

Written evidence submitted by Leonard Cheshire (ASC0125)

Health and Social Care Committee Inquiry: The Adult Social Care Reform: The Cost of Inaction – Leonard Cheshire’s response

About Leonard Cheshire

Leonard Cheshire is one of the UK’s leading charities supporting disabled people. We support individuals to live, learn and work as independently as they choose, whatever their ability and to play our part in creating a fair and inclusive society. Led by people with experience of disability, we are at the heart of local life — providing opportunity, choice and support in communities across the UK. This includes providing social care through supported living and registered care homes - caring for over 1,300 disabled people - and supporting disabled people with employment opportunities.

Summary and recommendations

For many people social care literally keeps them alive. When it works well, good quality social care also supports disabled people to get up and out, work, see friends and family and remain independent. The reality, however, is far from this. A perfect storm of workforce shortages, rising demand and rising costs, combined with years of delays to social care reform, is producing a widening gulf between demand and delivery, where a series of inactions have contributed to the current situation.

Over recent years local authorities have been delivering real terms cuts to social care contracts due to insufficient central government funding. This is now exacerbated further by unexpected increases to provider costs via the Autumn 2024 budget, which cannot be met. The financial situation is proving increasingly untenable for Leonard Cheshire, alongside at least 57% of providers, we project having to hand back existing contracts to local authorities or the NHS in the year ahead¹.

Without funding via the upcoming Local Government Finance Settlement and next year’s Spending Review, social care providers are now facing a cliff edge. A continued lack of adequate social care funding and reform will leave disabled and older people without vital support and may cost lives. Urgent action is needed to stabilise the sector, put it on an even footing to ensure future sustainability and deliver the reforms needed to meet the care and support needs of the future.

Recommendations

- Commit to a real-terms uplift in ring-fenced funding for adult social care which reflects the increased costs of care, amounting to at least £2 billion to even standstill
- Ensure adult social care is a priority area in Phase 2 of the Spending Review with sufficient investment provided over the course of its multi-year period

¹ Care Provider Alliance (2024). [Urgent call to address devastating impact of budget on care and support](#)

- Develop a long-term plan for social care investment with funding that meets the real cost of care, linked to key targets to deliver meaningful reform to the system as a whole
- Produce a workforce strategy with clear timeline and goals to address endemic issues of recruitment and retention among staff while also laying out progression pathway
- Build on legislating for a Fair Pay Agreement to move towards pay parity with the NHS
- Introduce a national commissioning framework to ensure transparency and consistency, avoiding a 'race to the bottom' in local social care commissioning and provision
- Improve integration between health and social care via better social care representation on ICBs and ICPs to ensure genuinely joined-up, personalised care
- Ensure enforcement of the Care Act 2014 and deliver a roadmap for social care reform based on its principles and in co-production with disabled people and social care workforce
- Address the capital investment shortfall in modernising social care provision to meet the needs of the future
- Demystify social care and sensitise the tax-paying population that a funded National Care Service is crucial to us all
- Work towards commissioning a regular nationally representative survey that captures the scale of unmet care needs for working age disabled people across the country.

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

1.1 Behind the figures in all conversations on social care discourse are real people. Disabled and older people, carers and a strained workforce. A continued lack of social care reform will leave disabled and older people without vital support and ultimately may cost lives.

"My PAs are doing an exceptional job; however, I can't pay them what they are entitled and what the job reflects. They're on the bare minimum of what I can afford but they're doing a job working with life-saving equipment to keep me... one: alive, two: keep me independent and out of hospital. But I'm paying them pretty much nothing. And that's not fair. There needs to be more money to be able to give care workers what they are entitled to earn."

K, 45, Milton Keynes

1.2 Good quality, personalised care is about more than care homes and goes beyond basic needs like washing and eating. It can be transformative to the lives of disabled people. It means people can see their friends and family, travel, take up hobbies, and pursue education or a career. Care can empower disabled people, supporting individuals to live their lives, to be independent, and to be equal.

