

# Adult Social Care Reform: The Cost of Inaction

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**December 2024**

## **About us**

The [NHS Confederation](#) is the membership organisation that brings together, supports and speaks for the whole healthcare system in England, Wales, and Northern Ireland. The members we represent employ over 1.5 million staff, care for more than one million patients a day and control £150 billion of public expenditure. We promote collaboration and partnership working as the key to improving population health, delivering high-quality care, and reducing health inequalities.

## **Executive summary**

Among the pledges on social care in the government's election manifesto were to develop local partnership working between the NHS and social care on hospital discharge, to establish a Fair Pay Agreement (FPA) in adult social care and to build consensus for the longer-term reform needed to create a sustainable National Care Service.<sup>1</sup>

The Employment Rights Bill, which enables the government to establish a FPA process in the adult social care sector,<sup>2</sup> is currently going through Parliament. There has, however, been a lack of detail surrounding the wider proposed National Care Service.

In the 2024 Autumn Budget, the government announced an additional £22.6 billion of resource spending for DHSC in 2025/26. However, there was only £600 million of new grant funding to support social care. While providing much-needed support for the sector, this will not go far enough in tackling longstanding underinvestment.

Health leaders have warned that the lack of funding for social care is one of the biggest risks to the future sustainability of the health and care system and the health of the nation. In addition to the lack of funding, the way funding is allocated and its impact measured further undermine the ability of local health and care services to meet population need for care. Longer-term funding cycles, better alignment of funding cycles across Whitehall departments and the outcomes measured by the centre are all calls the NHS Confederation has been making to governments as parts of the solution for a number of years. Additionally, a National Integrated Care Partnership Forum would help drive better local partnership working between the NHS and social care.

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<sup>1</sup> Labour Party (2024), Change – *Labour Party Manifesto 2024*, <https://labour.org.uk/wp-content/uploads/2024/06/Change-Labour-Party-Manifesto-2024-large-print.pdf>

<sup>2</sup> Houses of Parliament (2024), *Employment Rights Bill Explanatory Notes*, <https://publications.parliament.uk/pa/bills/cbill/59-01/0011/en/240011en.pdf>

An effective and well-functioning social care system plays a crucial role in the delivery of whole health and care system objectives, the government's stated aims of their health mission, and most critically of all, in ensuring patients get the best possible care at the right time, in the right setting.

## 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?

1. Spending on social care is decreasing by age adjusted population. It is estimated that spending will be at least 5% lower in 2024/25 than it was in 2009/10.<sup>3</sup>
2. 38,000 fewer people were receiving publicly funded long-term care support in 2022/23 than in 2015/16, despite requests for support rising by 11% over the same period.<sup>4</sup>
3. 81% of councils are on course to overspend on their adult social care budget in the current financial year – up from 72% in 2023/24.<sup>5</sup>
4. Evidence has shown that social care is eating up a greater chunk of local authority budgets. In Hampshire, for instance, the cost of providing adult and child social care has soared from £381 million in 2010-11 to £809 million this year – from 53% to 83% of the budget.<sup>6</sup>
5. This is a significant factor behind the precarious financial positions of many local authorities, and it is impacting on relationships between local authorities and the NHS and their respective abilities to integrate services. In addition, settlement funding for all types of local authority has decreased in real terms since 2015/16, and in the last couple of months, it was revealed that one in four English councils could go bankrupt unless they are bailed out by the government in the next two years.<sup>7</sup>
6. Many councils are being stretched to breaking point, and their financial struggles will continue without action on social care reform and public health investment.
7. While cost of inaction on adult social care reform can be hard to quantify in financial terms, ICS leaders warned in our [State of ICSs 2023/24](#) report that the lack of funding for social care is one of the main barriers to their progress against their four core purposes of improving outcomes in population health and healthcare, tackling inequalities in outcomes, experience and access, enhancing productivity and value for money and helping the NHS support broader social and economic development (see figure 1).

