

## Written evidence submitted by Michael Chard (ASASS) (ASC0141)

### ADASS Response to the Health and Social Care Committee inquiry into Adult Social Care Reform: The Cost of Inaction

#### Summary of Response

- Adult social care at its best transforms lives. It enables millions of us to live the lives we want to lead, where we want live. Whether we need support with our mental health, because of physical disabilities, a learning disability, or because we are older and need additional support. It supports us to work; to socialise; to care and support family members; and to play an active role in our communities.
- The reform of adult social care has been the subject of much political focus over the past 20 years and more. There have been 13 green and white papers and 5 independent commissions. However, we are yet to see fundamental reform delivered.
- Whilst any reform of adult social care will be at a cost to the Treasury, it should not be forgotten that continuing along the same path that we are on also comes at a cost, not only in monetary terms, but most importantly to the lives of people who draw on care and support, their carers and families.
- Future investment in adult social care has been hindered by the scaling back, or cancellation of investment and reforms set out in the People at The Heart of Care White Paper. This includes pilots relating to information and advice, housing and funding for commissioning skills. These would have provided much needed evidence for the Department of Health and Social Care to make a strong case to HM Treasury for additional investment in adult social care.
- It is well documented that people are living longer and with more complex conditions, including dementia, frailty and multi-morbidity, which in turn means that more people are likely to need adult social care to support them to live the lives they want to lead.
- However, access to state-funded adult social care has increasingly been limited to those people with the highest levels of needs, in a large part because of the funding challenges facing councils and the significant recruitment and retention challenges facing the sector. This in-turn has led to people with care and support needs having unmet, under met or wrongly met needs, which has a detrimental impact on their health and wellbeing.
- Limited access to state-funded care and support has led to unpaid carers taking on increased responsibilities, often at the detriment to their own physical, mental and financial health and wellbeing.
- It does not have to be this way. Our independently commissioned report [Time to act: A roadmap for reforming care and support in England](#) provides a clear blueprint for change. It draws together the thinking that's been done on the future path we could take and develops a roadmap to get us there.

#### Introduction

1. The Association of Directors of Adult Social Services (ADASS) welcomes the opportunity to submit evidence to the Health and Social Care Committee inquiry into Adult Social Care Reform: The Cost of Inaction.
2. Adult social care is an essential part of the fabric of our society: it transforms lives. It enables millions of us to live the lives we want to lead, where we want to live them. Adult social care enables people to stay healthy, do their favourite activities, eat and drink, work and volunteer, and look after themselves and their homes. It supports people at the most critical times, in all stages of their lives.
3. As well as supporting the wellbeing of millions of us and our families, adult social care contributes to the economic wellbeing of our communities. The adult social care sector in the UK contributes £68.1 billion (gross GVA) to the economy, employing over 1.59 million people.<sup>1</sup> It is a major local employer, and any expansion of social care means new businesses, new job opportunities, increased tax contributions and a significant net contribution to the local, regional and national economies. It is a growth sector and not the drain on the economy which it is so often portrayed.

## Context

4. The current challenges facing adult social care and local government more broadly are well-documented, with the National Audit Office summarising the overarching challenges well *'The sector remains challenged by chronic workforce shortages, long waiting lists for care and fragile provider and council finances'*.<sup>2</sup>
5. It is well documented that people are living longer and with more complex conditions, including dementia, frailty and multi-morbidity, which in turn means that more people are likely to need adult social care to support them to live the lives they want to lead.
6. For the purpose of this response, it is important to highlight the following:
  - There were 418,029 people waiting for an assessment of their needs, for care and support or a direct payment to begin, or for a review of their care needs as of 31 March 2024.
  - Directors reported that the number of people drawing on double handed care increased by 7.4% between March 2023 and March 2024 (45,596 people, rising to 48,955).
  - In 2023/24, 72% of councils overspent on their adult social care budgets, an increase from 63% in 2022/23. Of these councils the proportion using reserves as a source of funding to address their overspends increased from 72% in 2022/23 to 95% in 2023/24. This one-off expenditure is unsustainable.
  - Directors planned to deliver £903mn in savings in 2024/25, which was equivalent to 4.4% of the net adult social care budget. These were the highest level of planned savings since 2016/17.<sup>3</sup>
  - Some 35% of councils are requiring in-year savings from adult social care for the current financial year, up from 29% in 2023/24 and 19% in 2022/23.<sup>4</sup>
7. The fragile nature of adult social care finances is further evidenced by a recent Local Government Association Survey. This found that 44 per cent of councils with social care responsibilities said that they are likely to apply for exceptional financial support in 2025/26

