

# ADASS BUDGET SURVEY 2020

THIS REPORT IS PUBLISHED ALONGSIDE THE  
ADASS CORONAVIRUS SURVEY REPORT  
PUBLISHED 11.06.20

## ADASS: WHO WE ARE

### PRESIDENT



James Bullion  
Norfolk County  
Council

### VICE PRESIDENT



Stephen  
Chandler  
Oxfordshire  
County Council

### HONORARY SECRETARY



Glen Garrod  
Lincolnshire  
County Council

### HONORARY TREASURER



Iain MacBeath  
Hertfordshire  
County  
Council

### POLICY LEAD



Andy Begley  
Shropshire  
Council

### IMMEDIATE PAST PRESIDENT



Julie Ogley  
Central  
Bedfordshire  
Council

### REGIONAL LEAD



Carol Tozer  
Isle of Wight  
Council

### ASSOCIATE TRUSTEE



Brian Parrott  
ADASS  
Associate

### TRUSTEE



Cath Roff  
Leeds City  
Council

### EXTENDED TRUSTEE



Alison Tombs  
North  
Tyneside  
Council

The Association of Directors of Adults Social Services 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 directors of adult care or social services and their senior staff.

## FOREWORD

Every year ADASS produces a Budget Survey. This is the seventeenth time we have done so. Over recent years, the ADASS budget survey has become an important barometer of the state and ‘health and wellbeing’ of adult social care in England. The unique ADASS membership enables us, on an annual basis, to reach into local authorities and to take a snapshot of the financial temperature.

I would like to thank the 146 Directors of Adults Social Services who completed it, the ADASS staff team who managed the process and the analysis and Jane Harris, from Cordis Bright, who drew up this report as part of their partnership agreement with ADASS.

This year has been unique with COVID-19 affecting the landscape so significantly. The timing has enabled us to also gather data relating to the impact of and the response to the pandemic. As a result, there are two reports this year. The ADASS Coronavirus Survey was published on the 11<sup>th</sup> June 2020. This report is a companion to that. It sets out the position of social care budgets prior to the pandemic and the impact that the Covid-19 response has had on budgets.

Every year when setting their budgets, councils have to make difficult decisions about how to meet the needs of people who approach them for care and support. They must protect those who are arranging their own care and to safeguard their interests. Councils have to balance these demands with the need to pay providers the right price for high quality care. These decisions are considered alongside the legal obligation to set a balanced budget year on year, together with the statutory requirements set out in relevant legislation such as the Care Act. These decisions have a direct impact on the extent to which people, their families and carers, have control and choice over the lives they want to lead.

As previous ADASS Budget Surveys have clearly set out, the past has been characterised by short-term and time-limited budget settlements from Government for adult social care, some of which were for very specific purposes. Coupled with this, the absence of reform proposals and a long-term funding settlement for adult social care has meant that the vision set out in the Care Act, which many consider to be sound legislation, has not been realised.

This ongoing ambiguity, despite numerous Government White Papers, Green Papers & consultations over many years, means that we are no clearer about the size, shape and ambition for adult social care over the course of the current decade. In fact, the absence of a full Spending Review means that local authorities and providers have no clarity over budgets for 2021/22.

The onset of the Coronavirus pandemic has only served to heighten the uncertainty that exists amongst those who access care and support services, work in social care and for local authorities and providers. As with all parts of daily life, the plans we all had for the year ahead have gone out of the window and we are yet to fully realise what the new normal will be.

This survey clearly highlights that the issues that have been raised in previous ADASS Budget Surveys such as the fragility of care markets; the ability of the sector to pay social care staff a wage that matches the compassion and skill that social care staff show on a daily basis and increasing levels of unmet need have only been magnified by the pandemic. For Directors of

Adult Social Services, we already know that a loss of income and the inability to deliver on savings plans will mean that we have a deficit in our budgets of £800m in 2020/21. This situation will of course evolve over the coming days, weeks and months.

The current and ongoing impact of the pandemic on people is immeasurable. This survey highlights the significant concerns that Directors have in meeting their statutory duties. This terminology undersells the human impact that significant shortfalls in adult social care budgets could have on people's basic rights such as safeguarding people from harm, assessing the needs of disabled and older people and their access to care and support services.

We are calling on Government to ensure that over the next 2 years adult social care has the funding, not only to reimburse local authorities for the costs of Covid-19, but also to enable the sector as a whole to enhance services in the build-up to reform proposals being implemented. This must go alongside a new employment deal with our care staff, who's compassion, and skill has been brought to the fore during the pandemic. We must also reform care markets so that they better suit the aspirations and needs of those of us who may need them in the future.

This survey is about more than money, it's about enabling people to live the lives they want to lead, now and in the future.

A handwritten signature in black ink, appearing to read 'James A Bullion'.

**James Bullion**  
President

# **CONTENTS**

**FOREWORD**

**CONTENTS**

**KEY MESSAGES**

**INTRODUCTION**

**1.1 CONTEXT**

**1.2 METHODOLOGY**

**THE IMPACT OF COVID-19 ON COUNCIL BUDGETS**

**2.1 COUNCIL BUDGETS**

**2.2 ADULT SOCIAL CARE BUDGETS**

**Planned savings and the impact of Covid-19**

**Impact of Covid-19 on client contributions**

**Pressures associated with ASC budgets prior to Covid-19**

**Demographic pressures**

**Impact of Covid-19 on Directors of Adult Social Services' ability to meet statutory duties**

**2.3 PROVIDER MARKETS, RESPONSES TO CARE PROVIDERS AND HOSPITAL DISCHARGE**

**Cost of National Minimum Wage and National Living Wage increases**

**Hourly rates for home care**

**Provider fees**

**Support for providers**

**Hospital discharge arrangements**

**3. ADASS CORONAVIRUS AND BUDGET SURVEY 2020 CONCLUSIONS**

## KEY MESSAGES

Key messages from this ADASS Budget Survey are:

***Without significant financial intervention from the Government, the lives of people who use social care and their family carers will be seriously impacted in terms of their lives and wellbeing.*** There are huge additional financial pressures being faced by councils because of the Covid-19 pandemic. Planned savings of £608m to balance budgets and the loss of a minimum of £190m of planned income means that only 4% of directors are confident that their budgets are sufficient to meet their statutory duties. This puts at risk the assessment of individual's needs, safeguarding adults and provision of care and support services to older and disabled people.