1.3 Disabled people have told us that they want the narratives and perceptions of social care changed to be more positive, and that while it is important to recognise the inaction that has led to the current position, a focus on the ongoing 'crisis' of the sector overshadows the potential transformative impact of care. Leonard Cheshire believes social care should be seen as a route to **enable** people to live an equal and fulfilling life and connect to the people and things that matter most to them.²

² Social Care Future (2023). [How to build public support to transform social care](#)

1.4 Part of delivering care and support that works for all disabled people will mean emphasising that positive narrative about social care, demystifying jargon-heavy language, and elevating positive enabling examples of care and support. Such an approach is also needed so that the wider public who have not yet encountered social care, have a better understanding of the crucial role it plays in our society, and the need for action on reform sustainable funding solution. There is a need to demystify social care and sensitise the tax-paying population that a National Care Service is crucial to us all.

“The ease of setting it up, is an issue. You need a good support network around you and you need to be able to talk to someone who has that experience. You need to find the right people to enable you to access social care.”

H (37, Cheshire)

1.5 Care and support should be much simpler and smoother to engage with at every stage. Disabled people tell us they are experiencing considerable difficulties even at assessment stage, affecting their independence and freedom. The first issue many disabled people encounter is long waitlists. Long waiting times for initial assessments and for care and support or direct payments to begin have increasingly become an issue, as the current number of people waiting over six months for an assessment stands at 78,641, compared to 41,192 in November 2021.³

“It is always just the basic support, the bare minimum of what is available to support me with everyday life. I’ve never been offered care in the sense of someone to help me with a trip out for example. I’d like the opportunity to go somewhere with support. You are just left to your own devices and if you need extra support then you have to fight for it!”

C (33, Kent)

1.6 Further issues arise once the assessments take place, with disabled people telling us they can be conducted too quickly, prohibiting social workers from developing an in-depth understanding of their life and circumstances. Many also feel they are not being listened to and staff conducting assessments need better disability training, so that assessments can be truly individualised and person-centred. This can result in care packages, that are not personally tailored to their specific needs, despite the Care Act 2014 placing statutory duties on Local Authorities to create person-centred care plans.

“I would like to see good quality information available to navigate the social care system. It is very complex to understand especially from a young age. Everyone should have access to good information to be able to make informed choices about their care.”

T (details withheld)

1.7 Disabled people have told us their concerns about eligibility criteria to access social care, which can place them in quite an adversarial position. Many felt that disabled people often have to ‘prove’ their eligibility for care.

³ ADASS (2024). [2024 Spring Survey](#)

1.8 A substantial postcode lottery exists when making a request for social, due to differing approaches to eligibility criteria. In West Sussex, 86% of disabled people and older are either provided with no social care services or simply signposted elsewhere following requests for support, compared to neighbouring East Sussex where this is the case for only 25% of requests.⁴

1.9 We support efforts underway to introduce a Fair Pay Agreement on social care, however it must be matched with associated government funding. Low pay for social care workers has a negative impact on those who work in the sector, the ability of providers to recruit and retain staff, and on individuals who draw on care.

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?

2.1 Social care requires a cross-government and cross-sector approach, so its omission in the government's recent *Plan for Change* is hugely concerning.⁵ Adult social care impacts and is impacted by wide-ranging public services and must be aligned with these which include but are not limited to housing, employment, education and health.

Local Government funding reform and localism agenda

2.2 Ongoing inaction on social care will undermine the Government's localism and devolution agenda. Local government funding reform cannot be undertaken in isolation to social care reform and vice versa. In 2023/4 39% of council spend was focused on adult social care, yet 72% of councils overspent on their adult social care budgets.⁶ Among these, the proportion using reserves as a source of funding to address their overspends increased from 37% in 2021/22 to 95% in 2023/24⁷. Plugging funding gaps to meet their statutory duties for social care inevitably has costs for non-statutory services.

2.3 The Local government finance policy statement 2025/6, sets out the government's ambition to reform the local government finance system, including adult social care in a short list of areas in which it will reform public services.⁸ For this to happen, adult social care must be prioritised under Phase 2 of the Spending Review. Despite detailing the government's planned focus on reforming the public sector in Phase 2 of the Spending Review, the recent Budget failed to confirm that adult social care will be a priority area.⁹ This must be urgently rectified.