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<sup>1</sup> [The state of the adult social care sector and workforce in England, Skills for Care, October 2024](#)

<sup>2</sup> [Reforming adult social care in England, National Audit Office, November 2023](#)

<sup>3</sup> [ADASS Spring Survey, Association of Directors of Adult Social Services, July 2024](#)

<sup>4</sup> [ADASS Autumn Survey, Association of Directors of Adult Social Services, November 2024](#)

and/or 2026/27 without additional government funding.<sup>5</sup> These findings were published prior to the Chancellor's Budget announcement which increased the Employer National Insurance contributions for non-public sector care providers. This will lead to a significant increase in costs and a subsequent upward and unplanned pressure on council adult social care budgets for 2025/26 due to the cost of commissioned care increasing more than expected.<sup>6</sup>

8. Given the challenges set out above, it should be no surprise that one-third (33%) of the public disagree that adult social care services in their area are good, with only 11% agreeing that social care services in their area are good.<sup>7</sup>
9. It does not have to be this way. Adult social care at its best transforms lives. It enables millions of us to live the lives we want to lead, where we want live. Whether we need support with our mental health, because of physical disabilities, a learning disability, or because we are older and need additional support. It supports us to work; to socialise; to care and support family members; and to play an active role in our communities. Investment in health and adult social care should be seen as one of our country's biggest investments in human capital and productivity. Continuing along the same path that we are on comes at a cost, not only in monetary terms, but most importantly to the lives of people who draw on care and support, their carers and families.
10. We are of course disappointed that various Governments of all colours have decided not to proceed with a range of reforms to adult social care, in particular, those changes that would have supported people with the least means to access state-funded care and support and better valued the social care workforce. As the Health Foundation have highlighted '*Fundamental reform is needed to fix the broken system. The list of policy priorities is long: improving staff pay and conditions, stabilising the fragile care provider market, addressing unmet need, supporting more innovative approaches to care and support, and more*'.<sup>8</sup>
11. Our independently commissioned report *Time to act: A roadmap for reforming care and support in England* provides a clear blueprint for change.<sup>9</sup> What is now required is the political will and investment to make this a reality.

**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?**

**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?**

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

12. The ongoing inaction on adult social care reform has had a range of impacts on adult social care, these range from small adjustments to funding policy to the non-delivery of larger reform plans over several years.

### Funding and Charging Reform

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<sup>5</sup> [1 in 4 councils likely to need emergency government support – LGA survey, Local Government Association, 22 October 2024](#)

<sup>6</sup> [Will the Autumn Budget push the social care sector beyond breaking point?, Nuffield Trust, 22 November 2024](#)

<sup>7</sup> [Public perceptions of health and social care, Health Foundation/Ipsos, May 2024](#)

<sup>8</sup> [Social care funding reform in England, Health Foundation, 23 January 2024](#)

<sup>9</sup> [Time to Act: A Roadmap for Reforming Care and Support in England, April 2023](#)