<sup>3</sup> The Health Foundation (2024), *Social care funding*, <https://www.health.org.uk/publications/long-reads/social-care-funding>

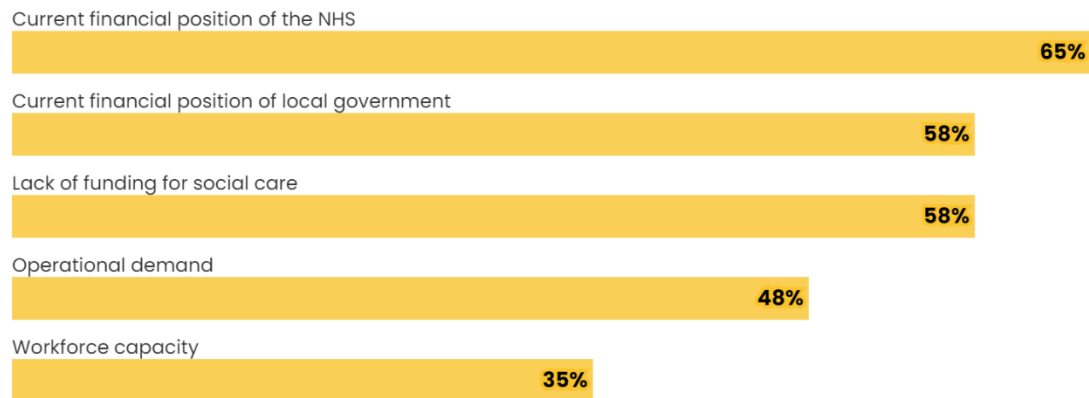
<sup>4</sup> The Health Foundation (2024), *Social care funding reform in England*, <https://www.health.org.uk/publications/long-reads/social-care-funding-reform-in-england>

<sup>5</sup> ADASS (2024), *Autumn survey*, <https://www.adass.org.uk/wp-content/uploads/2024/10/ADASS-Autumn-Survey-2024-EMBARGO-0001-6-NOV.pdf>

<sup>6</sup> Financial Times (2024), *The English county facing the biggest financial 'black hole'*, <https://archive.ph/SmMXX#selection-4399.191-4399.343>

<sup>7</sup> The Guardian (2024), *One in four English councils 'may seek bankruptcy bailout in next two years'* <https://www.theguardian.com/society/2024/oct/22/councils-england-bankruptcy-bailouts-local-government-association-survey>

## Top five answers for: "What do you think will be the biggest barriers to your system's progress against the four core purposes over the coming 24 months?"

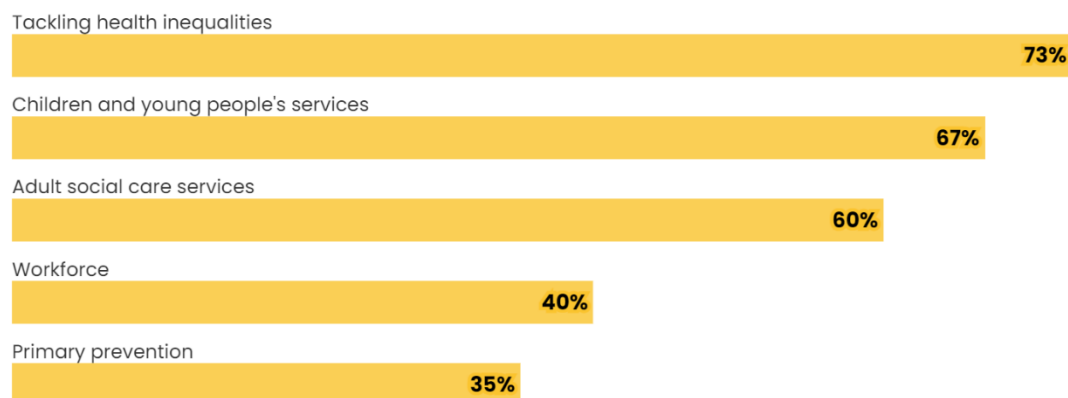


Source: NHS Confederation | State of Integrated Care Systems Survey 2023/24  
Up to five options permitted to be selected from choice of 17, n=52

Figure 1 – from State of ICS 2023-24

- ICS leaders have also highlighted that social care is one of the biggest opportunities for joint working between the NHS and local authority partners (see figure 2). This integration working is critical for the future sustainability of wider public services and meeting population health need. It is particularly critical given one in four people now live with more than one complex long-term condition.<sup>8</sup>

## Top five answers for: "What are the biggest opportunities for joint working between NHS and local authority partners?"



