

SPRING BUDGET 2021

Representation by the Association of Directors of Adult Social Services (ADASS)

January 2021

Headlines

1. ADASS seeks a package in the Budget that stabilises the adult social care system in the short-term, meets all Covid-19 costs, and offers some certainty for the longer-term including multi-year funding settlements.
2. The Budget is an opportunity to send a clear signal that working-age disabled people, older people and carers are recognised, valued, and protected. Failure to invest now will also make the goal of long-term reform so much harder to achieve.
3. We have repeatedly asked for certainty so that we can ensure care providers remain in business, staff are paid a national care wage, carers get the support and breaks they need and enable more people to remain at home.
4. The current lack of certainty means adult social care remains in a holding pattern whereby Directors of Adult Social Services (DASSs) are overly reliant upon time-limited funding streams to deliver balanced budgets that are required by statute. This forces DASSs into an unenviable situation whereby they are increasingly entering into long-term revenue commitments, such as care packages for people with learning disabilities that may last decades, without any guarantee that there will be sufficient ongoing funding to ensure these vital care and support services can be delivered. This means other care and support is foreshortened, reduced or not provided and adds further risk into an already fragile system together with counter-productive impacts on carers, older and disabled people, the NHS, criminal justice system and the local economy.
5. Without such action, local authorities will run out of money, care providers will go to the wall, many of us will not get the care and support we need, and the economy will take a further hit as more of us are forced to give up work to fill the caring gaps. Prioritising adult social care is the right thing to do morally, ethically, economically and politically.

Policy priority: Stabilise adult social care by committing the urgent and sustained investment of £7 billion identified by the Health and Social Care Committee¹.

6. Adult social care provides care, support, and safeguards for those people in our communities who have the highest level of need and for their carers. Nearly two million people rely on these essential services and around 6.5 million carers support people alongside and beyond the formal social care sector.
7. ADASS's autumn survey shows that next year we lack the resources to ensure decent levels of service. Only 2% of DASSs report being fully confident they will have the funding they need next year to meet all their statutory duties. These minimum care and support duties obliged

¹ <https://committees.parliament.uk/committee/81/health-and-social-care-committee/news/120204/mps-call-for-7bn-annual-increase-in-social-care-funding-as-a-starting-point-for-reform-doing-nothing-no-longer-an-option/>

by law underpin the basic human rights of any of us in a civilised society. They include (but are not limited to): the assessment of need and provision of care and support to meet eligible need, including for carers; safeguarding people with care and support needs from abuse and neglect; the provision of information and advice; and ensuring provision that prevents, reduces and delays need. We do not believe the Spending Review and Local Government Settlement announcements will have allayed DASSs' concerns.

8. ADASS welcomed the Spending Review funding for social care, which will help councils address some – but not all – of next year's pressures. However, the £300m of new grant funding is for both children's and adult social care, and councils will still have to find savings to already stretched budgets. The period since the turn of the decade has been characterised by austerity and the focus on reducing the national deficit. This has led to local government seeing a significant reduction in their resources in real terms of this period, which has resulted in Directors of Adult Social Services (DASSs) having to work hard to deliver cumulative savings totalling £7.7billion a year across adult social care departments since 2010. Prior to the extent of the coronavirus pandemic being realised, adult social care planned savings for 2020/21 were £608m. The 2020 annual ADASS Budget Survey, which serves as a barometer of the financial state of adult social care, found 69% of councils indicated their planned savings would be at risk for 2020/21. For 2021/22, 54% of DASSs indicated that up to 60% of savings may be at risk, which is in part a knock-on effect of local authorities being unable to initiate transformation programmes in the current financial year.²
9. Flexibility to raise the Adult Social Care Precept is helpful but has never been a sustainable solution. Increasing council tax raises different amounts in different parts of the country. Councils with higher levels of deprivation tend to have greater levels of social care need, but a lower council tax take and therefore raise less revenue per head from the Precept³. For 2021/22, increases in council tax revenue are projected to raise the equivalent of 5% of core funding in the least deprived tenth of council areas, but just 2.9% in the most deprived tenth.⁴
10. The Covid-19 pandemic has also led to lower council tax takes. Councils are expecting to collect between £0.7 billion and £1.5 billion less in council tax this year than they were initially planning⁵. The ongoing financial impact of the Covid-19 crisis on people and households is not yet known, but increases in unemployment will likely mean an increase in the numbers of people claiming means-tested council tax discounts.⁶
11. The number of requests for support made to councils by new clients increased by 6.6% between 2015/16 and 2019/20.⁷ The pandemic has added to the pressure of growing need. ADASS's autumn survey of DASSs⁸ [which covers the period after the NHS Digital data, cited above] found sharp increases in requests for help from people being discharged from hospital, fleeing from domestic abuse, or losing their regular support from unpaid carers who are themselves at breaking point.