13. There has been little to no reform of how funding is distributed for adult social care for over a decade and also no change to the financial thresholds that, in part, dictate who can access state-funded support. In basic terms, the continued use of the Adult Social Care Relative Needs Formula (ASC RNF) means that funding is not fully aligned to need. The population data that is used as part of the ASC RNF formula was frozen in 2013/14, along with the wider formula data, as part of the Business Rates Retention scheme. ADASS has consistently urged Government to implement updated distribution methodology that fully reflect need for several years, including in the build-up to the 2021 Spending Review.
14. In the face of increasing levels and complexity of need, spending on adult social care will need to rise just to maintain the system as it is currently configured, which is widely acknowledged to require significant reform. The Health Foundation estimated that just to meet the projected growth in need for adult social care, based on existing levels of service provision, would have led to a funding gap of £0.6bn for the current financial year. More worryingly they estimate a funding pressure for an unreformed adult social care system of £8.3bn by 2032/33. If Government were to go beyond just meeting the growth in need and also increase access to care and support, the Health Foundation estimate that this would cost £11.6bn by 2032/33.<sup>10</sup>
15. Austerity, followed by ongoing funding pressures facing councils set out earlier in this submission, coupled with the lack of certainty as a result of a number of single year funding settlements from Government, has also led to undesirable commissioning practices such as time and task in homecare.<sup>11</sup> As such, any funding increase should seek to eradicate such practices and seek to deliver on the widely supported Social Care Future vision 'We all want to live in the place we call home, with the people and things that we love, in communities where we look out for one another, doing what matters to us'.<sup>12</sup>
16. Inaction or reform in relation to the upper and lower capital thresholds means that successive governments have made the means test even meaner, as a result it has become harder for people to access publicly funded adult social care. The thresholds have been frozen in cash terms since 2010–11 at £14,250 and £23,250 respectively. The real-terms value of these thresholds has therefore fallen considerably, during a period when asset prices have risen. Had they been increased in line with the Consumer Prices Index (CPI) since 2010–11, they would have risen to approximately £20,800 and £33,900 in 2023–24, some 46%.<sup>13</sup> This contraction in eligibility is evidenced by the fact that despite the complexity of people's needs increasing and more people requesting state-funded care and support, 1.6% fewer people were receiving support in 2023/24 than in 2015/16, despite 15% more people requesting it.
17. It is widely acknowledged that the charging system in adult social care is unfair, with individuals facing the potential prospect of catastrophic care costs, limited financial support through the means-test, and a care market unsustainably cross-subsidising income from the fees paid by people self-funding their care.<sup>14</sup> The decision not to go ahead with the most recent charging reform proposals (published by the Johnson Government) was reported as saving £1.1mn by the Treasury in 2025–26 (and £4–£5 billion a year by the end of the parliament).<sup>15</sup> As the IFS rightly state '*scrapping these reforms means the risk of extremely high*

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<sup>10</sup> [Adult social care funding pressures, Health Foundation, September 2023](#)

<sup>11</sup> 'Time and task' approach- whereby services are delivered in short time slots and focus on completing personal care tasks. This leaves little time for home care workers to talk to service users or to help them with additional minor tasks they mention during the visit.' [Social care guidance scope, National Institute for Health and Social Care Excellence.](#)

<sup>12</sup> An Equal Life for All: The Social Care Future White Paper, Social Care Future, 2021

<sup>13</sup> [Adult social care in England: what next?, Institute for Fiscal Studies, 10 October 2024](#)

<sup>14</sup> Adult Social Care Charging Reform, County Councils Network/Newton, July 2024

<sup>15</sup> [Adult social care in England: what next?, Institute for Fiscal Studies, 10 October 2024](#)

*social care costs (that in some cases can total hundreds of thousands of pounds) will remain with individuals', with around one in seven older people likely to face personal care costs in excess of £100,000 during their lifetime.*<sup>16 17</sup>

18. Under the most recent proposals for Charging Reform (proposed in September 2021), the upper capital limit would have risen to £100,000 from the current £23,250. This would have led to a greater number of people becoming eligible to receive some financial support from their council. The lower capital limit (LCL), the threshold below which people will not have to pay anything for their care from their assets would have increased to £20,000 from £14,250.<sup>18</sup> The Department of Health and Social Care's impact assessment estimated that an 'additional 30,000' people over the age of 65 would have benefited from the proposed changes to the means test.<sup>19</sup>
19. This is why ADASS has long called for a conversation about the types of care and support we want for ourselves and our families, today and in the future and how we pay for it. This includes the balance between what the state and the individual will contribute towards the costs of care.

### Access to Care and Support

20. The intensifying financial challenges, set out throughout this document, facing adult social care and councils in their broadest sense, have led to councils having to restrict state-funded support to those people with the highest level of assessed needs. Evidence suggests that since austerity measures were put in place in 2010, councils have not been able to fully meet the need for adult social care,<sup>20</sup> leading to a reduction in the number of people drawing on long-term care.
21. Analysis from The King's Fund showed that 'since 2015/16, there has been a small increase in the number of working-age adults accessing long-term care, from 285,000 to 293,000 (2.7%), but a larger fall in the number of older people receiving long-term care – down from 587,000 to 543,000 (-7.7%). When increases in population size are taken into account, the fall is even starker. In 2015/16, 6.0% of people aged 65 and over were receiving long-term care but by 2022/23 this had fallen to 5.2%. The percentage of the working-age population receiving long-term care was largely unchanged, at 0.9% in both years'.<sup>21</sup>
22. Timeliness of access to care and support is also an important consideration as a proxy for unmet and under met need. As an organisation, ADASS has been collecting data on the number of people waiting for an assessment of their needs, for care and support or a direct payment to begin, or for a review of their care needs for a number of years now, with the latest figures showing that 418,029 people were waiting for something as of 31 March 2024.
23. Access to care and support is directly impacted by the availability of Social Workers to undertake assessments and reviews, as well as having sufficient frontline care staff to meet the needs of people. As such, access to care and support has been directly impacted by the lack of movement on fundamental workforce reforms, including pay, terms and conditions and the