Housing mission

2.4 Disabled people face a chronic shortage of accessible housing. Under its *Plan for Change*, the Government has a milestone of 'building 1.5 million safe and decent homes in England this

⁴ Leonard Cheshire analysis of data from NHS Digital (2024). Adult Social Care Activity and Finance Report, England, 2023-24

⁵ HM Government (2024) [Plan for Change](#)

⁶ Local Government Association (2024) [LGA analysis of Revenue Account budget data published by the Department for Levelling Up, Housing and Communities \(DLUHC\)](#)

⁷ ADASS (2024) - [2024 Spring Survey](#)

⁸ Ministry of Housing, Communities & Local Government (2024). [Local government finance policy statement 2025 to 2026](#)

⁹ HM Treasury (2024) [Autumn Budget 2024 \(p.58, section 2.97\)](#)

Parliament'¹⁰. However, there is very little joined-up working to ensure this target meets the needs of working-age disabled adults including those who draw on social care. The Government's stated 'home first'¹¹ ambition for social care cannot be delivered without the greater availability of affordable accessible housing.

2.5 Before any of these safe and decent homes are built, this government needs to improve the accessibility of the country's current housing stock. As part of the 2021 white paper a review and consultation on raising the upper limit on the Disabled Facilities Grant was promised but this never materialised. The grant has served as a vital support in some but far too few cases, updating the means-test to determine eligibility alongside additional funding could help address this.

3. 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?

NHS

3.1 In his independent investigation into the NHS, Lord Darzi emphasised that *"it is impossible to understand what has been happening in the NHS without understanding what has happened to social care,"* where rising demand for care and support from an underfunded social care system is having significant impacts across our health system.¹²

3.2 This impact is most clearly seen in the reduced capacity caused by delayed discharge, where NHS beds are occupied by people waiting for social care support or care in more appropriate settings. Every day there are an average of 12,223 people in acute hospitals in this position, a 43% increase from 2021, which represents 13% of all bed capacity in these settings.¹³¹⁴

3.3 This reduced capacity limits the amount of care that can be provided elsewhere, such as an estimated 7% fewer daily outpatient appointments for each consultant, 12% less surgical activity for each surgeon as well as 18% less activity for each clinician working in emergency medicine.¹⁵

3.4 There is also strong evidence to suggest that without the right care and support in place, it is more challenging to avoid new health issues or exacerbating existing health conditions. Good quality social care can prevent hospital admissions as well as identifying and addressing needs before they escalate which can in turn reduce demand on NHS services. Research has found that more care home beds can reduce the length of stay in hospital by between 1% and 7%, as well as estimating that every additional £1 spent on care home services results in a £0.35 reduction in hospital expenditure.¹⁶¹⁷

¹⁰ HM Government (2024). [Plan for Change](#)

¹¹ Department of Health & Social Care (2024). ['Adult social care winter letter 2024 to 2025' from Minister of State Stephen Kinnock to chief executives of local authorities and directors of adult social services.](#)

¹² Darzi (2024). [Independent Investigation of the National Health Service in England](#)

¹³ Leonard Cheshire analysis of data from NHS Digital (2024). Adult Social Care Activity and Finance Report, England, 2023-24

¹⁴ [Nuffield Trust \(2024\). Delayed discharges from hospital](#)

¹⁵ Darzi (2024). [Independent Investigation of the National Health Service in England](#)

¹⁶ Fernandez, JL (2008). Consequences of local variation in social care on the performance of the

Local authorities

3.5 Directors of Adult Social Care are already reporting an estimated £903m will be required to be made in savings for this financial year, leaving a budget that has only 10% fully confident they will be able to meet their statutory duties for 2024/25.¹⁸ It must be recognised that the 'overspend' is of budgets that inadequately projected social care need, and the 'savings' will come at the cost of disabled and older people's crucial care support. Similarly, costs are likely felt across all areas of service provided and commissioned by local authorities who are placed in the impossible position of trying to balance budgets while meeting statutory requirements.