***The actual costs to local authorities and adult social care providers of the pandemic will far outstrip the Emergency Funding made available by the Government to-date.*** A report commissioned by the LGA and ADASS, and undertaken by industry experts LaingBuisson, calculated that the sector will face more than £6.6 billion in extra costs, such as PPE, staffing and deep cleans, due to coronavirus, by the end of September 2020. To date, adult social care has had access to approximately half of the £3.2bn Emergency Funding to support the whole of local government's response to the pandemic, along with a £600m Infection Control Fund (£2.2bn total).

***The risk of already fragile care markets failing has significantly heightened as a result of the impacts of Covid-19.*** The increased costs faced by care providers, such as purchasing PPE at an inflated cost and a reduction in the occupancy of care homes in most areas has increased the likelihood of a significant number of providers, or a large provider, going out of business. This will be to the detriment of those people who need to access care and support services. 75% of Directors indicated that residential and nursing homes occupied by state-funded residents have seen a decline in the number of people accessing their services.

***Only 4% of respondents are fully confident that their budget will be sufficient to meet their statutory duties this year, down from 35% in 2019/20.*** The diminishing confidence of Directors in meeting statutory duties is of great concern. Directors and elected councillors have to make difficult decisions to balance the books. This means considering the number of people receiving services, the level and quality of those services and the price that is paid to care providers. The ability of local authorities to ensure that people have access to social work, care and support and safeguarding services will directly impact on the ability of individuals to lead the lives they want to lead.

***As a nation we want our social care workforce to be rewarded for their compassionate, committed, highly skilled and essential work. A fundamental shift in resources is therefore required from Government as part of a long-term funding settlement for adult social care.*** The short-term nature of funding settlements from Government, coupled with the need for councils to deliver balanced budgets year on year, means that fee increases for providers barely cover the costs of the National Living Wage. With no clarity on future funding or reform, it is unclear how at a minimum, a basic uplift for adult social care staff wages will be funded next year. If we truly value our social care workforce, significant additional funding is required to provide a wage deal for our care staff. ADASS would like to see a 'social care minimum wage' as well as more funding for training and development, coupled with career progression across the in social care, social work and the NHS.

# INTRODUCTION

## 1.1 CONTEXT

Adult social care was already in crisis before the Covid-19 pandemic struck. The causes and effects of this were laid out in detail in last year's ADASS Budget Survey report and were echoed by national charities, think tanks, NHS bodies and by various Select Committees. Years of cuts to council budgets, increasing needs of older and disabled people and their families and increasing cost pressures had created a perfect storm. Councils were concerned about the fragility of local markets, with growing numbers of providers going out of business or handing back contracts and workforce vacancy rates running at around 122,000. While publication of the NHS Long-Term Plan in March 2019 was accompanied by the announcement of £20.5 billion of extra funding, the promised Green Paper on funding of adult social care has now been delayed six times over two years since the original timetable was announced. The situation pre-Covid-19 was widely described as 'unsustainable', 'at a tipping point' and 'broken'.

In response to the Covid-19 pandemic the UK went into lockdown on 23 March 2020, with people considered 'extremely vulnerable' and people with underlying health conditions asked to shield from 29 March for an initial period of 12 weeks. Prior to the announcement of lockdown, a letter was sent from Simon Stevens on 17<sup>th</sup> March to all parts of the NHS setting out the next steps on NHS response to Covid-19, this included the intention to undertake the rapid discharge of all inpatients who are medically fit to leave. An Adult Social Care Plan was published on 15<sup>th</sup> April 2020, almost one month later.

## 1.2 METHODOLOGY

The ADASS Budget Survey was conducted by the Association of Directors of Adult Social Services (ADASS) and was sent to every Director of Adult Social Services (Directors). These directors are full members of ADASS. This year, given the extraordinary circumstances of a global pandemic, the survey focused additionally on the impact of Covid-19 on adult social care and councils' response to it. The survey was distributed via an online link and remained open between 1<sup>st</sup> and 22<sup>nd</sup> May 2020.

There are 154 local authorities in England with adult social care responsibility, although due to their particular circumstances of jurisdiction, the following local authorities were excluded from the survey: Guernsey, Jersey and Isle of Man. The number of authorities asked to respond is therefore 151.

For this survey, there were 146 completed returns. Not all questions have been completed by all respondents, but the report makes clear where samples have been used to make national projections.

This report focusses on budgets for adult social care in councils and accompanies the Coronavirus report which was published on 11<sup>th</sup> June 2020 and can be accessed [here](#).

# THE IMPACT OF COVID-19 ON COUNCIL BUDGETS

## 2.1 COUNCIL BUDGETS

Councils have to make critical decisions every year when setting budgets and the price paid to providers, and every day when assessing people’s needs and deciding on the level of direct payments or on the affordable types of care that can be accessed to meet those needs and people’s preferences as to how they live their lives. Those decisions involve invidious choices which attempt to balance:

- the numbers of people who get care and support (and those who don’t)
- the levels of support that individuals get
- the price that is paid to providers
- the quality of provision
- The requirement that they balance their budgets.

Budgeted spend by councils on adult social care rose from £14.8 billion in 2018/19 to £15.1 billion in 2019/20. Actual spend in 2019/20 was £15.3 billion, some £197 million over budget. Councils have budgeted to spend £15.7 billion in the year 2020/21. The proportion of councils’ overall budgets being spent on adult social care has remained constant since 2017/18, at around 37% of all spending. A quarter of councils plan to use non-recurrent funding, for example council reserves, to fund their base adult social care budgets for 2020/21.

Figure 1: Budgeted and actual spend on adult social care

|   | 2017/18                     | 2018/19      | 2019/20      | 2020/21      |
|---|-----------------------------|--------------|--------------|--------------|
| ASC net budget                                  | £14.5bn                     | £14.8bn      | £15.1bn      | £15.7bn      |
| ASC outturn                                     | £14.5bn                     | £14.6bn      | £15.3bn      |              |
| <b>Out-turn</b>                                 | <b>Aggregate break-even</b> | +£98m        | - £197m      |              |
| ASC net budget as % of whole council net budget | 36.9%                       | <b>37.8%</b> | <b>37.4%</b> | <b>37.4%</b> |

## 2.2 ADULT SOCIAL CARE BUDGETS

### Key points:

- Prior to the pandemic, Directors had planned to make savings to their adult social care budgets of £608m in 2020/21. However, the onset of Covid-19 has diminished the ability of local authorities to deliver their savings programmes, with nearly three-quarters of Directors indicating that over 60 % of their planned savings are at risk in 2020/21.
- Half of Directors expect to see either significant or very significant reduction in income from budgeted client contributions for 2020/21 as a result of Covid-19. This is likely to result in a minimum of £190 million in lost income for councils.