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<sup>16</sup> [IFS response to Rachel Reeves' spending audit, Institute for Fiscal Studies, 29 July 2024](#)

<sup>17</sup> [Social Care Charging Reform Impact Assessment, Department of Health and Social Care, 5 January 2022](#)

<sup>18</sup> [Adult social care charging reform: further details, Department of Health and Social Care, 2021](#)

<sup>19</sup> [Adult social care charging reform: analysis, Department of Health and Social Care, 2021](#)

<sup>20</sup> [Austerity 2.0: why it's critical for our health that the government learns the lessons of Austerity 1.0, The King's Fund, 1 November 2022](#)

<sup>21</sup> [Social care 360: access, The King's Fund, 13 March 2024](#)

creation of clear career pathways.

24. If people who cannot access state-funded adult social care or fully access the support they require to meet their needs in a timely manner, then this is likely to leave people with unmet and under met needs. The extent of the challenge is illustrated by Age UK analysis, this found that 2 million older people in England are now living with some unmet need for social care.<sup>22</sup>
25. The value of care and support is demonstrated by research from Healthwatch. They asked people who draw on care and support what care helps them to do. They found that 62% of people drawing on care say it helps them stay healthy, while half (51%) say it helps them do the activities they like. Just under half said their care enables them to keep themselves and their home clean (47%) and supports them to eat and drink properly (47%). A lower number, 22% of people, said their care supports them in working, studying, or volunteering.<sup>23</sup>

### Carers Support Reform

26. There has been limited progress in reforming carers support in recent years, with the most notable recent national development being the Carers Action Plan 2018–2020. While there have been some green shoots, including funding in People at the Heart of Care White Paper and subsequently the Accelerating Reform Fund which tasked local areas *‘to develop at least one project that focusses on services for unpaid carers’*<sup>24</sup>, the overall lack of progress has had a detrimental impact on the families and carers of people who draw on care and support.
27. The limitations on access to state-funded care, described above, have led to unpaid carers having little choice but to take on caring responsibilities for their family or friends, often at the detriment to their own physical, mental and financial health. As a result, the number of people taking on 50 hours of unpaid care per week increased by 152,000 people who provide to just over 1.5 million people between the census in 2011 and 2021.
28. The funding and staffing challenges facing state-funded adult social care has also led to the number of carers who have either been supported or assessed/ reviewed by councils fall from 376,130 people in 2019/20 to 360,815 carers in 2023/24, a decrease of 4%. A significant majority of these carers, 252,875 people or 70%, only received information, advice and other universal services/ signposting or received no direct support.
29. In the build up to the General Election, ADASS set out a number of asks of the new Government. These included a new deal for carers to recognise the valued role they play in our society. Such a deal should include funding for short breaks, legal advice and advocacy, paid leave and flexibility at work, support to enable carers to enter or re-join the workforce, financial support when they need it, support for their health and wellbeing, and access to opportunities that might otherwise be inaccessible including education.
30. The value of such support was highlighted by research from the New Economics Foundation (NEF) showed that astute spending on a range of interventions, such as providing respite services and facilitating support groups and networks, *‘could generate strong social benefit-cost ratios of 4:1 and above’*.<sup>25</sup>

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<sup>22</sup> [The State of Health and Care of Older People in England 2024, Age UK, September 2024v](#)

<sup>23</sup> [Missing millions Exploring hidden and unmet social care need for disabled people, Healthwatch- July 2024](#)

<sup>24</sup> [Accelerating Reform Fund for adult social care: guidance for local authorities, Department of Health and Social Care, October 2023](#)

<sup>25</sup> [NHS ENGLAND: The Socio-Economics of Unpaid, Care, New Economics Foundation, 2019](#)

## Care Market Sustainability

31. The Government's statutory Care and Support guidance states:

*'Local authorities should encourage a genuine choice of service type, not only a selection of providers offering similar services, encouraging, for example, a variety of different living options such as shared lives, extra care housing, supported living, support provided at home, and live-in domiciliary care as alternatives to homes care, and low volume and specialist services for people with less common needs'.<sup>26</sup>*

