

Written evidence submitted by the Priory Group (ASC0094)

Adult Social Care Reform: The Cost of Inaction inquiry – Health and Social Care Committee

A response from Priory, the UK's largest independent provider of mental health and adult social care services

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 is not only severely detrimental to those in need of safe and effective care quickly, it also places a significant financial burden on the NHS and local authorities – as well as care providers who also suffer the consequences of the current state of social care.

It is also fundamental to recognise the success of the social care sector is inextricably linked to the strength and stability of the NHS and better integration between the two will be key to providing a more effective, caring and compassionate system. They go hand-in-hand and

Priory, as an integrated provider of mental health and adult social care services, sees first-hand how effective and cost-efficient a smooth transition from hospital to the community can be for the system when it works effectively – as well as how gaps in social care provision create inefficiencies.

The stark reality is that it costs seven times more to care for an individual in hospital than in a community setting.

Without adequate community-based services, many individuals with long-term mental health conditions or learning disabilities are either admitted to hospital or remain in inappropriate care settings for longer periods. The result is avoidable costs for the NHS, particularly through extended hospital stays, emergency admissions, and delayed discharges.

For local authorities, the lack of sufficient social care resources forces them to focus on emergency responses, leaving little room for proactive, preventative care. The financial strain being faced by local authorities is a national emergency, with a £4 billion funding gap in care services and reliance on unsustainable short-term measures.

The result is a backlog in care, further increasing the pressure on an already overburdened system.

The public suffers from this inaction through longer waiting times for care, poorer health outcomes, and fragmented services that do not meet individual needs, particularly people with autism, learning disabilities, or enduring mental health conditions who miss out on receiving care in the community where it would be more beneficial and cost-effective.

This issue affects some of the most vulnerable people in the UK.

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?

Developing truly integrated care, where health and social care services are delivered seamlessly to meet individuals' complex needs, as a system is still a long way from being implemented in the way it was envisaged.

One of the most important factors preventing this is the split in health and social care funding which results in differences of opinion in who is funding care, leaving the patient stuck in the middle.

Other issues include:

- delays in funding panel decisions for longer mental health rehabilitation which, once completed, lead to community placements – therefore preventing quicker transition
- poor funding preventing the creation of bespoke placements for more complex patients
- Low fees for forensic care homes to manage high risks.

At Priory, we have demonstrated the benefits of integrated health and social care pathways, where our mental health and social care services are aligned to provide comprehensive and patient-centered support.

It means we can facilitate a smooth transition for individuals from inpatient mental healthcare to residential care in the community, and eventually to supported living environments, at the earliest appropriate opportunity.

To enable this we have developed innovations such as assessment and transition directors to support autistic patients with complex presentations, and people with a learning disability, from the point of hospital admission through to their transition to environments better suited to their needs and with greater independence (while also freeing up beds in acute facilities).

We have also developed a new model of care within hospitals known as bespoke therapeutic placements (BTPs) to support people with complex autism who have challenging support needs which provide a safe stepping stone for transition to community living.

However, even with these innovations at our disposal, we can still be hampered due to integration in the system stalling at the policy level due to insufficient funding and a lack of collaboration between the NHS and local authorities – and involvement of the independent sector too late on in the process. This causes delays in patient discharges, frustration and, ultimately, impedes the ability of patients and residents to thrive.

This means they miss out on earlier and more appropriate intervention, personalised care pathways, and access to community-based services that allow them to live their lives more independently.

This is particularly relevant for autistic people, people with learning disabilities, and those with long-term mental health conditions who are often prevented from transitioning to more appropriate community settings at the optimum time.

This gap in service provision leads to reliance on hospital care and institutional settings, which are more costly and less conducive to long-term recovery and quality of life.

The government, as part of its 10-year plan for the NHS, has set out moving from hospitals to the community as one of its three key shifts – but that will not be achievable without reform of adult social care.

We urge the committee to investigate the benefits of ensuring greater involvement from the independent sector in co-designing pathways to meet individual needs.

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

As outlined in questions one and two, the cost of inaction on adult social care reform on individuals is profound.

Without access to appropriate care in the community, many individuals are forced to live for longer periods in settings that do not meet their individual needs, often in hospital or in residential care, where they are more likely to suffer deteriorations in their mental and physical health instead of the progress they may have otherwise made in the right environment.

By increasing community provision, particularly for those with autism, learning disabilities, and enduring mental health conditions, individuals would have greater access to supportive, personalised care that enables them to live more independently and with greater dignity.

Priory's approach, which includes working hard to transition individuals to homes and care environments at the earliest opportunity, demonstrates how the right care model can be implemented and achieved – but there is currently variation across the country which means some may benefit while others do not due to a lack of streamlined processes and funding issues.

If we had consistency across the country we would also be more able to place people closer to home.

Action to resolve this would result in better outcomes, greater independence, and a higher quality of life for individuals.