- As a result of the impact of Covid-19 on council spending, only 4% of Directors are confident that budgets are sufficient to meet statutory duties in 2020/21, a very significant change from a year ago. This means they doubt their ability to provide the full range of information and advice, support wellbeing and prevention, provide assessments and direct payments or the arrangement of care and support, maintain care markets and safeguard people with care and support needs from abuse and neglect, or at risk of being deprived of their liberty.
- A report commissioned by LGA and ADASS and undertaken by LaingBuisson calculated that adult social care providers and councils may face up to £6.6bn in extra costs, such as PPE, staffing and deep cleans, due to the coronavirus crisis by the end of September 2020.

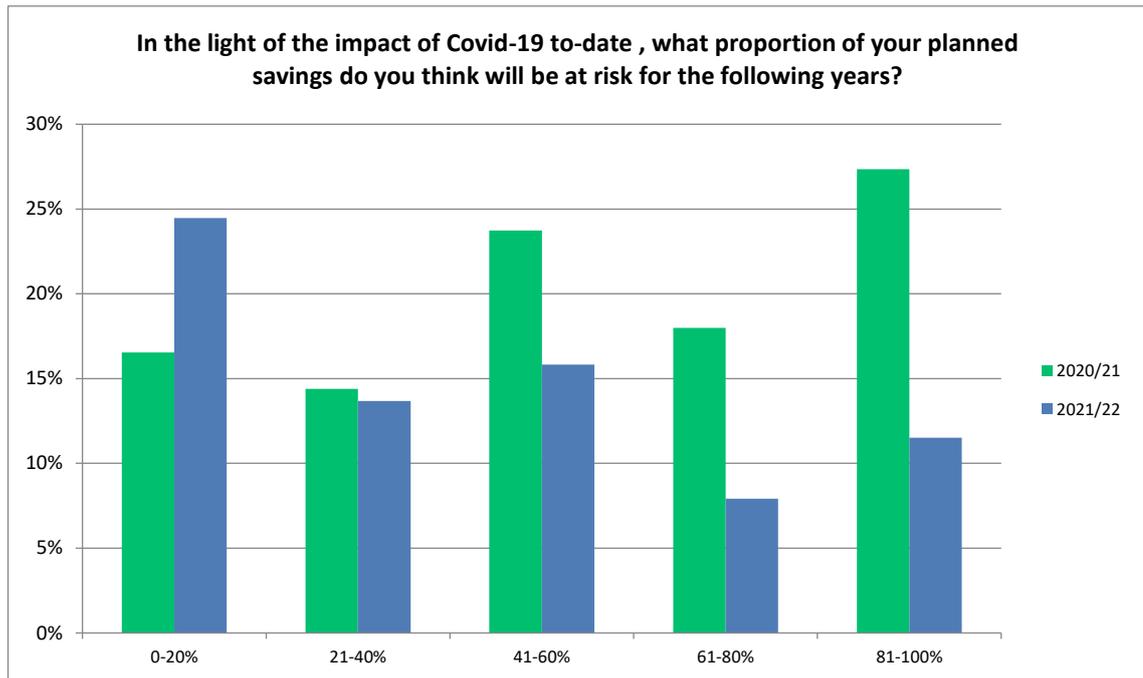
## **Planned savings and the impact of Covid-19**

Prior to the extent of the coronavirus pandemic being realised, adult social care planned savings for 2020/21 were £608m, equating to 3.9% of net adult social care budgets for 2020/21. In 2019/20 this reported requirement was £699m (4.7% of budget). Cumulatively savings since 2010 would have amounted to £8.3bn. However, the onset of Covid-19 is likely to severely diminish the ability of local authorities to deliver their savings programmes.

Councils were asked what proportion of these planned savings they thought would be at risk for following years in the light of the impact of Covid-19 to date. Responses showed a wide range of percentages. Nearly three-quarters of councils (69%) indicated that over 60% of their planned savings would be at risk in 2020/21. For 2021/22, just over half of Directors (54%) indicated that up to 60% of savings may be at risk, which in part is a knock-on effect of local authorities being unable to initiate transformation programmes in the current financial year. In the absence of a long-term funding settlement for adult social care, as well as the unknown impact of the Covid-19 pandemic on local authority budgets, it is difficult to fully quantify the impact, on both budgets and people, of not being in a position to make these savings.

There is a legal obligation on local authorities to deliver a balanced budget year on year, unlike NHS Trusts. As such, planned savings are an integral part of the medium-term planning process. The stark reality is that without additional funding that at a minimum covers the full costs of the pandemic, local authorities will be forced to make additional savings over the coming years above and beyond those planned above. This would most likely lead to a situation whereby adult social care services are stripped back to a statutory minimum at the detriment to those people, carers and families that access care and support services.