32. The ongoing funding challenges facing the sector, including several years in single year funding settlements for councils from Government, has led to the fee rates councils pay to care providers not being of a level that would enable them to 'develop existing services or to design new models of care'. As a consequence, the progress made in recent years to support people in ways that increase choice, independence and control in their lives could be at risk.<sup>27</sup>
33. Previous Governments have made moves to channel additional funding into care markets through the Market Sustainability and Fair Cost of Care Fund 2022/2023. The cost of care exercises and provider engagement that were undertaken were useful to support greater understanding of cost drivers in local care markets. However, the variety of business models and cost bases in operation across the country in an adult social care market of just under 18,000 providers, meant that attempt to develop two representative financial figures for care homes for people over 65 and for domiciliary care for everyone over 18 in a meaningful were always unlikely to be unrepresentative. It was also very clear from the outset that local government did not have the funding available to move towards the calculated costs of care in any significant way.
34. The impact of the knock-on effect of these funding challenges is further evidenced by a recent Care Provider Association survey of its members. The results highlighted the potential impacts to the innovation and investment plans because of the recent Budget announcements on employers National Insurance Contributions and the National Living Wage increases. The main impacts are that nearly four-fifths (78%) of care providers will halt environmental and de-carbonisation efforts, the same proportion will cut service development initiatives, three-quarters (75%) will reduce or stop digital transformation projects and 71% are likely to abandon growth plans.<sup>28</sup> Such actions will impact on the future sustainability of care markets, the choice and quality of care available to people and are also counter to this Government's Mission on Growth.
35. In addition to the overarching care market challenges, the decision to not proceed with investing £70 million of improvement funding for market-shaping, commissioning and contract management capability in councils is also a missed opportunity. This funding would have helped to strengthen council market shaping and commissioning functions and also acted as a platform to embed new models of care.<sup>29</sup>

## Workforce Reform

36. As the Migration Advisory Committee have previously stated *'We are in no doubt that the single most important factor that underlies almost all the workforce problems in social care arise as a*

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<sup>26</sup> [Care and support statutory guidance, Department of Health and Social Care, 2014](#)

<sup>27</sup> [The state of health care and adult social care in England 2023/24, Care Quality Commission, 25 October 2024](#)

<sup>28</sup> [Urgent call to address devastating impact of budget on care and support, Care Provider Alliance, November 2024](#)

<sup>29</sup> [People at the Heart of Care, Department of Health and Social Care, September 2021](#)

*result of the persistent underfunding of the care sector by successive governments.*<sup>30</sup>

37. The workforce challenges facing the sector are long-standing and well documented, they include *'increasing demand for care, high vacancy and turnover rates, low pay rates with little pay progression, and poor terms and conditions compared to competing occupations'*.<sup>31</sup>
38. In the past few years there have been a number of proposed reforms to support the adult social care workforce, many of which have not come to fruition. The 2021 White Paper included investment of at least £500 million in workforce development between 2022/23 and 2024/25.<sup>32</sup> However, this was reduced to £250mn following the publication of a further policy paper in April 2023, with the remainder allocated to addressing the immediate pressures facing adult social care.<sup>33</sup> A House of Commons Library research briefing summarised the other workforce related developments *'The current government has said it will continue some of the reforms begun under the previous government, including the [development of a national workforce pathway for adult social care](#). However, it has [reduced planned funding for training and development and for social work apprenticeships](#) as part of efforts to "manage down overall fiscal pressures in 2024/25"*.<sup>34</sup> Work on the new Government's Fair Pay Agreement (FPA) proposals are now underway, but it is unclear at the time of writing on the timetable for implementation, or how FPAs will be funded.
39. Ultimately, the availability of the adult social care workforce and regulated professionals, such as Social Workers, has an impact on the access, continuity, quality and choice of care and support for people with care and support needs and their carers. For example, in response to a survey by the Homecare Association, just under half (48%) of providers said they cannot meet demand, with 84% citing recruitment difficulties as the primary reason.<sup>35</sup> The Homecare Association also highlight the impacts of a dearth of care being available *'Failure to ensure enough homecare risks a decline in health and well-being, more hospitalisations and prolonged stays. In the longer term, we need to improve funding, commissioning, regulation and provision of homecare'*.
40. There is also public support for increasing pay and conditions for domestic workers. The Health Foundation and Ipsos Mori undertook some work prior to the 2024 General Election, this found that of the people polled *'Around three-quarters (73%) think the government should focus on improving pay and conditions for social care workers so it can recruit and retain more social care workers from within the UK, in comparison with just one in ten (11%) who think the government should maintain current pay and conditions, even if this means recruiting more social care workers from overseas'*.<sup>36</sup>
41. The absence of a long-term plan for the adult social care workforce, supported by significant investment, has led to an increased reliance on international recruitment. Analysis by Skills for Care found that international recruitment was the main driver behind the increase in filled posts and the decrease in vacant posts from 2022/23 to 2023/24. Skills for Care stated that *'An estimated 105,000 people arrived in the UK in 2023/24 and started direct care providing roles in*

