

Written evidence submitted by the Care and Support Alliance (ASC0109)

The Care and Support Alliance Evidence for the Health and Social Care Select Committee inquiry on Adult Social Care Reform: The Cost of Inaction

About the Care and Support Alliance

The [Care & Support Alliance](#) represents over 60 of Britain's leading charities campaigning alongside the millions of older people, disabled people and their carers who deserve decent care. We believe there is a strong case for change and are working with our members towards reform.

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 to tackle the root causes of the issues facing social care is having a dramatic impact on all those who rely on care, provide unpaid care, and are expected to need care soon. Reforms must address the needs of all these groups which cover a wide range of types of care and support.

Demand for social care is growing as the numbers of older people and those with long-term conditions, learning disabilities and mental health conditions increase. In 2022, analysis from Age UK and the CSA found that 2.6 million people aged 50 and above are living with some form of unmet care need in England¹. The 2.6 million over-50s in this position are equivalent to 12%, or one in eight of the entire same age population in this country.

Estimates predict at least 1.7 million more adults will require social care over the next 15 years². RNIB estimate that the prevalence of sight loss is expected to double to over four million people by 2050, due to an aging population. Dementia UK also report that the prevalence of this condition is growing.

An inability to keep up with current demand raises real concerns for the sustainability of the social care sector. A County Councils Network, the Association of County Chief Executives, and Newton report found that with reform "the number of children in the care system is likely to rise from 69,470 in 2015 to somewhere between 86,000 and 95,000 by 2025"³. A report from Chartered Institute of Public Finance and Accountancy found that between 2018/19 and 2022/23 there was an 11.1% increase in requests for adult social care from new clients aged 18-64.⁴ In 2021, the National Audit Office predicted that the cost of social care for WADA would increase by 90% by 2038 compared with 2018 (from £9.6bn to £18.1bn).⁵

¹ <https://www.ageuk.org.uk/latest-press/articles/2022/incoming-pm-needs-to-act-fast-says-care-and-support-alliance-as-new-analysis-finds-2.6m-aged-50-now-have-some-unmet-need-for-social-care/#:~:text=New%20analysis%20by%20Age%20UK,need%20for%20care%20in%20England.>

² http://www.cfwi.org.uk/publications/workforce-risks-and-opportunities-adult-social-care/at_download/attachment1

³ https://uploads-ssl.webflow.com/620f78aed11d2e920cb9ec03/62274b47028fe00a5cf1bfb1_The%20Future%20of%20Children%27s%20Social%20Care%20Report.pdf

⁴ <file:///C:/Users/MatthewH/Downloads/Managing-rising-demand-in-adult-and-children%E2%80%99s-social-care.pdf>

⁵ <https://www.nao.org.uk/reports/adult-social-care-markets/>

The social care crisis is having a knock-on effect on the NHS with Lord Darzi's recent report setting out a stark picture of 13% of NHS beds being "occupied by people waiting for social care support or care in more appropriate settings".⁶

Many in the social care sector are also feeling disillusioned with successive government's failing to deliver social care reform. This includes the failure to implement reforms on the back of the Dilnot Commission (including the cap on care costs within the Care Act 2014) and the failure to deliver reforms stemming from the Health and Care Act 2022 (including the cap and floor on care costs and the Fair Cost of Care). The Fair Cost of Care in particular placed significant burdens on social care providers to provide detailed information for then the policy to be stopped.

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?

If the social care system is to achieve the statutory duties and aims of the Care Act 2014, then fundamental reform of the way it operates is essential. Consistent underfunding limits the ability of Local Authorities and providers to meet eligible needs, provide high-quality support, and adequately recognize the skill and expertise of the care workforce.

Ad-hoc financial support for the social care system, often through short-term grants or leveraged by cuts in other areas, is an unsustainable way of funding the scale of reform required.

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

Failure to reform social care is putting additional strain on the NHS. Reforming social care will be a crucial element to help deliver the government's new 10 Year Plan for Health. Without an adequate consideration of the role of social care, and a credible plan of action for social care, there is a real risk that the NHS will continue to have to treat patients who should have been supported to manage conditions in their own home, should have had support to prevent the development of conditions, and free up beds through timely discharge.

Local authority budgets have also come under increasing strain with 81% of councils saying they are "on course to overspend their adult social care budget in the current financial year" (2024-25).⁷ In the same survey from the Association of Directors of Adult Social Services, the main barrier cited to implementing prevention in social care was "financial pressures".

