

Written evidence submitted by the Department of Health and Social Care [ASC 043]

Introduction

COVID-19 has had a large impact on the social care sector. The Government's number one priority for adult social care is for everyone who relies on care to get the care they need throughout the COVID-19 pandemic and we have acted to support the sector through a range of measures.

We have been doing everything we can to protect care homes and have placed residents and staff in the highest priority group for vaccinations and are providing free PPE for COVID-19 needs of providers until the end of March 2022. In 2020/21 we made £4.6 billion available to local authorities to address pressures caused by the pandemic – including in adult social care. In 2021-22, we are also providing an additional £1.55 billion of un-ringfenced COVID-19 funding to ensure local authorities have the resources they need to manage the immediate and long-term impacts of the pandemic, including in adult social care. Throughout the pandemic, almost £1.8 billion has been provided in specific funding for adult social care. This is made up of the £1.3 billion Infection Control Fund, the £288 million Rapid Testing Fund and £120 million Workforce Capacity Fund.

This doesn't diminish the need for a long-term plan for social care and the government is committed to sustainable improvement of the adult social care system and will bring forward proposals this year.

In launching the inquiry into the long-term funding of adult social care the Housing, Communities and Local Government Select Committee invited submissions addressing four specific questions:

- How has COVID-19 changed the landscape for long-term funding reform of the adult social care sector?
- How should additional funds for the adult social care sector be raised?
- How can the adult social care market be stabilised?
- How can the adult social care market be incentivised to compete on quality and/or innovation?

This submission has been co-ordinated by DHSC with support from the Ministry for Housing, Communities and Local Government, HM Treasury and NHSX.

1. How has COVID-19 changed the landscape for long-term funding reform of the adult social care sector?

The COVID-19 pandemic posed unprecedented challenges to the sector and beyond. However, this doesn't diminish the need for a long-term plan for social care.

Putting social care on a sustainable footing, where everyone is treated with dignity and respect, is one of the biggest challenges that our society faces. We want to ensure that every person receives care that provides the dignity they deserve.

The Government's manifesto made clear that we want a system where nobody needing care should be forced to sell their home to pay for it, but the reform of social care and its funding arrangements are complex areas and a range of options for how to deliver on this commitment are being considered.

The 2020 Spending Review settlement rightly focused on ensuring that local authorities can continue to support their communities through the pandemic. Delivering a care system that is fit for the future remains a top priority and following new measures set out in the [Health and Care Bill White Paper](#), we will bring forward proposals for social care reform later in 2021.

In doing so, we want to make sure that we get reform right, and engagement with the sector is a vital part of this. We are working closely with local and national partners to ensure our approach to reform is informed by diverse perspectives, including of those with lived experience of the care sector.

2. How should additional funds for the adult social care sector be raised?

The decisions on social care funding are reserved for the Chancellor and will be made at fiscal events such as the Spending Review and the Budget.

The [March Budget](#) set out clearly the size of the challenge and steps to deliver more sustainable public finances, providing certainty and stability to people and supporting a strong recovery. This action will be underpinned by principles of fairness and sustainability as the government continues to invest in the excellent public services that people expect.

The [Spending Review 2020](#) provided local authorities with access to over £1 billion of spending for social care through £300 million of social care grant and the ability to levy a 3% adult social care precept. This funding is additional to the £1 billion social care grant provided in 2020-21 which is being maintained in 2021-22.

The Office for Budget Responsibility's (OBR) long-term projections, published in their [2020 Fiscal Sustainability Report](#), suggest that, left unaddressed, the public sector finances would come under increasing pressure over the next 50 years due to rising age-related spending.

Upward pressures on health and adult social care spending were among the top medium/long-term fiscal risks in previous Fiscal Risk Reports. The OBR suggest that, having experienced a public health crisis, there is likely to be pressure for a higher share of GDP to be spent on health and adult social care.

Tax policy is a matter for the Chancellor, who will make decisions on tax in the round at fiscal events. By taking action to protect the economy, support the recovery and repair the public finances, the government is taking the most sustainable route to continuing to deliver first-class frontline public services.

The government is committed to sustainable improvement of the adult social care system and will bring forward proposals this year.