Source: NHS Confederation | State of Integrated Care Systems Survey 2023/24  
Up to five options permitted to be selected from a choice of 20, n=52

Figure 2 – from State of ICS 2023-24

<sup>8</sup> The Richmond Group of Charities (2023), *One in four: A manifesto for people with multiple health conditions*, <https://www.richmondgroupofcharities.org.uk/publications/one-in-four-a-manifesto-for-people-with-multiple-health-conditions/>

9. A lack of capacity in social care is resulting in delayed discharges in the NHS, creating pressure on services and stopping many patients from being able to leave hospital in a timely fashion.
10. Indeed, ICS leaders have told us that due to high levels of unmet social care need, people are becoming much more unwell before they can access the care that they need, meaning people have to be admitted to hospital, which is best for neither their health nor recovery, while also resulting in undue pressure on acute NHS services.
11. Members in our Mental Health Network believe that inaction on adult social care reform increases the risk of hospital admission for people with mental health conditions, as well as for people with learning disabilities and autism. This impacts on flow across the system, increasing both the number of long waits in A&E and expensive Out of Area Placements for such patients.<sup>9</sup>

## **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?**

12. The government has set out three shifts – analogue to digital, hospital to communities, and sickness to prevention – that will inform the NHS 10-year plan for health due to be published in spring.
13. A functioning social care system is vital for delivering the government's proposed shift of hospital to communities, which, in effect, means delivering healthcare closer to home. Furthermore, one of the goals of the government's health mission is to halve the gap in healthy life expectancy between the richest and poorest regions in England.<sup>10</sup>
14. Over 90% of ICS leaders surveyed in our State of ICSs 2023/24 report are committed to shifting resource to allow more people to access more care closer to home.<sup>11</sup>
15. ICSs have implemented models and methods of integrated working to deliver care closer to home, such as Discharge to Assess and Virtual Wards. Such models aim to reduce pressure on NHS hospitals at both the front and back door and ensure patients can be cared for at home – which is, in most cases, both what is best for them what they want. However, the models cannot currently be relied upon to manage capacity problems in the NHS when there is such unmet need in the social care sector, and they need rapid scaling which wider challenges have undermined.
16. The Integrated Care Partnership (ICP) component of ICSs – the non-statutory board made up of representatives from across the health and care system (including though not limited to NHS services, local authorities, the VCSE sector and wider

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<sup>9</sup> NHS Confederation (2024), *NHS Confederation responds to investigation into out of area placements*, <https://www.nhsconfed.org/news/nhs-confederation-responds-investigation-out-area-placements>

<sup>10</sup> Labour Party (2024), *Change – Labour Party Manifesto 2024*, <https://labour.org.uk/wp-content/uploads/2024/06/Change-Labour-Party-Manifesto-2024-large-print.pdf>

<sup>11</sup> NHS Confederation (2024), *The state of integrated care systems 2023/24*, <https://www.nhsconfed.org/system/files/2024-09/The-state-of-ICSs-2023-24.pdf>

providers commissioned to provide NHS and social care services) – is particularly important in driving better integration of health and social care.