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

4.1 We believe that a significant cost of inaction on adult social care reform is being borne by providers who are facing an increasing complexity of need in care packages, rising labour costs in delivering this care, alongside an expectation that this is to be delivered for less due to budgetary pressures. Combined, these pressures are pushing providers towards collapse or forcing them to exit local care markets. Over six months in 2023/24 over 5,000 people were impacted by providers closing, ceasing trading, or handing back council contracts, with 39% of adult social care providers seriously considering exiting the market.^{19,20}

4.2 The recently announced changes to employer NICs are likely to exacerbate this further as analysis suggests this will wipe out the entire value of the additional funding provided to the sector in the Autumn Budget.²¹

4.3 Inaction on the longstanding issues of recruitment and retention is leading to entrenched staffing issues across the sector, where the vacancy rate is currently 8.3%, or 131,000 posts left unfilled.²² Yet labour costs are often some of the biggest costs providers face and in a sector where almost half of workers are estimated to earn within 30 pence of the National Living Wage (NLW) level. Successive yearly rises of almost 10% without associated funding have proved challenging for providers.²³ Contractually, many local authorities have removed the legal requirement to adjust prices in line with NLW changes, meaning providers are often left to absorb the costs. As a non-profit social care provider, Leonard Cheshire is facing these challenges acutely.

acute health care sector

¹⁷ Forder, J (2009) 'Long-term care and hospital utilisation by older people: an analysis of substitution rates.' *Health Economics*, 18(11), 1322-1338

¹⁸ ADASS (2024). [2024 Spring Survey](#)

¹⁹ ADASS (2024). [2024 Spring Survey](#)

²⁰ Hft and Care England (2024). [Sector Pulse Check, A snapshot of finances and workforce in the adult social care sector in 2023](#)

²¹ Nuffield Trust (2024). [Social care providers at risk of collapse as analysis reveals cost to sector of employer national insurance hike](#)

²² Skills for Care (2024). [The size and structure of the adult social care sector and workforce in England](#)

²³ King's Fund (2022). [Odds stacked against it: how social care struggles to compete with supermarkets on pay](#)

4.4 Even if providers can bear these costs, an unfunded NLW increase across the social care sector only stores up problems for the future, as it drives the compression of wages, reducing the financial differentials between job roles to disincentivise progression and increase turnover. The median care worker in 2011 earned nearly a third more than one of the lowest paid tenth, whereas now they earn less than a sixth more.²⁴ There is also a risk of undoing the progress achieved by providers who have been able to introduce the Real Living Wage. A survey of over 1,180 care and support providers found that 64% will step back from paying the Real Living Wage due to the combined impact of NI changes and NLW increases announced in the 2024 Autumn Budget²⁵.

4.5 Not only can the fees paid for care packages be inadequate, but these payments can often be late with the decisions behind them lacking transparency. A survey from the Homecare Association found that eight in ten of providers holding contracts with local authorities or the NHS have experienced late payments. This can create cash-flow issues for providers and in some cases lead to contracts being handed back or not taken on due to persistent unpredictability of payments.²⁶ A lack of transparency in commissioning decisions means care calculations, scales and frameworks are often not shared with providers, meaning many are engaged in separate discussions with local authorities without an awareness of commissioning decisions being made elsewhere or a full understanding of current local market conditions.

The cost of inaction in Leonard Cheshire services

4.6 Our care services support over 1,300 people, many of whom have a range of complex disabilities and health conditions. So that our care services meet the needs of our service users, personalised care is provided by specialist-trained staff who follow detailed protocols in areas such as hygiene control. Whereas the weekly average for a local authority-funded care home place for a working-age disabled person stands at £1,540 and £842 for those over-65, for the people we support in our residential service the figure is significantly higher.²⁷²⁸ This support will often require greater on-hand assistance from skilled staff, enabling the disabled people we support to meet their goals and care needs but also driving increased costs.