Figure 2: Impact of Covid-19 on planned savings

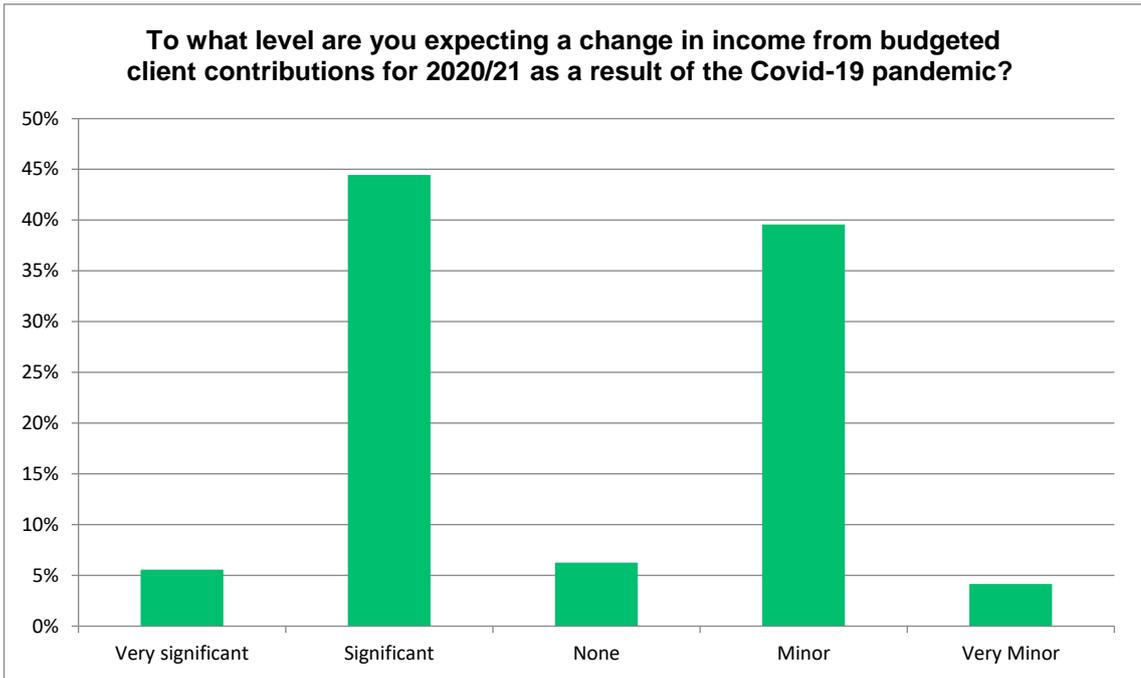


### **Impact of Covid-19 on client contributions**

Client contributions is the term used to describe the income for councils from charging people for care. Precisely half of the Directors who responded to the survey indicated that they expect to see either significant or a very significant change in income from budgeted client contributions for 2020/21, with 44% expecting to either see a minor or very minor change. The remaining respondents expect to see no change, which may be a result of some local authorities undertaking financial assessments on a “honesty” basis during this period. They will then reserve the right to adjust up or down when a comprehensive financial assessment can be undertaken safely in the future.

The overall downturn in client contribution is likely to be as a result of a number of factors including the NHS temporarily paying for care packages to support hospital discharge (from the £1.3bn from government to the NHS), reduced occupancy in care homes, the temporary cessation of transport services and the closure of day and other community services. There is evidence in the ADASS Rapid Survey that most Local Authorities (LAs) are paying day/community services providers despite the fact they are closed so that they remain sustainable.

Figure 3: Expected level of change in client contributions as a result of the pandemic



Directors were asked to quantify the level of change they expected to see. The expected reduction for all 151 councils in 2020/21 is approximately £190 million.

## Pressures associated with ASC budgets prior to Covid-19

### Demographic pressures

Demographic cost pressures relating to the increased numbers of older and disabled people needing care equate to 3.3% of the adult social care net budget in 2020/21, this was also 3.3% in 2019/20. In cash terms this is a £520m (£484m) additional funding need to meet the same level of needs in 2020/21. The 2020/21 figures are based on 110 responses and have been extrapolated to represent pressures on 151 local authorities.

An increasing proportion of demographic funding is focused on services for working age adults. These now account for 64% of the demographic pressures on adult social care budgets (including 38% relating to services for people with a learning disability), compared to 58% in 2019/20. By comparison older people’s only account for 36%. The increasing pressures relating to working age adults are not currently being matched in national conversations around funding and testing, where older people have been the priority, e.g. Infection control funding.

Figure 4: Financial pressure from demographic growth in the 2020/21 net ASC budget (110 responses) – last year’s responses in brackets

| Response                          | % of ASC net budget under pressure from client group | Additional cash required |
|-----------------------------------|--|--------------------------|
| Older people                      | 1.2% (1.2%)  | £189m (£202m)            |
| People with learning disabilities | 1.3% (1.1%)  | £200m (£180m)            |
| People with mental health needs   | 0.4% (0.3%)  | £68m (£54m)              |
| People with physical disabilities | 0.4% (0.2%)  | £63m (£48m)              |

### **Impact of Covid-19 on Directors of Adult Social Services’ ability to meet statutory duties**

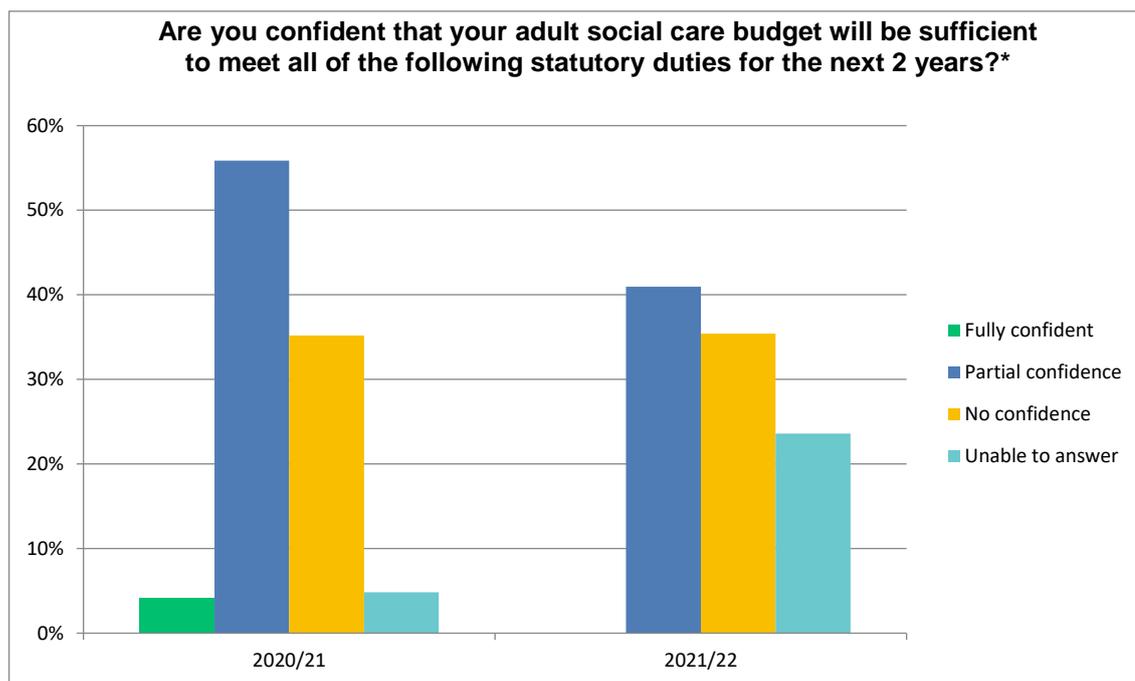
The onset of the pandemic, and the additional financial and demand pressures faced by local authorities as a consequence, has led to a significant change in the Directors’ confidence in meeting their statutory duties relating to adult social care. For the current financial year (2020/21) only 4% of Directors are fully confident that their budget will be sufficient to meet their statutory duties; this compares to 35% in 2019/20.