17. In many ICS footprints, local authority leaders or health and social care cabinet members chair this partnership, and in two systems, the ICP is chaired by the Combined Authority Mayor (South Yorkshire and more recently, Greater Manchester.) These ICSs with clear local or combined authority leadership at ICP level tend to work more innovatively, benefitting from visible political leadership.
18. In her review of ICSs published in 2023, the Rt Hon Patricia Hewitt recommended a national forum for ICP leaders to support their work and ensure the true benefits of partnership working were being seized upon. The NHS Confederation has backed this recommendation since the review’s publication and continues to lobby government on this. Critically, a national forum with representatives from multiple government departments (namely the DHSC and MHCLG) would provide national level political leadership to further drive better local partnership working between the NHS and social care, as the government set out as an intention in their election manifesto.
19. There are examples of good practice across the country, where patients and the public are benefiting from innovative methods of care. One example is that of HomeFirst,<sup>12</sup> an intermediate care transformation programme overseen by The Leeds Health and Care Partnership. HomeFirst includes health and social care organisations from across Leeds that are working together to improve the health of people in the city.
20. HomeFirst is a multi-agency coordinated shift towards “a sustainable, person-centred, home-first model of intermediate care across Leeds that is joined up and promotes independence”. The goal of the programme is to allow more people to be able to stay at home and receive care, or return home sooner, rather than staying in hospital, improving their health outcomes.
21. HomeFirst has made improvements across the patient pathway. As of April 2024, 934 fewer adults have been admitted to hospital each year, there has been a 4.4-day reduction in the average length of stay, a 26% reduction in no right to reside length of stay for complex patients, and 351 more people going directly home each year after their stay in hospital, instead of to a bedded setting.
22. This demonstrates how results in terms of patient outcomes and population health can be achieved when providers and systems are empowered to work innovatively.
23. If given additional resources, most of our Acute Network members have told us that they would invest in supporting their social care sector. One member recently said that investing in step-down accommodation to facilitate patient discharge and freeing up hospital beds would “significantly help in addressing one of the key bottlenecks in the system”.

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<sup>12</sup> NHS Confederation (2024), *The state of integration at place*, <https://www.nhsconfed.org/publications/state-integration-place-Neighbourhoods#:~:text=Working%20as%20a%20partnership%20with,first%20model%20of%20intermediate%20care>

24. Currently, though, not enough patients and members of the public across the country are benefiting in this way due to the pressures on adult social care – our members often tell us that successful projects like these exist against the odds, rather than because the wider policy environment incentivises working in this way.
25. Historically, funding for social care has come in short-term, ringfenced pots during winter to support discharge and the freeing of hospital beds during the busiest weeks for hospital settings in the year. However, these short-term pots are often accompanied by complex reporting requirements and specific direction about what they can be used to fund, which takes a one-size-fits all approach to all systems across England, failing to account for existing programmes, population health need or localised challenges. Therefore, a key call we have been making to government on behalf of our members is for longer-term funding cycles and better alignment of funding cycles across Whitehall – particularly between DHSC, MHCLG and HM Treasury. These funding allocations should come with limited criteria and reporting requirements to empower local health and care leaders to spend the funding in ways that best meet the needs of the communities their system services.

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

26. Inaction on social care reform leads to a continuation of a lack of available and effective social care in the community. This can lead to people spending longer in hospital and experiencing delayed discharges, which can damage patients' confidence to live independently as well as their health. For older people in particular, extended stays in hospital can also be associated with increased risk of infection, loss of mobility and muscle tone, falls and rapid deterioration.
27. One of our Acute Network members has highlighted to us that “the earlier we get to people that are on that trajectory of deterioration with good care, the better the chances of avoiding an admission and improving their outcomes should they require a very short-lived admission”. Reforming social care effectively would mean that action could be taken earlier, thus improving patient outcomes, keeping them closer to home and avoiding often stressful admissions into emergency departments. It would also help to ensure that patients could be discharged from hospital in a timely manner and to an appropriate setting, freeing up beds.
28. People with mental health conditions and those with a learning disability and autism also suffer as a result of delayed discharges and the overarching lack of social care reform. There are cases where people continue to be kept in inpatient wards for long periods, often far away from home.<sup>13</sup> A lack of social care funding means there isn't the community provision to allow people to live well out of hospital.