4.7 Unfortunately in our experience many local authorities are making commissioning decisions based on costs, not on outcomes, and without a clear understanding of the real cost involved in providing the high-quality care needed in many disabled people's care packages. When commissioning decisions are made, the funding that we receive often does not allow for the additional extra costs that can help support the quality of life, independence, and choice of the disabled people we support. This is resulting in a 'race to the bottom' in social care commissioning. In some circumstances, we are choosing not to tender for contracts because the hourly rates being offered by local authorities are simply too low to be able to guarantee that care will be delivered at a suitable quality, level of safety and in line with regulatory requirements.

²⁴ Nuffield Trust (2023). [Time to worry about the social care squeeze](#)

²⁵ Care Provider Alliance (2024). [Urgent call to address devastating impact of budget on care and support](#)

²⁶ Homecare Association (2023). [Late payments and volume of hours survey](#)

²⁷ NHS Digital (2024). [Adult Social Care Activity and Finance Report, England, 2023-24](#)

²⁸ *ibid*

4.8 We are subsidising placements of many of our residents. Absorbing these funding gaps is proving increasingly challenging while ensuring services are run safely and regulatory requirements are monitored and met, all of which reduce flexibility across our services and risk negatively impacting our core offer to people. In other cases, when people's needs have changed, local authorities have refused to reassess them and we have even been told that the only way they will find alternative provision is if we evict them. With the additional funding pressures from the NICS and NLW increase, we will have no alternative but to hand back contracts.

4.9 We are also increasingly placed in the difficult position of subsidising placements for residents in some of our services due to the increased rate of termination of Continuing Healthcare (CHC) funding without alternative funding in place. In such circumstances, this has led to drawn-out negotiations between NHS and local authority commissioners over who should pay for this care, with our services footing the bill for extended periods until a solution is found. We have been subsidising placements of some residents for over a year because of the funding gaps and are currently funding £22k of such placements a week.

Inaction on fair cost of care

4.10 When announced in 2021, the Fair Cost of Care reforms had the potential to truly support more sustainable local care markets, restore fairness to the system for self-funders, and ensure providers receive fair payment for contracts from local authorities. Instead, these reforms have been beset by delay, scaling back of ambition, and inaction when it comes to working-age disabled people as the true cost of care has only moved further away from the fees received by providers.

4.11 £1.1 billion of funding was initially allocated to help local authorities as part of these reforms, but by the Autumn Statement in 2022 this had already been scaled back as only £162 million per annum would be retained as part of the 'fair cost of care' funding to help engage with providers and develop market sustainability plans. The subsequent 'fair cost of care' exercise that local authorities undertook in 2022/23 to better understand local needs to help shape care services took the needless decision to exclude working-age disabled people from this work, which focused instead on just 65+ care homes and 18+ domiciliary care.

4.12 Estimates produced from the exercise suggested, even with working-age disabled people excluded, that it would cost £1.8 billion in total to pay a full fair cost for care to providers, though DHSC noted they consider this figure to be too high and have concerns with the quality and robustness of local authority data submitted.²⁹ Alternative estimates suggest that this may even be an underestimate, as The Health Foundation has estimated a gap of about 19% between these costs of residential and nursing care provision and the fees paid by local authorities.

4.13 Based on this and our conversations with local authorities to date, we are concerned that the exclusion of working-age disabled people from the exercise has meant that existing issues with spending on these contracts will continue to go unaddressed. Without accurate information on the real cost of care for providers of many of these contracts, existing banded social care costs by local

²⁹ NAO (2023). [Reforming adult social care in England](#)

authorities are not allowing local markets to factor in the costs of high support packages for disabled people with complex needs.

Inability to spend on capital investment

4.14 Inadequate fees cause immediate problems for providers but also help to store up problems for the future. Providers are increasingly unable to invest in capacity to meet future demand and care needs or engage in strategic planning alongside capital funding for future facilities. Only 0.7% of local government adult social care expenditure was on capital investment.³⁰

4.15 Leonard Cheshire is finding this more challenging with some services located in large old buildings that are expensive to maintain and often not best suited to implementing detailed protocols in areas such as hygiene control or adapting to increasing regulatory requirements. For example, the CQC's expectations on what care should look like for autistic people or people who have a learning disability under '*Right support, right care, right culture*'.³¹

4.16 Instability in the sector precludes potentially risky capital investment but also prevents providers from investing in digital infrastructure or assistive technology. £150 million was committed as part of the 2021 reforms to a programme of 'digital transformation social care'. An update on this programme in late 2023 noted it was not on track to meet the original target of 80% of providers, and at least 80% of people in receipt of care having a digital social care record in place by March 2024. Analysis of the progress made also indicated that the very largest and smallest providers were least likely to have switched over to digital records.