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<sup>30</sup> [Adult Social Care and Immigration, Migration Advisory Committee, April 2022](#)

<sup>31</sup> [Adult Social Care and Immigration, Migration Advisory Committee, April 2022](#)

<sup>32</sup> [People at the Heart of Care, Department of Health and Social Care, September 2021](#)

<sup>33</sup> [Adult social care system reform: next steps to put People at the Heart of Care, Department of Health and Social Care, April 2023](#)

<sup>34</sup> [Adult social care workforce in England, House of Commons Library, October 2024.](#)

<sup>35</sup> [Workforce Survey 2024, Homecare Association, July 2024.](#)

<sup>36</sup> [Public perceptions of health and social care, Health Foundation/Ipsos, May 2024](#)



*the independent sector. This was an increase of 25,000 from 2022/23, when the estimated number was 80,000' and 'The number of posts filled by people with a British nationality decreased by 30,000 in 2023/24 (a decrease of 3%), after decreasing by 40,000 in 2022/23'.<sup>37</sup>*

42. This is why ADASS has advocated for a vibrant, diverse, and skilled social care workforce to enable people to live the lives they want to in their communities. We have called Government to provide the resources to enable competitive pay; good terms and conditions and progression opportunities for all roles with a national long term funded plan ensuring we have enough people with the right skills, in the right place to give people choice and control over their lives, both now and in the future.
43. As the New Economics Foundation have highlighted, investing in the care workforce has numerous benefits: *'Investing in our care workforce will address unmet care needs. It will also have other knock-on economic, environmental and equality benefits. Raising pay and conditions in this low-paid sector will lead to higher wages and employment, especially in more deprived areas. Care jobs are also green jobs, meaning they emit less carbon than other forms of work. As women undertake the majority of paid and unpaid care work, an expanded and better-paid care workforce will also help to reduce gender inequality'.<sup>38</sup>*

#### Prevention and Early Intervention

44. One of the impacts of inaction on adult social care reform is on access and investment in prevention and early intervention. The reduction in access to state-funded care being limited to those with the highest levels of need, as set out earlier in this submission, is that councils are unable to release funding to invest in approaches that might reduce, or delay, the number of people with higher needs in the future.
45. Directors of Adult Social Services know where investment would have the biggest impact on enabling people to live healthier lives that are both more independent and more connected, such as investment in accommodation and support at home. They want to invest in different models of care and other preventative approaches that enable people to live good lives and in services and support that give people an opportunity to relearn or regain some of the skills for daily living that may have been lost as a result of illness, accident or disability, such as reablement or intermediate care services.<sup>39</sup>
46. Findings from the 2024 ADASS Spring Survey highlighted that investment in prevention fell from £1,549mn in 2023/24 to £1,428mn in 2024/25. As such it is hardly surprising that just over half of Directors (51%) were less than confident that their budgets are adequate to meet their legal duties relating to prevention and wellbeing in this financial year. The proportion of councils taking a positive investment strategy for preventative social care services also dropped significantly from 44% in 2023/24 to 29% in 2024/25.<sup>40</sup>
47. The impact of the tightening eligibility criteria for state-funded care and support, as well as the challenging financial situation facing councils, is that investment in early intervention and prevention has stalled. As set out previously, if care and support was more readily available at an early stage, it would help slow or prevent escalation into crisis. The benefit of such investment was also set out in a recent report, which stated that *'investing in earlier preventative support in social care would improve people's lives and save £3.17 for every pound*

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<sup>37</sup> [The size and structure of the adult social care sector and workforce in England, Skills for Care, October 2024](#)

<sup>38</sup> [A care workforce fit for Britain, New Economics Foundation, January 2023](#)

