care quality, workforce stability, and infrastructure, leading to cascading negative impacts on the NHS, local authorities, and individuals. Immediate and significant government investment is required to safeguard the sector.

Most notably this can be seen within the 990,000 individuals waiting for community care and support services in England, such as community nursing and intermediate care². While working toward a long-term solution, such as establishing a National Care Service, immediate and urgent measures are essential to stabilise current funding and address workforce challenges.

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?

Inaction on adult social care reform imposes significant costs on both the NHS and local authorities. The current funding shortfall, estimated at £8.4 billion annually,³ forces providers to operate under severe financial strain, leading to service closures and reduced care availability.

These shortages place additional pressure on the NHS today, manifesting in:

- **Delayed discharges:** Patients remain in hospital longer than necessary due to a lack of suitable social care placements, which blocks hospital beds and delays care for others.
- **Increased emergency admissions:** Without adequate social care, vulnerable individuals are more likely to experience health crises requiring emergency interventions.

¹ [The Health Foundation: Adult social care funding pressures](#)

² <https://www.health.org.uk/publications/long-reads/nine-major-challenges-facing-health-and-care-in-england>

³ [The Health Foundation: Adult social care funding pressures](#)

For local authorities, the lack of social care reform exacerbates budgetary pressures, requiring them to divert funds from other essential services. This is also having far reaching impacts on patients and the public, across our country including:

- Reduced access to preventive care particularly in most deprived areas.
- Worsened health outcomes due to delays in receiving appropriate support.
- Increased burden on families who must fill care gaps, often at great personal and financial cost.

The cost of this inaction is also identified as increasing beyond the current £8.4bn⁴ position. Research by the independent think tank the Nuffield Trust, published in November 2024, calculated the overall financial impact of the additional costs of the 25/25 Budget on the 18,000 independent care and support providers as £2.8 billion.⁵ **Cumulatively this cost of investment from April 2025 is more than £10bn.**

With so many providers in the sector it is impossible to draw simplistic conclusions, however as a care provider membership organisation we regular witness smaller and not-for-profit providers as those at the greatest risk of failure.

We must then add in the likely increase in demand for care as the population ages,⁶ as well as the number of working-age people forecasted to be living with major illness.⁷ It means that even more funding will be required in future years.⁸

The Health Foundation estimates there is at least an £18.4 billion funding gap by 2032/33 (a 6% per year real-terms increase) if the sector is to meet future demand, improve access to care and cover the full cost of care.⁹

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?

Financial Context:

Recent Local Government Association (LGA) data highlights the severity of the situation. 22.2% real-terms cut in core spending power since 2010/11 and projected funding gaps of £2.3 billion in 2025/26, rising to £3.9 billion in 2026/27.¹⁰

The recent budget's additional £1.3 billion provides only a modest 3.2% real-terms increase, falling far short of addressing the sector's significant pressures.¹¹

⁴ [The Health Foundation: Adult social care funding pressures](#)

⁵ [Nuffield Trust: Social care providers at risk of collapse as analysis reveals cost to sector of employer national insurance hike](#)

⁶ [Office for National Statistics: Population estimates for the UK, England, Wales, Scotland, and Northern Ireland: mid-2022](#)

⁷ [The Health Foundation: What we know about the UK's working-age health challenge](#)

⁸ [The Health Foundation: Adult social care funding pressures](#)

⁹ [The Health Foundation: Adult social care funding pressures](#)

¹⁰ 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>

¹¹ Local Government Association, 2024, *Autumn Budget 2024: LGA briefing*, <https://www.local.gov.uk/parliament/briefings-and->

The Chief Executive of the NHS Confederation highlights: “Some of our members have parts of their estate that are barely fit for the 19th century, let alone the 21st, so any future Secretary of State for Health and Social Care must make the physical and digital condition of the NHS a priority, if the health service is to reduce backlogs and get productivity levels to where the government want them to be.¹²

This chronic financial instability of the adult social care sector is preventing critical service reforms in the NHS¹³ and local authorities, resulting in significant missed opportunities for improving healthcare and social care and support outcomes for individuals, including:

Integrated Care Models: The financial constraints are blocking essential collaboration between health and social care providers. This prevents the development of streamlined, patient-centered care approaches that could dramatically improve service efficiency and patient experience.