A similar proportion of Directors are partially confident in meeting their statutory duties in 2020/21 compared to 2019/20, with 56% of Directors indicating this for the current financial year and 59% in 2019/20. Most significantly, 35% of Directors have indicated that they have no confidence in their budgets being sufficient to meet all of their statutory duties. This is perhaps unsurprising given that the report commissioned by LGA and ADASS and undertaken by LaingBuisson calculated that adult social care providers and councils may face up to £6.6 billion in extra costs, such as PPE, staffing and deep cleans, due to the coronavirus crisis by the end of September 2020. If additional financial pressures, as well as loss of income, for all local authority are considered, the likely spending gap for councils will be significant.

In 2021/22, 76% of Directors have either partial confidence or no confidence that their budgets will be sufficient to meet all of their statutory duties, not a single Director indicated that they were fully confident.

The diminishing confidence of Directors in meeting statutory duties is of great concern. The ability of local authorities to ensure that people have access to relevant information and advice, assessments, personal budgets, care, support, safeguarding and deprivation of liberty safeguards/liberty protection safeguards will directly impact on the ability of individuals and their carers in terms of staying alive and living the lives they want to lead.

Figure 5: Levels of confidence that budget will be sufficient to meet statutory duties



\* Note: Statutory duties included in the list were: Information and advice, Prevention and Wellbeing, Assessment (carers and people using services), Personal Budgets/services sufficient to meet eligible needs (not just physical and biological needs), Safeguarding, DoLS/LPS and Market Sustainability (including National Living Wage)

## 2.3 PROVIDER MARKETS, RESPONSES TO CARE PROVIDERS AND HOSPITAL DISCHARGE

### Key Points:

- Whilst ADASS welcomes the increase in National Living Wage, it was a significant pressure on local authority social care budgets before Covid-19 struck and will continue to be so, with councils expecting to spend an additional £1.6 billion between April 2018 and March 2021 on meeting these costs. ADASS believes that social care staff deserve to be paid well in excess of this and to have good career structures that reflect their value. Their work is critical for all of us.
- A substantial number of councils are now increasing fees for providers by 5% or more. The area where the biggest proportion of councils have budgeted to increase fees by at least 5% is home care for all groups, as was the case in the previous year. The absence of a funding announcement for 2020/21 and beyond, means that ambiguity remains about the next round of fee increases, as well as longer-term certainty for care markets.
- At the time of the survey (May 1<sup>st</sup> – 21<sup>st</sup>), local authorities had committed additional funding for providers of around £575 million. However, due to the timing of this survey, this is likely to be a significant underestimate given that LGA analysis has found that £1.410bn of the Emergency Funding from Government has been identified for adult social care, apart from costs for supporting people who are shielded, rough sleepers and significant other costs people.

- As a result of Covid-19, around three quarters of councils have seen a drop in occupancy of residential and nursing homes used mainly by state-funded residents, and over half have seen a decline in occupancy in homes mainly for self-funders.
- As a consequence, just over half of councils have received direct requests for financial support from care homes who have seen a significant reduction in self-funding residents. This creates dilemmas in relation to responsibilities for service continuity for people, maintaining sustainable care markets, perceptions of the legitimacy of supporting businesses in this way and, in some places, whether care homes are the model of care that people want for the future.
- During the period of rapid discharge from hospital, some 11% of people were moved to a place that did not meet their needs, often at a higher rate than normally paid by councils. If, when NHS funding ends, those prices are not affordable for individuals or councils then very difficult choices about further moves will need to be made by people who have very high levels of need and their families.

### **Cost of National Minimum Wage and National Living Wage increases**

The planned increase in the National Living and Minimum Wages was a significant pressure on local authority social care budgets before Covid-19 struck. Between April 2018 and March 2021 councils that were able to answer this question expect to spend an additional £1.6 billion on meeting the costs of National Minimum Wage and National Living Wage increases. There has been a significant uplift in the estimated costs of the National Living Wage for 2020/21 as a result of the Government’s announcement in late 2019 of a 6.2% increase. It is important to note that ADASS has always welcomed the National Minimum and Living Wages, argues that the government should fund local government to cover the costs and believes that care staff are worth far more and deserve greater reward and good career structures. Care staff are essential to society. This has been brought even more to the forefront in the public psyche as a result of Covid-19.

*Figure 6: Estimated costs of increases to the National Minimum and National Living Wage (Answers extrapolated from number of responses stated to 151 local authorities)*

|                                | <b>Total<br/>2018/19</b> |                   | <b>Total<br/>2019/20</b> |                    | <b>Total<br/>2020/21</b> |                   |
|--------------------------------|--------------------------|-------------------|--------------------------|--------------------|--------------------------|-------------------|
| Direct wage costs              | £173m                    | (98<br>responses) | £151m                    | (100<br>responses) | £348m                    | (84<br>responses) |
| Indirect costs (fees,<br>etc.) | £293m                    | (82<br>responses) | £297m                    | (93<br>responses)  | £342m                    | (93<br>responses) |