<sup>39</sup> Think Local Act Personal (TLAP), Care and support jargon buster

<sup>40</sup> [ADASS Spring Survey, Association of Directors of Adult Social Services, July 2024](#)

spent'.<sup>41</sup> The same report stated that *'If these approaches were scaled up across England, the potential savings could reach £11.1 billion, benefiting not only councils but also the NHS and voluntary sector.'*

48. An example of this was the £5 million announced as part of the 2021 White Paper- People at the Heart of Care- which set out a clear vision for information and advice *'Everyone – whether that be people who already, or may need to, draw on care and support, their families, or unpaid carers – should be able to access the right information and advice at the right time to understand the different options available to them that best meet their preferences and circumstances, including options for where care and support would best be delivered, and costs they may need to meet'*.<sup>42</sup> However, this funding which was intended to 'test and evaluate new ways to help people navigate local adult social care systems' was reallocated at the Autumn Statement in 2022 to enable councils to meet immediate adult social care cost pressures.
49. Another example of a missed opportunity for reform includes the reprioritisation of £300 million set out in People at the Heart of Care to integrate housing into local health and care strategies. The need for such investment was evidenced in the ADASS Autumn Survey 2023, 98% of Directors stated that more accessible and adaptable homes would improve outcomes in their area; and 70% of Directors say more supported housing in their area would save them money on ASC, enabling them to reinvest in better meeting people's needs and preventative care.
50. At a simplistic level, not delivering on these reforms was a missed opportunity to test and evaluate different approaches to adult social care support. The evidence from these reforms was intended to support Departmental bids for funding as part of the Spending Review process.
51. This is why we recommended in the ADASS Autumn Survey 2023 that Government should *'Reinstate the funding for developing and delivering personalised information and advice set out in the Adult Social Care White Paper. This will enable people, their families and carers to access timely information, advice and support to enable them to make well-informed choices about their future care'*.<sup>43</sup> In the same survey we found that that only two in five (39%) Directors report that there is limited availability of timely information, advice and support to enable people to make choices about their future care in their local areas.

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

52. The impacts of inaction on adult social care reform are numerous and far reaching for our society and economy. Many of the implications on people, their families and carers have been set out earlier in our response, whether they be on peoples' short, medium and long-term health and wellbeing, their personal finances or their independence.
53. Action on adult social care reform should seek to move us closer to the Social Care Future vision which has gained widespread support since its launch in November 2021 it has gained widespread support:

*'We all want to live in the place we call home with the people and things that we love, in*

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<sup>41</sup> [Earlier action and support: The case for prevention in adult social care and beyond, LGA/ADASS/SCIE/ Mencap/Skills for Care/TLAP, CPA and Social Care Future, 28 November 2024](#)

<sup>42</sup> [People at the Heart of Care, Department of Health and Social Care, September 2021](#)

<sup>43</sup> [ADASS Autumn Survey, Association of Directors of Adult Social Services, November 2023](#)

*communities where we look out for one another, doing things that matter to us*<sup>44</sup>

54. Our independently commissioned report [Time to act: A roadmap for reforming care and support in England](#) identified common features from across different reports focused on reform that are needed to deliver the Social Care Future vision, these are a system that is:

- Focused on outcomes and wellbeing
- Personalised, co-created and flexible
- Proactive and preventative
- Integrated and coordinated
- Local, community-based and relational
- Sustainable, efficient and effective
- Fair in what it asks of people
- Accessible and affordable

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

55. The Institute for Fiscal Studies (IFS) stated in a recent report '*...in the face of growing demand, spending on social care will need to rise just to maintain the system as it is currently configured*'.<sup>45</sup> In essence, given the increasing levels and complexity of need, as well as increasing costs, an unreformed and underfunded adult social care system is, in Treasury terms, providing poor value for money, but more importantly we are in a scenario where there is increasingly unmet, under met and wrongly met need. This is not only having a negative impact on the ability of people with care needs and their carers to live the lives they want to lead, such as accessing employment, it also means that adult social care increasingly can only be accessed by those with the highest levels of need.

56. The latest Skills for Care data found that the '*adult social care sector was estimated to contribute £68.1 billion gross value added (GVA) per annum to the economy in England*'.<sup>46</sup> The contribution of adult social care to the economy could be unlocked further if a fully funded national workforce plan, such as that led by Skills for Care, were implemented.<sup>47</sup>

57. Investing in adult social care has the potential to support this Government's Growth Mission. Such investment has the potential to enable people who draw on care and support to either remain in employment or to enter the workforce for the first time, as well as reduce demand on unpaid carers who face challenges in employment due to increasing caring responsibilities.<sup>48</sup>

58. The economic value of carers is also significant, with a recent report from Carers UK estimating that unpaid carers in England and Wales contributed an estimated £162 billion to the economy in 2021, an increase of 29% from 2011.<sup>49</sup> This value is roughly equivalent to NHS spending.