3. How can the adult social care market be stabilised?

Throughout the pandemic and beyond, we recognise that local authorities are best placed to understand and plan for the care needs of their populations, and to develop and build local market capacity. That is why under the [Care Act 2014](#), local authorities are required to shape their local markets, and ensure that people have a range of high-quality, stable, sustainable and person-centred care and support options available to them, and that they can access the services that best meet their needs.

The Care Act also sets out a further duty for local authorities to ensure continuity of care if a provider fails or exits the market. This means that people continue to receive the care and support they need if their adult social care provider is no longer able to carry on delivering services.

The Government's number one priority for adult social care is for everyone who relies on care services to get the support they need, and the department continues to take steps to monitor and protect the sector from financial instability accordingly.

We recognise that COVID-19 is imposing significant pressures on the social care sector. In 2020/21 we made £4.6 billion available to local authorities so they can address pressures on local services caused by the pandemic, including in adult social care. In 2021-22, we are also providing an additional £1.55 billion of un-ringfenced COVID-19 funding to ensure local authorities have the resources they need to manage the immediate and long-term impacts of the pandemic, including in adult social care.

This is in addition to specific funding for adult social care during the pandemic, which, following the announcement on 18 March 2021 of an extra £341 million for adult social care to pay for infection prevention and control measures and to support rapid testing to the end of June 2021, now totals almost £1.8 billion. This is made up of the £1.3 billion Infection Control Fund, £288 million Rapid Testing Fund and £120 million Workforce Capacity Fund.

As part of the [Adult Social Care Winter Plan](#), in Autumn 2020, the Department of Health and Social Care (DHSC) conducted a Service Continuity and Care Market Review, in partnership with the Local Government Association (LGA) and Association of Directors of Adult Social Services (ADASS). It asked each local authority to assess risks to their local care markets and service continuity issues.

This gave DHSC a picture of local authority assessed risk to continuity of care across England, up to end March 2021, and identified where additional support is needed to maintain market stability and continuity of care over this period. Targeted support has been delivered to a small number of local authorities, who identified they need it, to further strengthen mitigation actions and contingency planning, and to bolster market stability. A significant area of concern raised by LAs was workforce resilience, and this finding contributed to our decision to provide £120 million extra funding to support workforce capacity in January 2021.

The Department continues to work with local government and other national partners, including the ADASS, the LGA and the Care Provider Alliance, to help ensure that local authorities have effective and up-to-date contingency plans in place to ensure continuity of care.

The Care Act also provides for the Care Quality Commission (CQC) to monitor the financial health of the largest and most difficult-to-replace adult social care providers through the Market Oversight scheme. Currently, there are around 65 large and/or specialist providers of both residential care and home care services in the scheme, providing around 30% of adult social care in England. The Commission's remit includes warning local authorities if a provider is likely to fail for financial reasons and giving local authorities time to stand up their contingency plans.

According to CQC registration data, pressures on adult social care arising from COVID-19 do not appear to be translating into significant changes in capacity or service closures. Looking forward, we are committed to supporting the adult social care system. We are providing local authorities with access to over £1 billion of additional funding for social care in 2021-22.

- This includes £300 million of new grant funding for social care, on top of the £1 billion Social Care Grant provided in 2020-21, which is being maintained in 2021-22.
- The Government is also enabling local authorities to access up to £790 million of new funding for adult social care through a 3 per cent adult social care precept.
- The £300 million we are investing in social care is in addition to previous grant funding for social care. This means we are providing a total of almost £3.8 billion in grants for adults and children's social care in 2021-22, up from £3.5 billion in 2020-21.
- This funding, alongside the £1.55 billion being provided as unringfenced grant funding to directly address COVID-19 spending pressures on local authority services, including adult social care, will support local authorities to maintain stability in their care markets, while keeping up with rising demand and recovering from the impact of COVID-19.

The Government is committed to sustainable improvement of the adult social care system and will bring forward proposals in 2021 on further sectoral reform.

4. How can the adult social care market be incentivised to compete on quality and/or innovation?

The Government's vision for social care is a sustainable system which helps people to help themselves. It should enable them and their loved ones to access and make informed, timely choices about quality care, delivered in the most appropriate setting and with an individual's preferences and wider wellbeing at its heart.