Preventive Care Programs: Critically underfunded early intervention and community-based support initiatives are being sidelined. These programs are crucial for reducing long-term care needs and managing health conditions proactively.

Digital Transformation: Investments in technological solutions to enhance care delivery and operational efficiency are being deprioritized due to resource limitations.

The absence of these reforms denies patients and the public benefits such as:

1. Improved quality of life through early intervention.
2. Reduced healthcare costs due to fewer emergency admissions.
3. Enhanced patient satisfaction and outcomes through coordinated care.

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

Vulnerable groups, spanning all ages; from young people to older adults bear the brunt of this inaction. Those who rely on our services such as those with mental health issues, learning disabilities, neurodivergence, or those who have interaction with the criminal justice system, will continue to face risks due to inadequate support.

For individuals, the cost of inaction is immense:

Financial strain: Families often bear the brunt of care costs, depleting savings and causing long-term financial insecurity.

responses/autumn-budget-2024-lga-briefing

¹² NHS Confederation, 2023, *NHS capital budgets must nearly double to ensure crumbling buildings and infrastructure are fit for 21st century patient care*, [https://www.nhsconfed.org/news/nhs-capital-budgets-must-nearly-double-ensure-crumbling-buildings-and-infrastructure-are-](https://www.nhsconfed.org/news/nhs-capital-budgets-must-nearly-double-ensure-crumbling-buildings-and-infrastructure-are-fit#:~:text=Matthew%20Taylor%2C%20chief%20executive%20of,a%20priority%2C%20if%20the%20health)

[fit#:~:text=Matthew%20Taylor%2C%20chief%20executive%20of,a%20priority%2C%20if%20the%20health](https://www.nhsconfed.org/news/nhs-capital-budgets-must-nearly-double-ensure-crumbling-buildings-and-infrastructure-are-fit#:~:text=Matthew%20Taylor%2C%20chief%20executive%20of,a%20priority%2C%20if%20the%20health)

¹³ NHS Confederation, 2023, *NHS capital budgets must nearly double to ensure crumbling buildings and infrastructure are fit for 21st century patient care*, <https://www.nhsconfed.org/news/nhs-capital-budgets-must-nearly-double-ensure-crumbling-buildings-and-infrastructure-are->

Emotional toll: The lack of accessible care leads to increased stress and mental health challenges for both care recipients and their families.

Health risks: Delays in receiving adequate support exacerbate medical conditions and reduce life expectancy.

Action on adult social care reform would transform lives by:

1. Ensuring timely access to high-quality care.
2. Reducing the financial burden on families.
3. Providing a stable and skilled workforce to deliver consistent care.

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

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.¹⁴ The voluntary sector alone contributes about £20 billion in the UK.¹⁵ However, the cost of inaction is disproportionately borne by:

Care providers: Many operate at a loss, with some forced into bankruptcy, reducing the availability of care services. A recent survey by the Care Provider Alliance found 22% are planning to close their businesses entirely.¹⁶

Our Workforce: 1 in 5 of the residential care workers are living in poverty¹⁷, low pay and poor working conditions result in high vacancy rates, currently exceeding those in the wider economy. Staff shortages directly impact care quality and safety of the services being delivered by the social care and support sector.

People accessing care and support services: Individuals face reduced care options, longer waiting times, and lower quality of service.

NHS: Increased strain on hospital resources due to preventable admissions and delayed discharges.

Conclusion and Recommendations

While the long term solution lies in establishing a National Care Service, immediate action is essential to stabilise the sector, our recommendations include:

¹⁴ 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.>

¹⁵ UK Civil Society, 2022, *UK Civil Society Almanac 2022*, <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2022/>

¹⁶ <https://careprovideralliance.org.uk/press-release-urgent-call-to-address-devastating-impact-of-budget-on-care-and-support>

¹⁷ Source: Health Foundation analysis of Households Below Average Income and Family Resources Survey, Department for Work and Pensions, 2020.

1. HM Treasury to provide the urgent funding injection to close the fiscal gap of £10bn.
2. Implement the Skills for Care workforce strategy to attract and retain talent across the social care sector.
3. Developing the fair pay agreement for social care, which will reduce income inequality, enhanced job satisfaction, and economic stability across 5.8% of the working population in England.
4. Invest in infrastructure and technology to modernise care delivery.

Together, we can ensure a sustainable, effective care system that meets the needs of our population and supports the dedicated professionals within the sector.

December 2024