4.17 Digital care records and data management systems are often costly to adopt and bed in across services encouraging inertia among providers. Fluid data sharing between providers can already be impeded by the considerable variety in the digital systems used for processes such as care planning, medication requirements, and clinical governance. Despite the wide range of digital options available, no market analysis of their effectiveness has been conducted by the Government alongside any best practice information governance to assist moves to modern data management systems.

4.18 Assistive technology has the potential to greatly increase personalisation of care, by placing tools for increased flexibility and autonomy in the hands of disabled people. Many of these tools already exist, but sadly their promise is not being fully realised by providers due to the lack of ambition from the Government to help drive their adoption in the social care system. Hill House, one of Leonard Cheshire's care services has been highlighted in the 2021 white paper as a positive example of the potential that assistive technology holds in transforming care for disabled people.³²

³⁰ NHS Digital (2024). [Adult Social Care Activity and Finance Report, England, 2023-24](#)

³¹ CQC (2023). [Right support, right care, right culture. Services for autistic people and people with a learning disability](#)

³² Department for Health and Social Care (2021). [People at the Heart of Care: Adult Social Care Reform White Paper](#)

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

The economic contribution of social care as a sector

5.1 The social care sector employs 1.59 million people which accounts for 6% of the nation's workforce. In 2022/23 the sector was estimated to contribute £68.1 billion gross value added (GVA) per annum to the country's economy.³³ Research also suggests that increasing spending on care creates more jobs per pound of investment than any other area of public spending.³⁴

5.2 Social care is crucial for the health and independence of millions who draw on it, and to the government's missions to transform the NHS and drive growth of the economy. Despite all this, no acknowledgment was made of social care as a potential sustainable 'growth-driving' sector in the Government's recent Industrial Strategy White Paper. Social care has also remained conspicuously absent when it comes to this Government's ongoing missions.

5.3 Not only is the GVA of the social care sector significant to the country as a whole but it also varies significantly across regions.³⁵ This means that any investment in social care reform has the potential to contribute to regional rebalancing, with the Fabian Society estimating that every extra £1bn spent on social care would create 50,000 jobs across the country, with the largest impact felt in the North East and North West.³⁶

5.4 The Government's own impact assessment acknowledged that not only have low pay, poor terms & conditions, and insecure employment contributed to high rates of turnover in social care, driving poorer outcomes, they have also constrained productivity, reduced output, and wider social benefits.³⁷

Removing barriers to the earning potential of disabled people

5.5 Every year 300,000 working-age disabled people move out of work.³⁸ Moving from employment to unemployment or economic inactivity is likely due to myriad factors, but for some lack of adequate social care provision is likely a factor.

5.6 Working-age disabled people (36%) are more likely to have their requests for social care result in no services being provided compared to older people (25%), a figure that has been slowly increasing year on year.⁵ Too often disabled people have told us that the choice they are given on their care packages is limited, prohibiting the opportunity to have care and support in place that is personalised and works alongside their career goals to enable them to succeed in employment fully.

³³ Skills For Care (2024). [The state of the adult social care sector and workforce in England 2024](#)

³⁴ New Economics Foundation (2023). [A care workforce fit for Britain](#)

³⁵ Future Social Care Coalition (2023). [Carenomics. Unlocking the economic power of care](#)

³⁶ Fabian Society (2023). [Support Guaranteed. The roadmap to a National Care Service](#)

³⁷ Department for Business and Trade (2024). [Final stage impact assessment. Establish a Fair Pay Agreements process in the Adult Social Care sector](#)

³⁸ Department for Work and Pensions (2024). [The employment of disabled people 2024](#)

5.7 Modelling carried out by Frontier Economics on our behalf in 2021 found that eliminating the disability gap through well-funded social care would **generate an additional £6 - £20 billion in annual income for the UK economy**.³⁹ Through increasing the earning potential of the disabled population further returns would be generated for the Exchequer in the form of additional income tax. If taxed at the basic rate of income tax, Frontier Economic’s modelling estimated an additional **£1.1-£4.5 billion would be generated**.