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

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<sup>13</sup> NHS Confederation (2024), *Mental Health Bill long-awaited step towards tackling disparities in detentions*, <https://www.nhsconfed.org/news/mental-health-bill-long-awaited-step-towards-tackling-disparities-detentions>

29. The NHS is treating patients that are often older and sicker than before, and this means that patients who arrive at A&E are more likely to be admitted to hospital. Even when patients in hospital are better and ready to leave, the lack of capacity in adult social care, caused by years of underfunding for local government, often means that social care services are forced to restrict eligibility, leaving one in five hospital beds occupied by people who don't need to be there. This is making it slower for patients to flow through the system, resulting in blockages.
30. Our Acute Network and Community Network members have highlighted the importance and role of adult social care in managing demand at both the front and back doors of A&E departments. Similarly, ICS leaders have told us that the unmet need for adult social care often results in people becoming more unwell, putting pressure on acute services.
31. The limited capacity in the social care sector impacts on flow through the NHS, with delayed discharge the single biggest source of capacity and flow problems in the NHS, especially in the urgent and emergency pathway. Figure 3 illustrates the impact of social care on patient flow. In 2023, delays in discharge affected one in eight general and acute beds in the NHS, while waiting lists for hospital treatment peaked at 7.8 million.<sup>14</sup> Between July and August 2024, 36% of delayed discharges were caused by capacity issues in social care and community-based services.<sup>15</sup>

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<sup>14</sup> House of Commons Library (2024), *Capacity pressures in health and social care in England*, <https://commonslibrary.parliament.uk/capacity-pressure-in-health-and-social-care-in-england/#:~:text=2024%20general%20election,-.Record%20demand%2C%20an%20ageing%20population%20and%20inflation%20are%20all%20squeezing.general%20and%20acute%20hospital%20beds>.

<sup>15</sup> Health Service Journal (2024), *Revealed: The trusts struggling most with delayed discharge 'interface' problems*, <https://www.hsj.co.uk/quality-and-performance/revealed-the-trusts-struggling-most-with-delayed-discharge-interface-problems/7037906.article>

## What is the impact of social care on patient flow and the elective and diagnostic backlog?

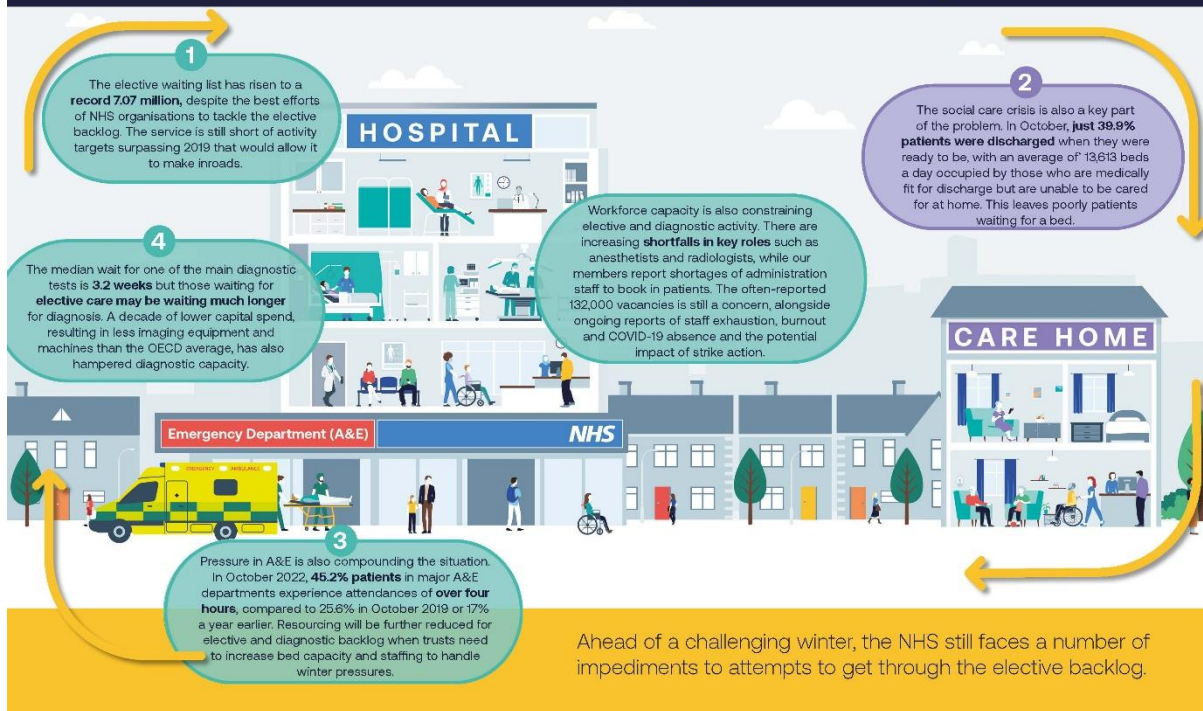


Figure 3 – What is the impact of social care on patient flow and the elective and diagnostic backlog?