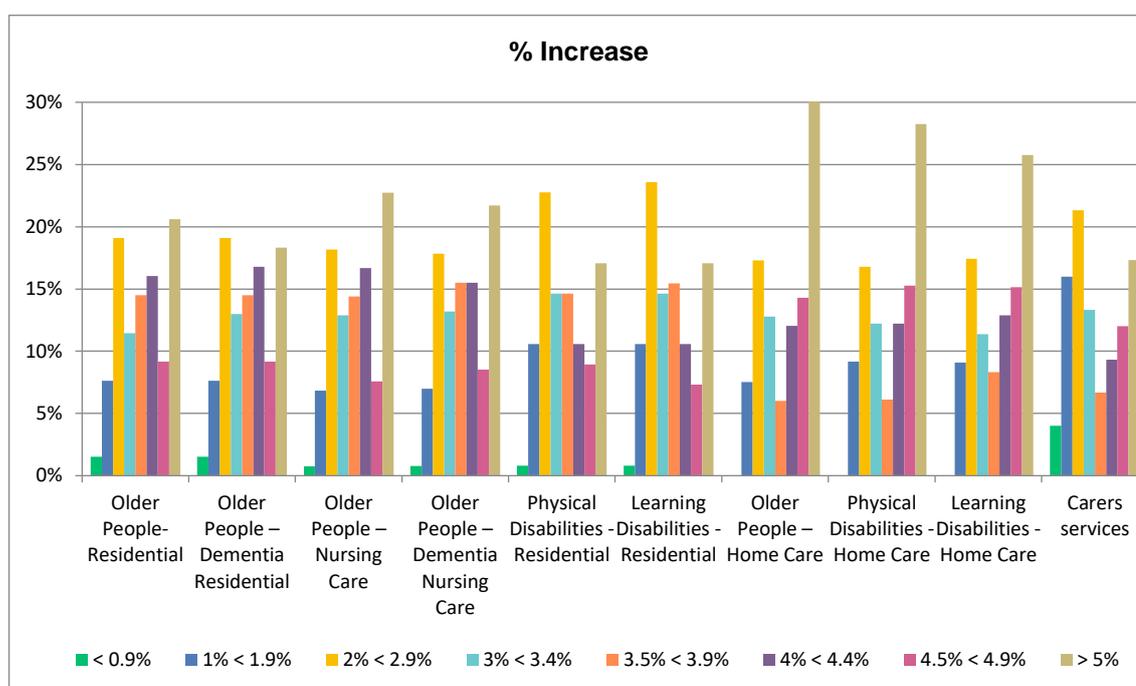
### **Hourly rates for home care**

Average hourly rates for home care were requested for each local authority area. At the time of completing the survey, the national average hourly rate for home care was £17.67 (based upon 145 responses). It is important to understand that it is impossible for such a national average to reflect the complexities of the economic circumstances of different council areas, or the variations in geography and demographic make-up. This figure represents an increase of 5.4% when compared to last year’s average rate of £16.77.

## Provider fees

Prior to the pandemic, a substantial number of councils were increasing fees by 5% or more (see Figure 7). The area where the biggest proportion of councils have budgeted to increase fees by at least 5% is home care for all groups, as was the case in the previous year. Almost a quarter of councils are also planning to increase fees for nursing care for older people and older people with dementia by more than 5%.

Figure 7: Budgeted increase in fees for independent sector providers



## Support for providers

As highlighted in the ADASS Coronavirus Survey, local authorities have engaged directly with providers to understand the pressures they are facing since the declaration of the pandemic, with 89% of local authorities engaging with all of their residential and nursing care providers and 82% with all of their domiciliary and community care providers.<sup>1</sup> They have also taken a range of measures to support providers since the declaration of the pandemic, these include, but are not limited to; providing PPE; facilitating training and guidance; mutual aid and engagement with primary and community services.

Directors responding to the survey reported that, since the declaration of the pandemic, a total of £518m has been committed to support providers with whom responding councils have contracts. There were 136 response to this question, equating to approximately £3.8m committed per council, or an estimated total for all councils of around £575m. Of the amount committed £171m, or £1.33m per council, has already been distributed (equating to £194m for all councils). 34 councils responded that they have committed £24m to support non-contracted providers, equating to £700,000 per local authority.

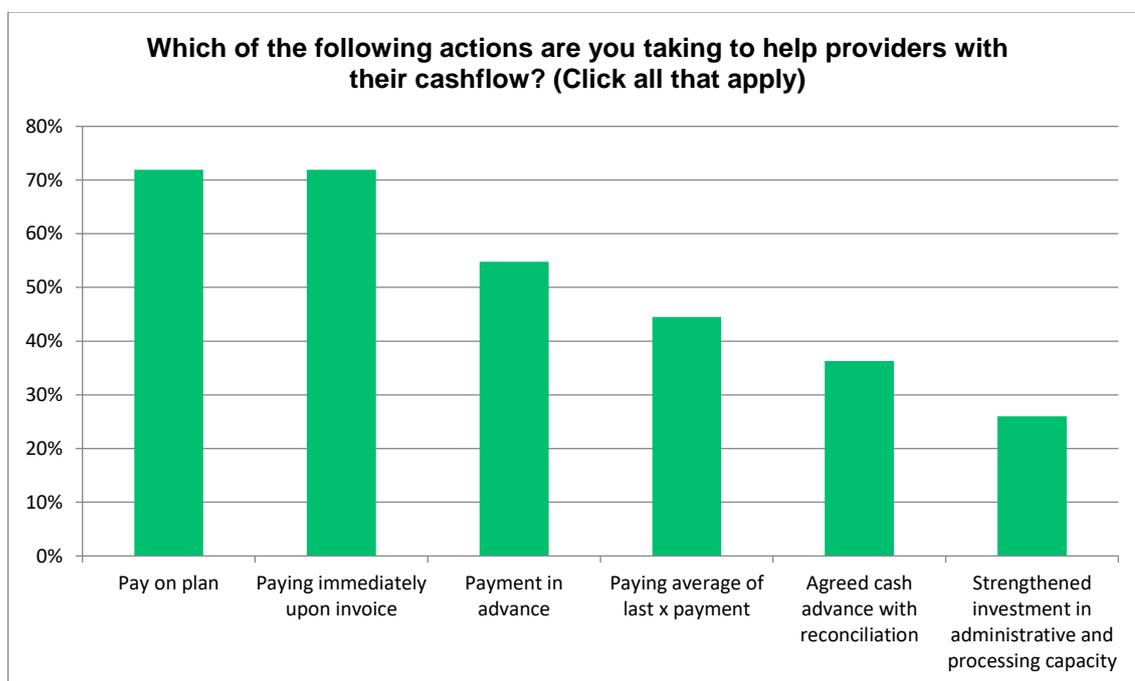
<sup>1</sup> ADASS Coronavirus Survey, Association of Directors of Adult Social Services, 11 June 2020.

However, the level of funding is likely to be underestimated as a result of the second tranche of Emergency Funding from Government, announced in mid-April 2020, not being distributed to local authorities until Mid-May. A number of respondents to this survey had already submitted their returns by this point. As evidenced by the ADASS Rapid Survey, a number of local authorities have also established emergency funds whereby providers can claim back excess costs, as a result a number of councils were unable to provide an estimate of the funding committed as invoices had yet to be received and/or processed.<sup>2</sup>

The figure committed and distributed to providers is likely to be much higher. Recent Local Government Association (LGA) analysis of local authority financial returns to the Ministry of Housing, Communities and Local Government (MHCLG) show that the level of the funding set aside for the purposes of adult social care from the £3.2bn Emergency Fund provided by Government, is approximately £1.410bn.<sup>3</sup> A large proportion would have been used for supporting providers, either through financial support, or by other means such as purchasing and distributing PPE.

Councils are also taking action to support providers with cashflow, including paying on plan for scheduled care and support that may or may not be delivered as a result of Covid-19 (72% of councils), paying immediately upon invoice (72%) and paying in advance (55%).