Case study

Patient Peter had been in multiple in hospitals (number of providers) for 16 years before arriving at Priory Mildmay Oaks due to lack of community provision that could cater for his needs. This meant he was stuck on wards which were inappropriate for his requirements.

One of our assessment and transition directors worked with Priory's adult care division to identify a placement and, within a year and three months, he was moved to Priory Radstock into a purpose-built and personalised self-contained flat. This meant he could move out of hospital and has improved his quality of life in the community closer to home.

This has not only changed Peter's life but it has reduced costs for his care commissioner seven-fold.

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

The cost of inaction on adult social care reform is most acutely borne by the NHS, where hospital admissions and delayed discharges are directly linked the crisis in social care.

For example, patients with mental health conditions or learning disabilities often face long delays in accessing appropriate care in the community after being discharged from hospital, resulting in unnecessary re-admissions or extended hospital stays.

This not only impacts the individuals involved but also strains NHS resources, particularly in areas such as acute care and mental health services.

Local authorities also bear a significant portion of the cost, particularly when social care services are underfunded or fragmented, as they are left with few options but to rely on crisis interventions, which are both more expensive and less effective than preventative or long-term care.

However, it should also be recognised that providers also suffer due to the financial constraints on local authorities which means councils are too often paying fees that render the services being provided unsustainable for the organisations delivering them.

Having no timeline for when local authorities will uplift fees means that providers often have to outlay cost of statutory pay uplifts and only receive the money to fund this mandatory uplift several months later. This affects providers' ability to plan and can cause some to go out of business.

Additionally, some local authorities still provide a zero uplift and have done this for two to three years now. This disadvantages people living in the areas affected as providers will avoid working with those local authorities.

Honouring the true cost of care ensures providers can deliver high quality, safe and appropriate support for patients and residents within sustainable services. It also means we are able to invest in our services and, at Priory, we have invested more than £109 million over the last three years alone.

The true cost of care issue is a national emergency for care providers and the individuals and families who desperately need to access this support. Central government investment into local authority fee uplifts is essential.

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

Adult social care makes a substantial contribution to the UK economy by supporting individuals to live independently and remain productive members of society. The care sector is a major employer, generating thousands of jobs in healthcare, social care, and support roles, many of which are in local communities.

At Priory, we contribute significantly to the economy, both through employment and by providing services that allow individuals with complex needs to access appropriate care in community settings – managing 200 care homes and supported living services – which reduces reliance on more expensive acute services.

We have 14,000 colleagues with approximately 70% of these working as healthcare assistants or support workers. We contribute to their education and development through apprenticeships and by ensuring those who did not obtain maths and English GCSEs at school are able to do so during their employment with us.

With proper reform and sustainable funding, the contribution of adult social care to the economy could increase further. Reform could lead to better and sustained integration of health and social care services, reducing the long-term costs to the NHS and local authorities, while improving the efficiency of care delivery.

Moreover, by investing in community-based care, individuals would be supported in leading more independent lives. This could result in enabling them to return to or remain in the workforce, increasing economic productivity.

More funding for care services would also create additional job opportunities, contributing to local economies and generating greater tax revenue.

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?

The costs of inaction on adult social care reform are often not fully accounted for in government policy evaluations. While immediate issues such as NHS waiting times and hospital capacity are frequently addressed, the long-term costs of insufficient social care investment — including prolonged hospital stays, delayed discharges, and preventable hospital readmissions — are often overlooked.

This was evident as recently as last week when the Prime Minister outlined his focus on the 18-week referral to treatment target in isolation. As a result, the true economic and social impact of inadequate adult social care is not adequately reflected in Budget and Spending Reviews.

The costs of inaction should be assessed by considering both the direct financial impact on the NHS and local authorities, as well as the broader social costs, such as reduced productivity, lower quality of life, and missed opportunities for individuals to live independently.

Perhaps the biggest indication how little the costs of inaction on social care reform have been considered, however, was evident in the government's recent Budget.

The Nuffield Trust has produced analysis which shows changes to Employer National Insurance Contributions announced last month look set to cost the adult social care sector over £900m next year.

In total, the 18,000 independent organisations providing adult social care in England will be faced with increased costs of an estimated £2.8bn in the next financial year.

With local authorities purchasing around 70% of care delivered by independent social care providers, councils would need to find an extra £2 billion if they are to increase the fees they pay to offset these higher costs – immediately consuming both the £600m extra funding allocated to social care (for both children and adults) at the Budget and the effects of an increased local government grant and changes to council tax rates (expected to yield around £2bn in total) for all council services.

At Priory, we believe the government should incorporate a more comprehensive health and social care approach to evaluating the financial benefits of social care reform, including the long-term savings associated with preventative care, the reduction in emergency admissions, and the improved outcomes for individuals.

A thorough evaluation should include the role of the independent sector, which has proven to be an essential partner in the delivery of high-quality, community-based care.

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