32. The reasons for delays in the hospital discharge process are multiple and complex. However, given the number of people who will require ongoing support following being certified medically fit to leave hospital, without a good supply of well-staffed social care services, including care homes, home care and supported living services among others, people can be less easily discharged from hospital in a timely way. These delays all lead to longer stays in hospital, putting pressure on the system as well as impeding patient recovery.
33. Members of the NHS Confederation's Acute Network have been working hard to increase elective activity and bring down waiting lists, but the knock-on effects of the inability to discharge patients who are medically fit to leave hospital inevitably means fewer elective procedures can take place as there is fewer available beds for patients to recover in.
34. Delayed discharges and poor patient flow are also preventing A&E attendees from being admitted onto wards, which is consequently delaying ambulance handovers and thereby slowing ambulance response times. Addressing the crisis in adult social care is therefore essential to ensure prompt discharge from hospitals and meeting ambulance waiting time targets.



35. Only 10-11% of ambulance callouts respond to life-threatening emergencies.<sup>16</sup> Some of our members feel, therefore, that much of ambulance trusts' work is filling the gaps in provision which does not exist within social care. Where investment in social care and NHS community services is made, significant improvements can be made to patient flow while simultaneously cutting costs and improving patient outcomes.
36. The congestion in emergency departments at the other end of the flow cycle which is driving poor ambulance performance is being exacerbated by a lack of social care provision. One of the cohorts identified as "high intensity users" of A&E – those who attend more than five times per year – is the over 70s who lack access to suitable social care provision.<sup>17</sup> The NHS is therefore being obliged to provide expensive, often ineffective, medicalised responses to crises which could more efficiently be resolved by social care if sufficient provision existed.
37. One example where innovative working between different parts of the system achieved a significant turnaround in performance is that of Norfolk and Waveney ICS, which managed to move from being one of the lowest performers on ambulance handovers to one of the highest in the space of about six weeks in late 2023. This was the product of several months of increasingly close working between providers, the county council, the ICB and NHSE to understand risk across the system, develop a shared analysis of data and agree and implement necessary action. Senior executives from social care, community services and the ambulance trust, as well as the acutes, played a crucial role, as did the ICB itself as convenor, catalyst and behind-the-scenes influencer. This good work was a significant factor in enabling Norfolk and Waveney ICS to exit from the national oversight framework segment 4 (NOF 4).
38. This is a good example of how tackling increasing wait times for ambulances and in A&E departments needs action at every point in the system, including through social care, and not just inside the acute hospital itself.

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

39. With a workforce of 1.52 million people, the social care sector employs more people than the NHS (1.43 million).<sup>18</sup>
40. The adult social care sector contributes an estimated £55.7 billion gross value added per annum to the economy in England (up 8.5% from 2021/22) and accounted for a total wage bill of around £26.6 billion in 2022/23 (up 8.2% from 2021/22).<sup>19</sup>

<sup>16</sup> Association of Ambulance Chief Executives, NHS Providers and NHS Confederation (2024), *A Vision for the NHS Ambulance Sector*, <https://www.nhsconfed.org/system/files/2024-03/A-vision-NHS-ambulance-sector-co-designing-urgent-%20emergency-care-provision.pdf>

<sup>17</sup> Association of Ambulance Chief Executives, NHS Providers and NHS Confederation (2024), *A Vision for the NHS Ambulance Sector*, <https://www.nhsconfed.org/system/files/2024-03/A-vision-NHS-ambulance-sector-co-designing-urgent-%20emergency-care-provision.pdf>

<sup>18</sup> Local Government Association (2024), *Debate on the state of social care in England, and the case for a comprehensive social care strategy and further support for unpaid carers*, House of Lords, 10 October 2024, [https://www.local.gov.uk/parliament/briefings-and-responses/debate-state-social-care-england-and-case-comprehensive-social#:~:text=65%20and%20over-,Workforce.the%20NHS%20\(1.43%20million\)](https://www.local.gov.uk/parliament/briefings-and-responses/debate-state-social-care-england-and-case-comprehensive-social#:~:text=65%20and%20over-,Workforce.the%20NHS%20(1.43%20million)).