Figure 8: Action being taken to support providers with cashflow



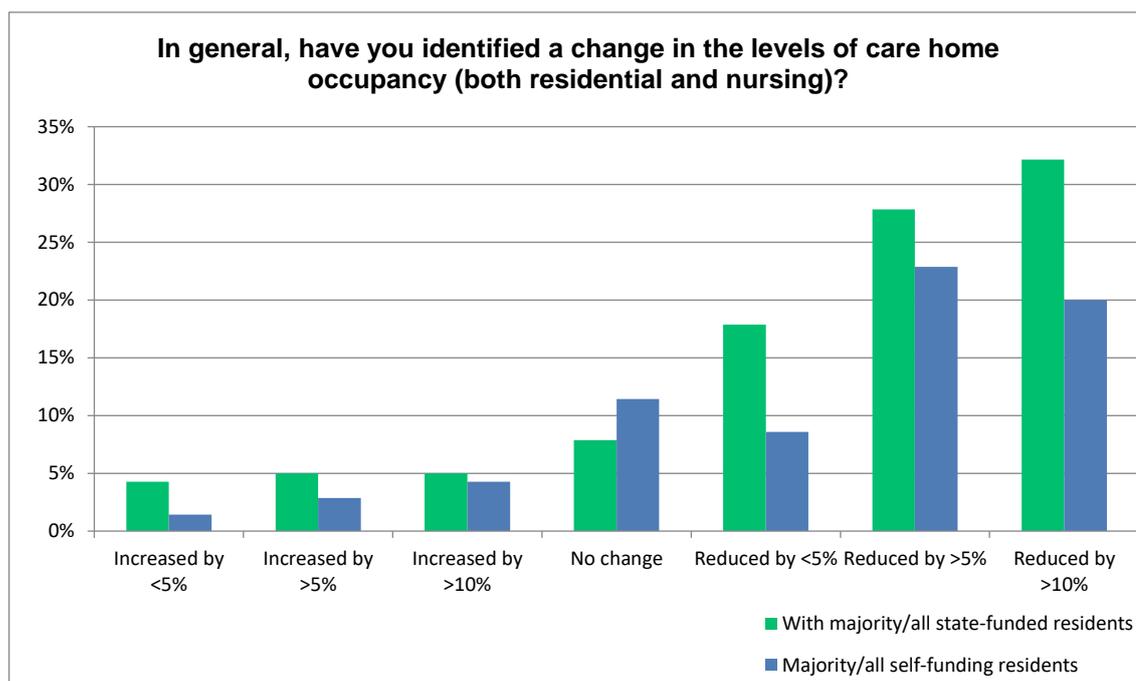
A significant majority of councils have seen a reduction in levels of residential care and nursing home occupancy since the pandemic was declared. Some of this will be due

<sup>2</sup> ADASS Rapid Survey, Association of Directors of Adult Social Services, May 2020.

<sup>3</sup> [MHCLG May financial information survey – breakdown of results, Local Government Association, June 2020.](#)

to people’s individual choices, some because of the need to manage homes differently in order to provide isolation. This reduction is occurring particularly in homes occupied by mainly state-funded residents, with 78% of councils seeing a reduction in these homes, and 51% seeing a reduction in homes mainly for self-funders. It is not clear why there are fewer voids in homes that mainly provide for people paying for their own care. It may be due to them having better facilities for isolation in more expensive homes due to the age of properties, or that more information and advice has been accessed in relation to alternatives for people if the council has been involved or for other reasons entirely.

Figure 9: Observed change in care home occupancy levels



As a consequence, over half of councils (53%) have received direct requests for financial support from care homes which have seen a significant reduction in self-funding residents. This is clearly a challenge in the context of councils’ responsibilities in relation to:

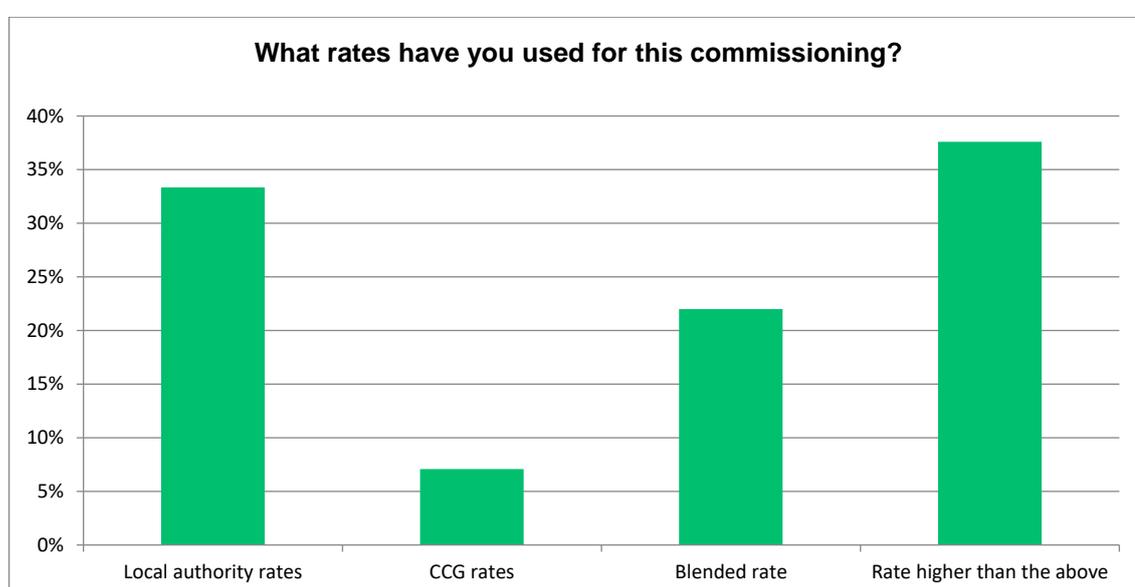
- Service continuity for people needing care and support;
- Councils financial positions and whether they perceive it legitimate to support those businesses;
- Only being able to meet the needs of people with the highest levels of acuity;
- Being conscious of unmet, under met and (in the context of the pandemic) some unknown needs, particularly relating to safeguarding and domestic abuse;
- Being conscious of the kind of care and support that people want and wanting to further develop personalised care at home or in housing with support options.