“I could go out to work. I could look for a job. I mean, I can work from home, no problem. That’s what I want to do. I could probably go to work if I had a few more hours [of care and support]”

E, (37, Hucknall)

Recognising the economic cost of unpaid care

5.8 Based on Census 2021 data, 2.5 million people across England and Wales provide 20 hours or more (more than the equivalent of a part-time job) of unpaid care a week to support someone due to a disability, long-term health condition, or problems related to old age.⁴⁰

5.9 Carers UK’s State of Caring 2023 survey found that 40% of respondents reported having to give up work completely, with a further 22% reducing their working hours.⁴¹ Among those that remained in work, half (49%) saw their income fall by over £1,000 per month as a result of changes in hours. While 1.7 million people who carry out caring responsibilities don’t do so alongside work, creating financial difficulties as the poverty rate for unpaid carers is 50% higher than for those who do not provide care.⁴²

5.10 We welcome ongoing efforts being made to support carers, such as the review of carers’ leave and forthcoming raise to the weekly earnings limit in Carer’s Allowance, but note that while these many benefit many carers, such reforms still leave untouched the primary reason for such high levels of unpaid care; lack of adequate social care. Reforming the social care system could allow thousands of carers to return to work or increase their hours.

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?

6.1 The costs of inaction on social care reform are largely overlooked. When they are considered, it is often through a piecemeal approach focused on single reforms. As seen with much of the 2021 white paper commitments, this leads to reforms being delayed, watered down or scrapped entirely, with funds instead being directed to tackle emergency costs elsewhere in the system. This has been part of what the Institute for Government has dubbed an inefficient cycle of ‘crisis-cash-repeat’ in social care since at least 2015.⁴³

³⁹Leonard Cheshire (2021). [Care for Equality](#)

⁴⁰ Office for National Statistics (2023). [Unpaid care, England and Wales: Census 2021](#)

⁴¹ Carers UK (2023). [State of Caring 2023](#)

⁴² Carers UK (2024). [State of Caring 2024. The impact of caring on: finances](#)

⁴³ Institute for Government (2023). [Adult social care: Short-term support and long-term stability](#)

6.2 Unfortunately, the social care sector is also beset by data issues that make comprehensive evaluations of policies and the cost of inaction on them more challenging. To address this, we believe there are five key steps the Government should take to effectively consider the costs of inaction and lay out an ambitious and transformative strategy for social care. These are as follows:

1. Calculate the investment needed to stabilise the sector
2. Establish levels of unmet need and develop projected demand for future care and support
3. Calculate the workforce growth necessary to meet this increasing demand
4. Model the costs of social care reform that increases access and better outcomes
5. Estimate the additional social and economic benefits delivered with social care reform

1. Investment needed to stabilise the sector

6.3 This committee's 2020 report "*Social Care: Funding and Workforce*" estimated that £7 billion per annum would be needed by 2023/4 to stabilise the sector and help it progress towards future sustainability.⁴⁴ We have now passed 2023/24 and the investment needed is now likely to be several orders of magnitude higher.

6.4 At the time of this estimate, inflation stood at 0.7%, it has since peaked at 11.1% and is currently 2%. Such high rates of inflation have led to substantial year-on-year rises in the NLW. The Nuffield Trust says that the 18,000 independent organisations providing adult social care in England will be faced with increased costs of an estimated £2.8bn in 2025/6 year due to the Autumn Budget increase in NLW and employer NICs combined.⁴⁵

6.5 The Government has failed to produce its own estimate of the immediate funding needed to stabilise the social care sector, with the sustainability to allow consideration of more ambitious reforms. Calculating the level of this investment and the cost were it not to be delivered should be the starting point of any assessment of the costs of inaction.