<sup>19</sup> Skills for Care (2023), *The state of the adult social care sector and workforce in England*, <https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/State-of-the-adult-social-care-sector/The-State-of-the-Adult-Social-Care-Sector-and-Workforce-2023.pdf>

41. It has been estimated that the workforce will need to increase by almost a third (by more than 500,000 new posts) by 2040 if it is to grow in line with the number of people aged 65 and over.<sup>20</sup>
42. Local authorities in England have budgeted £24.5 billion for spending on adult social services in 2024/25. Around half of this spending goes towards support for working-age adults and around half goes towards support for adults aged 65 and above. Adult social care spending now accounts for more than 40% of all local authority spending on services.<sup>21</sup>
43. With action on reform – including the establishment of a Fair Pay Agreement (FPA) in adult social care, and if steps are taken to create a National Care Service – the workforce could expand further.
44. An ambitious social care workforce plan, as the NHS Confederation has called for, could attract more people to work in social care.
45. Social care roles have the potential to mirror that of NHS ones in terms of the critical role they play in driving social and economic growth in local communities, particularly where there is currently fewer opportunities to access well-paid, good quality work. Currently, NHS trusts and the wider supply chain act as anchor institutions within local areas, who support the health and wellbeing of the local population through driving economic growth.<sup>22</sup>

### **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?**

46. It remains difficult to see how the government factors considerations around the 'whole of care' costs into fiscal events.
47. The NHS Confederation has long argued that DHSC should better align incentives for the NHS to work more closely with the social care sector to reduce demand, including in lengthening and better aligning funding cycles across Whitehall as referenced above.
48. This submission has highlighted delayed discharge and patient flow as huge challenges to the whole health and care system. Fixing these issues would require a sustainable solution to the funding, workforce and capacity issues within social care. Without this, the government's wider NHS reforms and health mission are unlikely to bring the fundamental change they want it to. To see social care in isolation rather than as part of the 10-year plan would be a mistake.

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<sup>20</sup> IFS (2024), *Adult social care in England: what next?*, <https://ifs.org.uk/sites/default/files/2024-10/Adult-Social-Care-in-England-IFS-Green-Budget-2024-R338.pdf>

<sup>21</sup> IFS (2024), *Adult social care in England: what next?*, <https://ifs.org.uk/sites/default/files/2024-10/Adult-Social-Care-in-England-IFS-Green-Budget-2024-R338.pdf>

<sup>22</sup> NHS Confederation (2024), *Unleashing health and prosperity throughout Britain*, <https://www.nhsconfed.org/publications/unleashing-health-and-prosperity-throughout-britain>

49. Despite the previous government committing £5.4 billion over three years, in addition to existing budgets, to reform adult social care in 2021, this was subsequently decreased to £729 million for the period between 2022/23 and 2024/25.<sup>23</sup>
50. Currently, the lack of a sustainable solution to the social care crisis, including the constrained funding the sector continues to receive, means that the NHS has no choice but to pick up the slack and suffer the productivity consequences. Most of all, patients are left with insufficient care options, there is increased pressure on wider public services and fewer people are able to live well in the community for longer.

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<sup>23</sup> Public Accounts Committee (2024), *Adult social care: PAC raises alarm as Government falls short of promise to fix crisis*, <https://committees.parliament.uk/committee/127/public-accounts-committee/news/200468/adult-social-care-pac-raises-alarm-as-government-falls-short-of-promise-to-fix-crisis/#:~:text=Workforce%20vacancies%20in%20the%20sector,the%20scale%20of%20the%20task.>