² www.adass.org.uk/adass-budget-survey-2020

³ <https://commonslibrary.parliament.uk/research-briefings/cbp-7903/>

⁴ <https://ifs.org.uk/uploads/BN314-Assessing-England%27s-2021-22-Local-Government-Finance-Settlement-4.pdf>

⁵ www.ifs.org.uk/publications/15041

⁶ <https://ifs.org.uk/uploads/BN314-Assessing-England%27s-2021-22-Local-Government-Finance-Settlement-4.pdf>

⁷ <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2019-20>

⁸ www.adass.org.uk/adass-press-release-autumn-survey-report-2020

12. The pandemic has made extremely fragile care markets even more susceptible to market failure at the detriment to those people accessing care and support services. Before the pandemic 1% of DASSs were concerned about the sustainability of 'most' or 'all' residential and nursing care providers, which has now soared to 32% of DASSs. More than half (53%) of Directors have received requests for financial support from care homes which have seen significant reductions in self-funding residents.⁹

Policy priority: Extend the Build Back Better pledge to make sure the NHS has the staff it needs to adult social care. Invest in the workforce by ensuring, at a minimum, a basic uplift for adult social care staff wages will be funded next year.

13. The pandemic has highlighted how, as a nation, we want our social care workforce to be rewarded for their compassionate, committed, highly skilled and essential work.
14. ADASS seeks a new employment deal with our care staff, including a workforce strategy, adult social care minimum wage, recognition and regulation, and enhanced training, development and career progression.
15. The recruitment and retention challenges facing the sector are now better known than ever. They are further highlighted by Skills for Care who have estimated an 8.6% vacancy rate prior to the pandemic. This reduced to 7.0% between March and August 2020, however, the estimated number of vacancies in 2019/20 (112,000) suggests the supply of available workers is still substantially lower than the demand. Significant future challenges continue to exist in this area too, with a projected increase in demand as the population ages and a potential reduction in workforce supply as a result of the new immigration rules that came into effect on 1 January 2021.¹⁰
16. The Cavendish Review, published in July 2013, highlighted that even during the economic downturn that was experienced at the start of the last decade, care homes and domiciliary care agencies struggled to recruit. In 2013 the unemployment rate was 7.6%, which compares to the most recently reported level of 4.9% for the UK.¹¹ This evidence should act as a warning that rising unemployment levels do not translate into a significant upturn in adult social care recruitment. Pay differentials between social care and other low paying occupations (defined by the low pay commission) have been decreasing. Notably, sales and retail assistants earned 13 pence per hour less than care workers in 2012/13 but in 2019/20, they earned 24 pence per hour more on average than care workers.¹²
17. Adult social care staff turnover rates have increased steadily by a total of 10.2% between 2012/13 and 2019/20 (up 1.2% between 2018/19 and 2019/20). There is currently there was no evidence of a change in the staff turnover rate since the start of the pandemic.¹³ Care workers have one of the highest turnover rates at 38.1%. Registered nurses in adult social care had a much higher turnover rate (41.3%) than their counterparts in NHS (9.4% for

⁹ www.adass.org.uk/adass-press-release-autumn-survey-report-2020

¹⁰ 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-2020.pdf

¹¹ www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment

¹² www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/Topics/Pay-rates.aspx

¹³ 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-2020.pdf

registered nurses and health visitors).¹⁴ Skills for Care estimated in 2017 costs of £3,642 to replace a member of staff, taking inflation into account this figure is now likely to be much closer to £4,000. This includes buying in agency cover until the vacancy is filled, advertising the post, interviews, checks, induction and a probation period with additional supervision.¹⁵ These recruitment costs represent nearly a quarter (22.5%) of the average annual wage of a care worker. If turnover across the industry can be reduced by increasing the salary of care workers, then this would, at least in part, free-up existing funding to partly fund the increased wage costs.