2. Establish levels of unmet need and develop projected demand for future care and support

6.6 In 2023/24 there were 2.07 million new requests for care and support made to local authorities across the country, 1.22 million (59%) of which resulted in no care being provided.⁴⁶ Though complicated by such variations in eligibility criteria, these denied requests are likely to form part of the picture of unmet care needs across the country, which for working-age disabled people is a considerable data gap that needs addressing when estimating current need and future demand.

6.7 The annual Personal Social Services Adult Social Care Survey has the most robust national data on those who currently draw on social care and their experiences but captures minimal demographic

⁴⁴ Health and Social Care Committee (2020). [Social care: funding and workforce. Third Report of Session 2019–21](#)

⁴⁵ Nuffield Trust (2024). [Social care providers at risk of collapse as analysis reveals cost to sector of employer national insurance hike](#)

⁴⁶ Leonard Cheshire analysis of data from NHS Digital (2024). Adult Social Care Activity and Finance Report, England, 2023-24

detail as well having no questions on people's initial experiences of navigating and accessing social care.

6.8 Without a clear sense of how many people may be likely to benefit from accessing care and support across the country, establishing current and projecting future demand nationally and regionally becomes more challenging and ultimately impedes effective long-term planning on provision. We firmly believe that the Government should work to develop an estimate of unmet need that can be used as a basis from which to make projections and better understand the potential costs of inaction.

3. Calculate the workforce growth necessary to meet this increasing demand

6.9 The 2021 white paper, indicated that the DHSC expected the total number of roles in adult social care to increase by almost one-third by 2035.⁴⁷ Despite this, the white paper failed to provide a clear outline and timeline of how these roles would be filled. What is needed is for the Government to publish a comprehensive workforce strategy setting out clear targets for recruitment and retention alongside a focus on enhanced training opportunities and pathways for progression.

6.10 The Fair Pay Agreement's impact assessment acknowledged workforce growth is not currently sufficient to meet Skills for Care forecast that 440,000 additional posts will be needed by 2035 to maintain current levels of service.⁴⁸ By creating clear projections of workforce numbers alongside the skills and training needs necessary to meet this demand, the cost of inaction on the social care workforce can be laid out along a clear timeline.

4. Model the costs of social care reform that increases access and better outcomes

6.11 With a clear estimate of unmet need and projections of future demand for care and support alongside workforce growth necessary to meet this, we would hope that a clear economic case could be set out for a transformative process of social care reforms. The Health Foundation has recently suggested that meeting future demand, improving access to care and covering the full cost of care by 2032/33 would create a funding gap per annum of £18.4 billion.⁴⁹ We would hope that in addressing the existing data issues in the sector, while building clear estimates of the direction of travel needed, then a fully costed project of investment could be laid out.

5. Estimate the additional social and economic benefits delivered with social care reform

6.12 The investment necessary to deliver social care reform is likely to be significant, but the potential social and economic benefits from these reforms must also be taken into consideration. The OBR has previously estimated that falling NHS waiting lists could reduce economic inactivity from **15,000 - 50,000** by 2027/28.⁵⁰ We would like to see a similar detailed analysis to estimate the social and economic benefits that could be delivered with social care reform.

⁴⁷ Department for Health and Social Care (2021). [People at the Heart of Care: Adult Social Care Reform White Paper](#)

⁴⁸ Department for Business and Trade (2024). [Final stage impact assessment. Establish a Fair Pay Agreements process in the Adult Social Care sector](#)

⁴⁹ The Health Foundation (2023). [Adult social care funding pressures. Estimated costs to meet growing demand and improve services in England](#)

⁵⁰ Office for Budget Responsibility (2023). [How much could reducing the NHS waiting list contribute to falling inactivity in our upside scenario?](#)

6.13 The modelling carried out on behalf of Leonard Cheshire by Frontier Economics suggested that investing in social care has the potential to pay for itself, only taking the impact on the disability employment rate and pay gap into consideration. This exercise was also carried out in mid-2021 before economic inactivity had reached its current high rates. This would suggest that were this to be repeated today, the potential economic impacts of social care reform for working-age disabled people would be even higher.

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