The Care Act 2014 Statutory Guidance sets out the responsibility of local authorities to facilitate a care market that offers a diverse range of high-quality and appropriate services. Local authorities should consider an extensive range of factors, including CQC fundamental standards as a minimum, to ensure services are appropriate for its users and a clear criteria on quality is established and met; whilst ensuring the continuous improvement of these services with training, skills and qualifications.

We are committed to ensuring local authorities have the tools they need to effectively manage their local markets. Our Service Continuity and Care Market Review, conducted in partnership with LGA and ADASS in Autumn 2020, offered valuable insight into this, and we will use this learning in considering future support to the sector.

As the independent regulator of social care, the CQC monitors, inspects and regulates services to ensure they meet fundamental standards of quality and safety.

[The Health and Social Care Act 2008 \(Regulated Activities\) Regulations 2014](#) set out the fundamental standards care providers must meet – including personal centred care that is tailored to individual preferences and a requirement to publicly display ratings from the CQC. CQC regulation provides a consistent framework for quality across the sector and the CQC has a range of enforcement powers available to take action where breaches occur.

The vast majority of care services provide high quality care and support. As of 1 March 2021, [84% of all social care settings were rated good or outstanding](#) - for most people the experience of adult social care is incredibly positive. But we acknowledge that standards in some settings are below what we want. We need to do more to improve the quality of care and to address variations in quality that we see around the country and among different types of services.

The CQC works closely alongside providers to promulgate best practice and drive innovation across the sector, and routinely interacts with care providers in a variety of ways outside of inspections. This includes regular engagement with registered managers, and through its Emergency Support Framework, developed during the pandemic to allow it to have structured, supportive, monitoring calls with providers.

We are currently looking at what more we can do to understand how people, including self-funders, access care and support services when they need them and what information is available to help support them in making choices about care. We want members of the public to be informed and empowered consumers of care and to be able to access trustworthy advice, support and information about care providers that enables them to compare on both quality and price.

Our White Paper, published on 11 February 2021, sets out a number of provisions for a proposed Health and Care Bill that will improve the oversight of how social care is commissioned and delivered for people.

This involves introducing a new duty for the CQC, to review and assess local authorities' delivery of their adult social care duties, alongside powers for the Secretary of State to intervene where, following review by the CQC, it is considered that a local authority is failing to meet their duties.

The proposals also includes provisions to allow us to collect much better data on what is going on at a local level, so we can follow the evidence about what works and what doesn't.

These measures will:

- Embed improvements that have been made to the system as it has adapted to address needs arising from COVID-19, and grant us greater ability to respond flexibly to the needs of the sector, while adapting and developing existing practice, in a way that does not place undue burden on local authorities or social care providers.
- Introduce an independent voice through the CQC, with clear and consistent oversight of Adult Social Care, supporting local authorities to improve the outcomes and experience of people and their families in accessing high quality care and support.

Technology also brings huge opportunities for social care: empowering individuals to take control of their own health and care, promoting independence and supporting people to live in their homes and communities for longer.

[NHSX](#) is a joint unit of NHS England and the DHSC, leading the transformation of health and social care through digital technology. NHSX are working closely with the DHSC and partners to deliver our vision for a digitally enabled health and care system, with work in place to level up the social care sector, reduce regional health inequalities, promote integration between health and social care, and improve the flow of information about people's care.

NHSX recognises the importance of supporting the sector to put in place the basic infrastructure that is required to adopt digital technologies at scale. We want care providers and local authorities to have the confidence to invest in, adopt and scale technologies that are proven to improve care outcomes. This includes care providers having access to reliable internet connections and hardware to enable the successful rollout of remote monitoring systems and other innovative care applications that have been developed during the pandemic response.

We also want to support a vibrant technology market for the care sector that can develop the next generation of innovators and is easy for providers, local authorities, members of the public and families to navigate. NHSX have also commissioned Ipsos Mori and the Institute of Public Care to carry out a review of the use and effectiveness of technology in social care, as well as the specific barriers to adoption and scalability across the sector. We will consider the report's policy recommendations when it concludes later this year.

April 2021