The social care sector is also facing a developing financial pressure due to the incoming increases in National Insurance employer contributions announced in the Budget. The Nuffield Trust estimates that adult social care in England will face an increased cost of £2.8bn through a combination of the changes to National Insurance and the increase to National Minimum Wage.⁸

A survey from the Care Providers Alliance reveals the scale of the impact of these changes with care provider respondents reporting that:

- 73% will have to refuse new care packages from local authorities or the NHS
- 57% will hand back existing contracts to local authorities or the NHS

⁶ <https://assets.publishing.service.gov.uk/media/66f42ae630536cb92748271f/Lord-Darzi-Independent-Investigation-of-the-National-Health-Service-in-England-Updated-25-September.pdf>

⁷ <https://www.adass.org.uk/wp-content/uploads/2024/10/ADASS-Autumn-Survey-2024-EMBARGO-0001-6-NOV.pdf>

⁸ <https://www.nuffieldtrust.org.uk/news-item/social-care-providers-at-risk-of-collapse-as-analysis-reveals-cost-to-sector-of-employer-national-insurance-hike>

- 77% will have to draw on reserves
- 64% will have to make staff redundant ([Nuffield Trust analysis](#))
- 92% of providers who also serve people who pay for their own care will be forced to increase rates for self-funders. Many self-funders will be unable to bear extra costs and may reduce care or rely more on family carers.
- 22% are planning to close their businesses entirely.

It is imperative that the government provides social care providers with a solution to this funding gap which will in no doubt have an impact on the care and support people receive. It also risks undermining longer-term reforms to social care by further weakening the financial situation of social care.

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

It is being felt most by the people who use social care and provide unpaid care. Social care services on which the people we represent depend are not there for them and this can be catastrophic for people and carers.

Over a fifth of all enquiries to Mencap's helpline between April and November 2024 were about social care. For carers the impact is ever increasing with 4.87 million carers now worrying about the impact of caring on their physical and mental health.⁹ And for older people this can be seen with the scale of people who need help with tasks such as eating, walking across the room and dressing but who are not getting that support as revealed by Age UK.¹⁰

It is being felt in the budgets of local authorities who are responsible for the delivery of care and support as well as by the NHS. The Local Government Association found that adult social care featured in the top 5 areas of most concern for 90% of respondents, with 79% of social care councils saying that cost savings will negatively impact services to support for disabled adults and/or older people.¹¹ The impact of not addressing the issues in social care is also having an impact on the NHS as outlined in other areas of this submission.

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

The Future Social Care Coalition report, *Careonomics*, sets out the economic benefit of investing in social care. It found that "for every £1 invested, £1.75 is generated in the wider economy"¹² and more widely sets out the wide ranging benefits of investing in social care, from enabling economic growth, supporting people into the labour market, supporting carers, and spreading regional growth and opportunities.

Skills for Care conducted economic analysis of the contribution of the social care sector to the English economy.¹³ The analysis found the Gross Value Added (GVA) of adult social care was £25.6 billion in 2020/21. This is 1.6% of total England GVA. Social care is a bigger sector than electricity and

⁹ https://www.carersweek.org/media/qf0p5u4t/carers-week-2022-make-caring-visible-valued-and-supported-report_final.pdf

¹⁰ <https://www.ageuk.org.uk/discover/2024/september/state-of-health-and-care-of-older-people-in-england-2024/>

¹¹ <https://www.local.gov.uk/sites/default/files/documents/Autumn%20Budget%20Survey%20of%20Chief%20Executives%20-%20Report%20-%20Final%20-%2020241021.pdf>

¹² <https://futuresocialcarecoalition.org/wp-content/uploads/2023/09/FSCC-Careonomics-2.pdf>

¹³ <https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/The-value-of-adult-social-care-in-England-FINAL-report.pdf>

power, water and waste management sectors and twice as big as agriculture. Skills for Care concludes that the total economic value of social care in 2020/21 was at least £50.3bn. This analysis shows that the value of social care outcomes can be monetised at £9.24bn to £23.33bn.

Social services are the largest voluntary subsector, accounting for around a fifth of organisations. The social services subsector also contributes the most to the UK's economy, at around £3.4bn per year.¹⁴

Healthwatch's report on unmet need shows that 22% of working-aged disabled adults drawing on support said their care supports them to work, study, or volunteer. However, for working-aged disabled adults with 'hidden demand' who are eligible for care, but aren't receiving it, over 40% said that social care would help them with working.¹⁵ This could also link in with some of our own findings about 86% of PWLD currently out of work wanting to get into work, but only a small amount of them working.¹⁶

There are three main areas of potential benefit for the UK economy should social care be reformed adequately. These are:

1) Economic benefits of returning people to work

There are 9.2m people in England who are economically inactive according to the Office for National Statistics.¹⁷ Apart from students, some of the main reasons for economic inactivity were the care of family or friends, and sickness or disability. If the social care system can meet the care and support needs of the population, this would support people to return to work. In turn this could reduce the cost of social security and increase tax revenues and onward spending through the multiplier effect.