59. However, a recent report from Carers UK found that 40% of carers, who completed their annual survey, said they had given up work to care and 44% of carers in employment said that they had reduced their hours.<sup>50</sup> This can have a negative impact on carers physical and mental health and

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<sup>44</sup> An Equal Life for All: The Social Care Future White Paper, Social Care Future, 2021

<sup>45</sup> [Adult social care in England: what next?, Institute for Fiscal Studies, 10 October 2024](#)

<sup>46</sup> [The state of the adult social care sector and workforce in England, Skills for Care, October 2024](#)

<sup>47</sup> [A Workforce Strategy for Adult Social Care in England, Skills for Care, July 2024](#)

<sup>48</sup> [Carenomics: Unlocking the Economic Power of Care, Future Social Care Coalition, September 2023](#)

<sup>49</sup> [Valuing Carers 2021/22: the value of unpaid care in the UK, Carers UK & Centre for Care, November 2024](#)

<sup>50</sup> [State of Caring 2024: The impact of caring on employment, Carers UK, November 2024](#)

wellbeing, as well as their financial position, which can in turn lead to unpaid carers requiring more support from services later on than if they'd had the right support nearer the beginning of their care journey.

60. The impact of caring on people's finances and health can be significant. For example, the [Joseph Rowntree Foundation's 2024 Poverty Report](#) estimated 28% of carers in the UK were living in relative poverty after housing costs in 2021/22.<sup>51</sup> This is why ADASS has been asking for a long-term fully funded plan for supporting carers to live the lives they want, including the financial support necessary to ensure caring is a genuine choice. That means paid leave and flexibility at work, support to enable carers to enter or re-join the workforce if they so choose, including a reformed Carers Allowance; support for their health and wellbeing, and access to opportunities that might otherwise be inaccessible including education.
61. For reforms to adult social care to be effective, the conditions for them to be delivered need to be in place. We have been asking for a number of years, including in our 2023 Spring Survey, for Government to provide certainty and stability for councils, care providers and the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector to plan, invest and innovate the services they offer. In light of this, the commitment of this Government to deliver a multi-year Spending Review is welcome.

#### **ADASS Recommendations for Reform**

62. While we acknowledge the challenging financial outlook set out by the Office for Budget Responsibility (OBR) for the next few years, it's clear that significant and immediate investment is required to enable adult social care to simply standstill. The increases in employers' national insurance and national living wage, alongside inflation, have been creating further financial distress on adult social care. Without such investment we risk further deterioration of care and support, making reforming the sector more difficult in future years.
63. In the absence of a long-term reform plan for adult social care, we think it's important that this Government takes incremental steps to lay the foundations for more fundamental reform of social care in the medium to long term. Our *Early Priorities for Government* document sets out a range of actions the Government could take now including, but not limited to, reforming planning to raise accessibility standards for new homes, ensuring equitable access to data between health and social care and supporting councils, the workforce and people who draw on care and support to utilise technology.<sup>52</sup>
64. Longer-term, our recommendations for social care reform include the implementation of a long-term and fully funded plan for workforce and unpaid carers and shifting resources to provide early support to many more people in their homes and communities.<sup>53</sup>

#### **About Us**

ADASS is a charity. Our objectives include:

- Furthering comprehensive, equitable, social policies and plans which reflect and shape the economic and social environment of the time;
- Furthering the interests of those who need social care services regardless of their backgrounds and status; and
- Promoting high standards of social care services. Our members are current and former

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<sup>51</sup> [UK Poverty 2024, Joseph Rowntree Foundation, 23 January 2024](#)

<sup>52</sup> [Early Priorities for a New Government, Association of Directors of Adult Social Services, April 2024](#)

<sup>53</sup> [Our Policy Priorities, Association of Directors of Adult Social Services, accessed on 15 December 2024](#)

directors of adult care or social services and their senior staff.

If you have any questions regarding this submission, please do not hesitate to contact Michael Chard, Director of Policy and Analysis, Association of Directors of Adult Social Services

***January 2025***