18. ADASS continues to seek a national care wage (currently £10.90 an hour), linked to a band 3 NHS healthcare assistant, as part of Building Back Better – a mechanism to begin building out from a very low-wage economy. This uplift in the wages paid to frontline staff is necessary to counter the recruitment and retention issues facing the sector, but the short-term nature of funding settlements from Government, coupled with the need for councils to deliver balanced budgets year on year, means 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. While we welcome the increase in National Living Wage, it was a significant pressure on local authority social care budgets before Covid-19 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. This means local authorities are left in a position whereby they most likely will have to fund these increases by finding additional savings from their budgets above and beyond those already planned.
19. The Resolution Foundation has previously undertaken work to examine the costs of increasing wages in 2013/14 to the National Living Wage (which was not statutory at that point in time). They found implementing a living wage would have increased the gross total cost of care services (public and private) by £2.3 billion in 2013/14.¹⁶ For publicly funded adult social care, they estimated the total costs associated with services procured by local authorities would have increased by £1.4 billion. They calculated that if public money were used to fund a living wage for care workers, just under half (47%) of public costs would be returned to the Exchequer through higher personal tax receipts and lower benefit payments, with an estimated a net public cost of £726 million in 2013/14. We will be undertaking work in the coming months to build on this case for investment.

Policy priority: Support unpaid carers by introducing an additional supplement to carer's allowance, to match the recent £20 increase in Universal Credit and working tax credit

20. Carers UK estimates that up to 13 million of us provide informal, unpaid care for a family member. This includes 5 million additional people who have taken on caring responsibilities during the pandemic. Their research indicates unpaid carers across the UK have provided £530 million of care every day since the start of the pandemic in March (£435 million in England; £19 million in Northern Ireland; £43 million in Scotland; and £33 million in Wales).¹⁷

¹⁴ 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-2020.pdf

¹⁵ www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/documents/State-of-the-adult-social-care-sector/State-of-Report-2019.pdf

¹⁶ <https://www.resolutionfoundation.org/app/uploads/2015/03/As-if-we-cared.pdf>

¹⁷ www.carersuk.org/images/News_and_campaigns/Carers_Rights_Day/Unseen_and_undervalued_171120.pdf

21. More than a third (36%) of carers receiving carer's allowance (£67.25 a week for 35 hours or more of care) are struggling to make ends meet, with 15% having been in debt because of caring.
22. During the first lockdown, 81% of carers said they were spending more money during the pandemic through higher domestic bills, paying for additional care and support services, buying equipment to adapt homes, and purchasing technology to help with caring.
23. Day services and carers' breaks / respite have been mostly closed during periods of lockdown, and some have continued to be inaccessible between lockdowns (for example because of reduced capacity in order to meet Covid secure requirements). This has resulted in increasing reports of carer breakdown.¹⁸
24. A supplement to Carer's Allowance, announced as Carers' services begin to reopen, will enable carers to continue providing vital, life-saving care and support. We agree with Carers UK that investment will far outweigh the costs of carer breakdown and admissions to hospital at a time when the health system is under significant pressure. Carers need Government recognition of their role and contribution that's backed up with practical action to improve their lives.

Policy priority: Transformation funding to extend care models that are the Care We Want for ourselves

25. We have come a long way in implementing the personalisation agenda, but we have much further to go. Transformation funding is needed to enable councils to extend the adult social care offer of information and advice, to support the further adoption of direct payments, and to discharge the full ambition of the Care Act market shaping duties, including coproduction of care models with those of us who access care and support and/or care carers.
26. Prevention plays an essential role in increasing people's independence, reducing the need for more costly care and achieving savings, but councils have to prioritise those people with the highest level of immediate need and current financial pressures make investment in prevention difficult. Pressures on the NHS and adult social care services have been further increased as a result of cuts to many of the programmes supporting people in communities over the last decade (including Supporting People schemes, mental health early intervention and assertive outreach, work in relation to substance misuse and to help keep people with mental health and learning disabilities out of the criminal justice system).
27. We need a renewed focus on prevention, with funding to deliver the full ambition of the Care Act prevention duties – to both promote individual independence and build community resilience. This must be done alongside the full implementation of the commitments made in the NHS Long-Term Plan on upscaling the availability of primary, mental health and community services.
28. To support the Government's commitment to 'Building Back Better', the Budget must seek to provide a significant uplift in funding for early intervention and prevention to enable people to live the lives they want to lead. This should incorporate investment in reablement and

rehabilitation services, including Occupational Therapists, Floating Support, Mental Health and Targeted Support to enable people who are mentally ill, with learning disabilities or who misuse substances to avoid the criminal justice system and get care not custody.