Greater Manchester have produced a Cost Benefit Analysis model which estimates the fiscal benefit of moving people off benefits payments and into work to the Department of Work and Pensions and HM Treasury at £19,153; the improved health outcomes to the NHS at £15,963 and the increased income to individuals at £10,564. The total value of someone returning to work is therefore £45,620.¹⁸

Skills for Care takes NHS Digital figures for the population of 18-64 year olds who are receiving long term community care (214,000) and assumes that the care provided enables them to work full- or part-time in line with the ONS statistics for the disabled population (37% and 16% respectively). The value to the economy of enabling this population to work is £4.7bn.¹⁹

There is a compelling economic case for providing carers with the support they need. Ensuring carers, especially those over 50, can stay in or return to paid employment is vital, with independent analysis suggesting the value to the economy of carers being able to work is £5.3 billion a year.²⁰ The lack of accessible and affordable social care services hinders carers' ability to juggle work and care. With unprecedented numbers of unpaid carers out of the workforce, there is a double imperative to invest in social care and ensure carers can look after their own health and wellbeing.

¹⁴ <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2023/executive-summary/#the-voluntary-sector-contributes-about-20bn-to-the-uks-gdp>

¹⁵ <https://www.healthwatch.co.uk/report/2024-07-16/missing-millions-exploring-unmet-social-care-need-disabled-adults>

¹⁶ <https://www.mencap.org.uk/sites/default/files/2023-09/Learning%20disability%20and%20work%20-%20final%20report%2031.10.22%5B77%5D%20%282%29%20%281%29.pdf>

¹⁷ <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity>

¹⁸ <https://www.greatermanchester-ca.gov.uk/what-we-do/research/research-cost-benefit-analysis/>

¹⁹

²⁰ <https://www.employersforcarers.org/news/care-in-crisis-5-3bn-cost-to-economy-in-lost-of-earnings-of-carers-giving-up-work-to-care/>

2) Cashable savings accruing to the health service

Health and social care services have many complex interactions and interdependencies. The two main areas where social care can offer savings to the health service are:

- By providing care in the community (either in someone's home, or in a care setting, including supported housing) to keep someone well in the community and out of hospital
- By supporting someone to leave hospital as soon as they are medically fit for discharge and avoiding delayed discharges.

The adage that 'prevention is better than cure' holds both for individuals, and for the health and care system. Where social and community care can support people to live independently, and manage health and care needs to prevent a crisis, the individual benefits from a greater quality of life, and the costs to the health and care system are generally far lower in the community than in hospital. The average local authority cost of residential care per week in England ranges from £842 for someone over 65 to £1,540 per week for a working aged adult (2022/23)²¹. In contrast the average [cost](#) of a hospital stay *per day* in 2020/21 was £2,349 for elective care and £901 for non-elective care²².

3) Equity opportunities

The economic contribution of social care varies regionally, and has the greatest impact in Northern and Midlands regions, where adult social care GVA is around 2% of total GVA compared to less than 1% in London and the South East.²³ Sustained investment in adult social care would benefit the North in particular, and act as an automatic stabiliser to the business cycle, as the vacancy rate in care is countercyclical: social care vacancies fall as general unemployment rises.²⁴

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?

Failure to reform social care is having a substantial impact across several areas, reflecting the importance that social care plays in the country's social and economic fabric.

The impact of inaction should be measured across a wide range of areas from central government to local authorities and individuals. Some of the costs of inaction are outlined above with regards to the NHS and local authorities. Costs not mentioned which should be considered with regards to the NHS and local authorities include but not be limited to:

- any increased costs of safeguarding due to a failure to not provide adequate care
- any potential increases in homelessness due to a lack of adequate support and;
- the economic impact of carers having to give up work to provide care to their loved one(s).

These areas should cover the impact of not having enough social care support on family dynamics, levels of loneliness and isolation, feelings of loss of dignity and independence, damage to life

²¹ <https://www.kingsfund.org.uk/insight-and-analysis/data-and-charts/key-facts-figures-adult-social-care>

²² <https://questions-statements.parliament.uk/written-questions/detail/2023-03-14/165361>

²³ <https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/The-value-of-adult-social-care-in-England-FINAL-report.pdf>

²⁴ <https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/The-value-of-adult-social-care-in-England-FINAL-report.pdf>

opportunities such as relationships and community engagement. A Mencap survey from 2022 found that “88% of families and carers surveyed said their loved one was always or very often felt sad, and 82% felt lonely due to rarely being able to leave their homes”²⁵. Age UK “found 55% of older carers live with a long-term illness or disability themselves”²⁶.

Just as crucial should be an assessment of the impact of the failure to reform social care upon individuals who receive care as well as carers. Carers UK found that “a quarter of carers (25%) are cutting back on essentials like food or hearing and 63% are extremely worried about managing their monthly costs” and that “75% of carers in employment worry about continuing to juggle work and care”.²⁷

December 2024

²⁵ <https://www.mencap.org.uk/press-release/new-research-mencap-reveals-widespread-loneliness-almost-third-people-learning>

²⁶ https://www.ageuk.org.uk/latest-press/articles/2023/1.5-million-older-unpaid-carers-aged-65-admit-to-feeling-under-strain/#_edn1

²⁷ <https://www.carersuk.org/reports/state-of-caring-2022-report/>