### **Hospital discharge arrangements**

Around 80% of councils responding to the survey act as the lead commissioner for additional community capacity to facilitate hospital discharge. In 38% of councils the rates used for commissioning additional capacity (for example, residential or

nursing home places or hours of support) have been higher than either usual local authority rates or usual CCG rates. In 22% of councils, a blended rate has been applied. This is significant as NHS funding (of £1.3bn) facilitated these discharge arrangements and meant that people were not charged for the care and support arranged in the initial stages. If higher rates meant that there were additional therapies, rehabilitation and reablement arranged for people to enable them to recover and restore their independence or to get home that is a sound financial and human investment. However, as shown in the ADASS Coronavirus Report, we know that during the period of rapid discharge from hospital, Directors indicated that only 11% of people were discharged from hospital to the right place to meet their needs first time.<sup>4</sup> Around 25,000 people were discharged from hospital during that period therefore this potentially means 2,750 people. As NHS funding ends, councils will need to meet the costs or people will be charged for ongoing care and support. If those fee levels are not affordable for people or for councils then difficult decisions about moving again will be needed.

Figure 10: rates used for commissioning additional capacity



55% of councils have agreed a section 75 arrangement with their CCG, but only 40% have risk sharing agreements in place. 11% of local authorities experienced inappropriate block booking of residential or nursing home places from out of area. This approach may in itself be a reflection of the capacity available within local care markets for those authorities that went beyond their boundaries to secure the supply they felt they required. However, this approach is undesirable and has the potential to lead to individuals being discharged to settings which may not best meet their needs, or that would not have been high on their list of preferences given a greater choice of location.

<sup>4</sup> ADASS Coronavirus Survey, Association of Directors of Adult Social Services, June 2020.

### 3. ADASS CORONAVIRUS AND BUDGET SURVEY 2020 CONCLUSIONS

As a result of the findings reported in the ADASS Coronavirus Survey report (11.06.20) and this ADASS Budget Survey report, it is clear that the need to reform Adult Social Care, to provide service continuity for those of us in the most vulnerable circumstances and to address fundamental inequalities that Covid-19 has highlighted is more acute than ever.

Covid-19 has shone a light on and magnified the challenges facing those of us who need or work in adult social care. These include, but are not limited to: the lack of a workforce plan supported by pay that matches the compassion and skill that social care staff show on a daily basis; increasing levels of unmet need and unknown need during lockdown starting to emerge (such as domestic abuse and safeguarding); the prospect of care providers failing; the national prioritisation of NHS policy and practice, with adult social care treated as an afterthought rather than both being considered together; and the absence of resources to invest in prevention and early intervention.

The ADASS Coronavirus and Budget Survey reports provide clear and undeniable evidence that, whilst Government support has dampened some of the additional pressures facing adult social care through one-off grants, this will fall significantly short in meeting the full costs of the pandemic. These are insufficient to meet the needs of all essential local authority services, those of adult social care providers, as well as the ongoing needs of people who are impacted by long-term recovery from Covid-19, those who are shielded, those who have been sleeping rough, people of working age taking on additional care and others across the board.

Coronavirus has exposed dreadful inequalities relating to people's mental health, people with learning disabilities, older people at the end of their lives in nursing homes, BAME and poorer communities.

It has also highlighted the courage, compassion and commitment of care staff and the essential work they do.

The public are now more aware than ever of how essential social care is to our society.

Without immediate investment in the sector, whose value has been seen by the nation during the pandemic to-date, the consequences will be catastrophic. The likelihood of more providers failing, more essential care staff being lost and that the NHS being not able to successfully navigate the next winter, will be significantly increased – without mentioning the prospect of further turbulence if there is a no-deal EU Exit. Most importantly, the cost of the pandemic will be borne out most by those of us who are older and disabled, or who are caring for family members.

However, this is an investment. In the context of a recession, investing in social care, a massive employer across 18,500 of providers and 1.62m people (not including personal assistants who are privately employed), across people working with shielded groups, in hostels, refuges and supported housing, that investment will get England working again.

Therefore, we are recommending:

**i) A two-year ringfenced funding settlement for adult social care to cover the additional costs of Covid-19 and to allow reform to be agreed, planned and implemented to:**

- Ensure service continuity for older and disabled people and their carers during this crisis, through sufficiency grants to commissioners to stabilise local care markets at risk of collapse;
- Continue to support adult social care's additional costs of protecting people from Covid-19 including full provision of PPE, staffing costs and sickness cover;
- Meet increased adult social care needs relating to recovery and the long-term health conditions resulting from partial recovery from Covid-19, mental health and addiction support, the unmet needs of a growing number of informal family carers, adult safeguarding and other needs;
- Reform of the care system as we approach the coming winter (and EU Exit Deal) to maintain social care's delivery of transformation alongside the NHS, and to bridge from current circumstances to the final reform of ASC.

**ii) A new employment deal with our care staff, including a workforce strategy, adult social care minimum wage, enhanced training, development and career progression, recognition and regulation.**

**iii) Reform of the care provider market based on sustainable new business models, economic growth, and commitment to improved quality – supported through regulation, a national market statement and local economic plans.**

**iv) A consultation programme over the next two years that is cross-government, includes extensive public and cross-party engagement, that works nationally, regionally and locally to build the care and support that people want now and over the next 10 – 20 years. This programme should include:**

- a) Investment and funding solutions;
- b) Thoroughly reshape how social care markets work and the care, support and safeguards we want for ourselves and our families;
- c) Root primary, community and mental health services in communities alongside social care and social supports for people who need care, supports, safeguards and healthcare;
- d) Address the deep inequalities faced by people (and their carers) with mental ill health and learning disabilities, BAME and poorer communities, older people at the end of their lives.

All of this in the context of a probable long and deep recession, this is an investment in a sector that is a critical part of the nation's economy.

**Doing nothing is not an option.**

## ADASS

ADASS is the Association of Directors of Adult Social Services in England. We are a charity, a leading, independent voice of adult social care.

© Association of Directors of Adult Social Services 2020  
18 Smith Square,  
Westminster,  
London  
SW1P 3HZ  
Charity Reg. No 299 154  
Tel: 0207 664 3239

To discuss the report in more details, please contact:

**Michael Chard**

Senior Policy Officer

[Michael.chard1@adass.org.uk](mailto:Michael.chard1@adass.org.uk)

07787 491004

For media enquiries, please contact:

**Phil McCarvill**

Deputy Chief Officer

[Phil.mccarvill@adass.org.uk](mailto:Phil.mccarvill@adass.org.uk)

07919483214

**Letizia Mattanza**

Communications, Events and  
Membership Coordinator

[Letizia.mattanza@adass.org.uk](mailto:Letizia.mattanza@adass.org.uk)

07771 590860

**Contact and Follow ADASS:**