29. Every decision about care is also a decision about housing. People should be supported to live at home and remain in their communities unless their needs can only be met elsewhere. We need to build more care and support around people's homes, expanding and evolving housing-based care and support such as Extra Care housing which will involve capital investment from Government.

Policy priority: Fund current discharge to assess arrangements on a permanent basis

30. Discharge to assess arrangements enable people who are 'clinically optimised'¹⁹ and do not require an acute hospital bed, but may still require care services are provided with short term, funded support to be discharged to their own home (where appropriate) or another community setting. Assessment for longer-term care and support needs is then undertaken in the most appropriate setting and at the right time for the person. Support services are time limited – up to six weeks, in the best systems the average appears to be two weeks and can be longer than six weeks in exceptional cases.²⁰
31. The evidence is clear that home is the most appropriate place for resolving crises and recovery for nearly all people being discharged from hospital.²¹ Discharge to assess enables people to receive short-term reablement to maximise independence at home, be assessed for any ongoing care needs at home, and be supported to avoid unnecessary hospital admission from home. Doing this means people no longer need to unnecessarily wait for assessments in hospital, which reduces delayed discharges and improves patient flow.
32. As well as proving better for people, in areas where discharge to assess was embedded pre-pandemic, the system outcomes have been significant:²² South Warwickshire reported £0.5m net long-term costs averted in year one for discharge pathway 3; in Sheffield the Health Foundation reported a 37% increase in patients who can be discharged on their day of admission or the following day; and Medway reported delayed transfer of care rates down by 25% in 3 months.
33. The Home First ethos adopted throughout the Covid-19 pandemic and the funding provided by Government to support the discharge to assess process has strengthened the approach as the default pathway and expedited the spread of good practice. Discharge to assess funding needs to continue to support the provision of free care for up to six weeks after discharge, as well as meet the costs of assessment and care planning across dispersed community settings. Both funding elements are essential to ensure people end up in the right setting with the right care and support for them.

¹⁹ Clinically optimised is described as the point at which care and assessment can safely be continued in a non-acute setting. This is also known as 'medically fit for discharge' 'medically optimised.'

²⁰ www.nhs.uk/NHSEngland/keogh-review/Documents/quick-guides/Quick-Guide-discharge-to-access.pdf

²¹ For example, www.local.gov.uk/shifting-centre-gravity-making-place-based-person-centred-health-and-care-reality

²² Examples taken from: www.nhs.uk/NHSEngland/keogh-review/Documents/quick-guides/Quick-Guide-discharge-to-access.pdf

Policy priority: Provide more certainty for the longer-term, including multi-year funding settlements and an Adult Social Care Long Term Plan

34. ADASS has recognised the interim measures taken to support adult social care during the pandemic. However, ongoing delays in publishing proposals for adult social care reform mean the sector lacks clarity on how the Government intends to counter the existing and intensifying finance and demand pressures facing the sector.
35. The lack of certainty means adult social care remains in a holding pattern whereby DASSs are overly reliant upon time-limited funding streams to deliver balanced budgets that are required by statute. This forces DASSs into an unenviable situation whereby they are increasingly entering into long-term revenue commitments, such as care packages for people with learning disabilities that may last decades, without any guarantee that there will be sufficient ongoing funding to ensure these vital care and support services can be delivered. This means other care and support is foreshortened, reduced or not provided and adds further risk into an already fragile system together with counter-productive impacts on carers, older and disabled people, the NHS, criminal justice system and the local economy. We need an Adult Social Care Long Term Plan that provides a clear direction for reform.
36. We have always supported the existing NHS Long Term Plan, particularly the components of the plan proposing greater investment into mental health and learning disability services, as well the components addressing both ageing well and health inequalities. However, the NHS Long Term Plan cannot be realised without a long-term plan and funding for social care.

About Us

37. The Association of Directors of Adults Social Services (ADASS) welcomes the opportunity to contribute representations to the Budget 2021.
38. We believe locally integrated care, built around the individual should be the norm. Reform should be built on the principle of locally determined integrated care that achieves person-centred, person-led, co-ordinated care, treatment and support.
39. ADASS is a charity. Our objectives include:
 - Furthering comprehensive, equitable, social policies and plans which reflect and shape the economic and social environment of the time;
 - Furthering the interests of those who need social care services regardless of their backgrounds and status; and
 - Promoting high standards of social care services.
40. Our members are current and former directors of adult care or social services and their senior staff.