

Written evidence submitted by Hampshire County Council (ASC0120)

Hampshire County Council written evidence to the House of Commons Health and Social Care Inquiry

Adult Social Care Reform: The Cost of Inaction

Hampshire context

Hampshire County Council is one of the largest local authorities in England, serving a population of just over 1.4 million people. The County Council is an upper tier local authority with responsibility for adult social care.

Hampshire has an older population compared to England, with a greater proportion of the population aged 50 years and over, and a lower proportion of working age adults. Those over 70 years of age make up 17.2% of the population, compared to 13.7% nationally. 1.5% are over 90 years old, compared to 0.9% in England. Hampshire has both a growing and ageing population. The population is forecast to increase by 5.1% between 2023 and 2030. Districts with the largest growth in the older population are expected to see an increase of over 20% during this period¹.

The demographic profile of the county presents challenges for the health and social care system. It is well evidenced that whilst people are living longer nationally, they are not necessarily living longer in good health². The percentage of people with multi-morbidities and health conditions, disabilities and care needs increases with age, particularly for those who are living into their 90s.

In addition, older people are likely to suffer from conditions associated with ageing, such as frailty, reducing mobility, urinary incontinence, sensory impairment, falls and dementia. This is driving demand for health and care services, including for specialist care and support. Across Hampshire, over 190,000 residents have two or more long-term conditions (multimorbidity), equating to almost one in seven people (13.6%). Patients with multimorbidity have the greatest healthcare needs and generate the highest expenditure in the health and social care system.

Evidence of demand and cost pressures

The above demographic trends and long-term growth in demand and cost of providing social care services is placing the County Council, and many other local authorities across the country, under significant financial strain. This was evidenced by the Association of Directors of Adult Social Services (ADASS) Autumn survey (2024), which found that 81% of councils expected to overspend on their adult social care budgets in 2024/25, up from 72% in 2023/24, with an estimated overspend of £564 million³.

The County Council's Medium Term Financial Position forecasts a £42.4m demand pressure for adult social care packages in 2025/26 and a further estimated pressure of £29.7m in 2026/27⁴. This comprises costs arising from a steady acceleration in the growth of numbers of clients within Residential and Nursing Care since the Covid-19 pandemic. This is a trend reflected nationally – for

¹ [Hampshire Joint Strategic Needs Assessment](#), accessed November 2024

² [DHSC Evidence Review for Adult Social Care Reform](#), 2021, accessed November 2024

³ [ADASS Autumn Survey 2024 - ADASS](#), accessed November 2024

⁴ [Medium Term Financial Update November 2024 - Cabinet Report.pdf](#), accessed November 2024

example, respondents to the ADASS Spring Survey (2024) reported an increase from 67% in 2023 to 74% in 2024 in the size of care packages. Council-funded homecare requiring more than one member of staff also rose by 7.4% between 2023 and 2024, further reflecting increased complexity of need and associated cost⁵.

Demand pressures are not limited to older adults. Throughout 2023/24 and 2024/25, the County Council has seen more than half of the total financial pressure arise from within services for younger adults presenting with significant mental health needs. In many of these cases, younger adults are coming into social care in a position of crisis, resulting in an increasing number of very high-cost placements. As of March 2022, there were 52 younger adults' placements costing over £3,000 per week, with a combined annual cost of £10.8m. As of quarter two 2024/25, there were 108 such placements with a combined annual cost of £29m. Within mental health, increasing complexity of client needs are impacting placement costs due to the risk management measures required by providers and limited availability of specialist placements. The lack of skilled workforce to support younger adults with complex needs to live independently is a key contributing factor.

National Government decisions to increase the National Living Wage by 9.8% this year is also pushing up costs for social care providers, exerting pressure to uplift fees to ensure a sustainable social care market. The County Council is not able to meet this inflationary pressure on wages and is monitoring closely the impact of this on the stability of the market.

A further exacerbating influence comes from the health system, which is facing its own cost and demand challenges. Reform is needed to look again at the whole system so that health and social care partners are enabled and incentivised to work alongside each other more effectively.

Hampshire is part of two Integrated Care Systems – Hampshire and the Isle of Wight, which covers the largest part of the county, and Frimley ICS which spans the North East of the county. Over the last five years the County Council has seen investment from the Hampshire and Isle of Wight ICB reduce in real terms.

The lack of a long-term strategy and accompanying financial settlement for adult social care is necessitating short-term tactical decision-making and spending, which costs more in the longer-term. For example, more costly, temporary agency staff may be used to support pressured hospital discharge teams in the absence of longer-term discharge funding arrangements.

The impact of inaction

These additional financial pressures, driven by factors outside of the County Council's direct control, are having an impact on the delivery of care and support. With the system under such financial strain, some people are having to wait longer to receive care and support services. The ADASS Spring Survey found that whilst fewer people were waiting for assessment compared to previous surveys, there was still significant unmet need with some 418,029 people waiting for an assessment, care or direct payments to begin, or a review of their care plan (as of 31 March 2024)⁶.

Other trends highlighted by ADASS nationally and experienced in Hampshire include the impact of funding pressures in the NHS, which have a knock-on effect in adult social care. Of particular concern is the increasing number of new people failing to qualify for Continuing Healthcare or being reviewed to find they no longer qualify, which is a key driver of the highest cost packages of care.

⁵ [ADASS-Spring-Survey-2024-FINAL-1.pdf](#), accessed November 2024

⁶ [ADASS-Spring-Survey-2024-FINAL-1.pdf](#), accessed November 2024

ADASS have also highlighted the impact of demand pressures on unpaid carers, who are coming forward with an increased level of need. This is reflected in Hampshire, where the demographic profile means that many carers themselves are experiencing health challenges associated with ageing and in need of support. Feedback from carers has also highlighted the increasing complexity of need amongst those cared for.

The impact of social care pressures ripples out to wider public services, squeezing resource available for services such as highways maintenance and supported bus services that are greatly valued by local communities and help our local economies. There is also less resource to invest in preventative services which can have longer-term, positive impacts on people's health and wellbeing – as well as positive economic impacts and helping to reduce demand on wider statutory services.

The impact of demand and financial pressures in adult social care on wider County Council services is exacerbated by demand pressures in other key service areas, most notably SEND and school transport within Children's Services. As a result, the County Council is having to consider reducing services to legal minimum levels to contribute towards meeting the significant budget gap of £182 million for 2025/26. Regrettably, the cost pressures from statutory services are so high that even this may not be enough to balance the budget on a sustainable basis.

Conclusion

The County Council has a strong track record for sound financial management and planning alongside continuous improvement and innovation to support people's independence, health and wellbeing. Comprehensive reform to the adult social care system is necessary and long overdue. The Sector needs a long-term, fair, financial settlement which recognises the strategic importance of adult social care alongside the NHS. This, combined with a new ethos of innovation and trust in local authorities as those best placed to meet the needs of their citizens, is fundamental to starting to address ongoing demand challenges. These have been anticipated for many years and are forecast to increase – the cost of inaction is mounting and the time to act is now.

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ⁱ For more detailed information on the County Council's financial forecasts for the next two financial years, the County Council's approach to Legal Minimum Service Levels, and recent representations by the Leader of the County Council to the Chancellor of the Exchequer, see [Issue - items at meetings - Medium Term Financial Update | About the Council | Hampshire County Council](#)

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