1 FOREWORD AND INTRODUCTION

Adult social care is far from fixed, as this survey clearly demonstrates.

Instead, we see deepening concerns, with social care at the heart of an economic storm which affects workforce, care providers, unpaid carers and people who draw on care, support, and safeguards.

This past year has been one of increasing challenges for adult social care. The impact of the pandemic is far from over, more people are waiting for assessments, care and reviews, more people are coming to us in relation to their mental health, domestic abuse and safeguarding, and unpaid carers are reaching the limits of what they can do. We now also face the devastating impact of the cost-of-living crisis, with those who need or work in care amongst the most exposed.

Somehow in the face of adversity people- including the social care workforce, unpaid carers, and families- continue to step-up and go above and beyond. This illustrates the incredible compassion, dedication, and skill of all concerned, but, as a society, it is not right to expect people to push themselves beyond the limit and to impact significantly on their health and wellbeing. This has far-reaching consequences for how we live our lives, work and care for each other.

December 2021 saw the publication of the Adult Social Care White Paper and a commitment from Government to provide £5.4bn over three years to fund the reforms within it. This was very welcome after many years of failure to address the country’s needs, but it is very much start of a ten-year journey and the availability of resources identified to fund the commitments in full remain uncertain.

Our ambition is to see a ‘once in a generation’ shift towards enabling people to live in a place they call home, with the people and things that they love, in communities where they look out for one another, doing things that matter to them. The reform proposals and funding announced will do little, if anything, to take the immediate pressure off people who provide help to those who draw on care and support, let alone bring about the fundamental change we all want to see.

Workforce vacancy rates are the highest they’ve been since the pandemic began and the number of people waiting for care and support is rapidly increasing. People have been faced with support being rationed and continuity of care being severely compromised.

Many areas are experiencing the equivalent pressures that they would normally see in winter now. The NHS has challenges of its own and is under pressure to make significant progress in clearing hospital waiting lists, which is being made more difficult by insufficient adult social care available for people who need it. We can see the impact that this has with more people going into hospital for shorter stays and thus more people need to be discharged – with more
complex needs and without sufficient recovery time. What is less obvious is the impact of people who are waiting for assessments or for care at home. A proportion will inevitably deteriorate or fall – some will end up needing hospital which could have been avoided if they had received support earlier.

A growing number of Directors tell us that they have never been more concerned than they are about this winter to come. We need action and funding now to support recovery in social care, just as in the NHS, and build firmer foundations for the changes we all want to see.

We would like to thank ADASS members for taking the time to complete this survey, Mike Chard in the ADASS team for setting it up, undertaking the analysis and drafting the report, Tom Noon and Julian Beach of Cordis Bright for their help with the report, including the visualisation of results, Phil McCarvill, Letizia Mattanza and all of the ADASS staff team - and Trustees for their wisdom in shaping the messages that arise from their experiences locally, regionally, and nationally.

Sarah McClinton
ADASS President

Cathie Williams
ADASS Chief Executive
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>FOREWORD AND INTRODUCTION</strong></td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td><strong>KEY MESSAGES</strong></td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td><strong>METHODOLOGY</strong></td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td><strong>FINANCIAL CONTEXT</strong></td>
<td>8</td>
</tr>
<tr>
<td>4.1</td>
<td>COUNCIL BUDGETS</td>
<td>8</td>
</tr>
<tr>
<td>4.2</td>
<td>ADULT SOCIAL CARE BUDGETS</td>
<td>9</td>
</tr>
<tr>
<td>4.3</td>
<td>ADULT SOCIAL CARE PRECEPT</td>
<td>11</td>
</tr>
<tr>
<td>4.4</td>
<td>SOCIAL CARE GRANT</td>
<td>11</td>
</tr>
<tr>
<td>4.5</td>
<td>SERVICES GRANT</td>
<td>11</td>
</tr>
<tr>
<td>5</td>
<td><strong>FRAGILITY AND ECONOMIC TURBULENCE</strong></td>
<td>12</td>
</tr>
<tr>
<td>5.1</td>
<td>BUDGETS AND SAVINGS</td>
<td>12</td>
</tr>
<tr>
<td>5.2</td>
<td>COST PRESSURES</td>
<td>14</td>
</tr>
<tr>
<td>5.3</td>
<td>ORIGINS OF FINANCIAL PRESSURES</td>
<td>14</td>
</tr>
<tr>
<td>5.4</td>
<td>DEMOGRAPHIC PRESSURES</td>
<td>15</td>
</tr>
<tr>
<td>5.5</td>
<td>NATIONAL LIVING WAGE PRESSURES</td>
<td>16</td>
</tr>
<tr>
<td>6</td>
<td><strong>CARE MARKET INSTABILITY</strong></td>
<td>19</td>
</tr>
<tr>
<td>6.1</td>
<td>PROVIDERS</td>
<td>19</td>
</tr>
<tr>
<td>6.2</td>
<td>PROVIDER QUALITY AND CHOICE</td>
<td>23</td>
</tr>
<tr>
<td>6.3</td>
<td>WORKFORCE ISSUES</td>
<td>23</td>
</tr>
<tr>
<td>7</td>
<td><strong>CARER BREAKDOWN AND THE COST-OF-LIVING CRISIS</strong></td>
<td>25</td>
</tr>
<tr>
<td>8</td>
<td><strong>UNPAID CARERS</strong></td>
<td>26</td>
</tr>
<tr>
<td>9</td>
<td><strong>HEALTH AND SOCIAL CARE SERVICES ARE IN JEOPARDY THIS WINTER</strong></td>
<td>27</td>
</tr>
<tr>
<td>9.1</td>
<td>FINANCIAL OUTLOOK FOR HEALTH AND SOCIAL CARE</td>
<td>27</td>
</tr>
<tr>
<td>9.2</td>
<td>DISCHARGE TO ASSESS</td>
<td>28</td>
</tr>
<tr>
<td>9.3</td>
<td>BETTER CARE FUND</td>
<td>29</td>
</tr>
<tr>
<td>10</td>
<td><strong>ADULT SOCIAL CARE IS NOT FIXED</strong></td>
<td>33</td>
</tr>
<tr>
<td>10.1</td>
<td>EARLY INTERVENTION AND PREVENTATION</td>
<td>33</td>
</tr>
<tr>
<td>10.2</td>
<td>INVESTMENT STRATEGIES</td>
<td>34</td>
</tr>
<tr>
<td>10.3</td>
<td>REABLEMENT</td>
<td>36</td>
</tr>
<tr>
<td>11</td>
<td><strong>CONCLUSION AND RECOMMENDATIONS</strong></td>
<td>37</td>
</tr>
</tbody>
</table>
2 KEY MESSAGES

Increased requests and referrals for care, support and safeguards. In 2021/22 87% of Directors report increased requests and referrals because of mental health issues and 67% because of domestic abuse safeguarding concerns. Of equal concern, 73% of directors report rising numbers of referrals and requests because of breakdown of unpaid carer arrangements. The latest findings reinforce the findings of successive ADASS member surveys.

Significant challenges facing the NHS are leading to increased requests for adult social care and support. 82% of Directors report increased referrals and activity for people who are being discharged from hospital, 51% because of the unavailability of community support, and 46% of Directors report increased activity because someone could not be admitted to hospital.

Increased complexity of need is driving an increase in the size of care packages in 83% of council areas. 17% of councils have seen a significant increase, with 66% of Directors reporting an increase. Calculations for demography that don’t take this into account will underestimate need.

There is scope for a much greater focus and investment in reablement, crisis response and other intermediate care. 72% of respondents reported that over 50% of residential reablement services enable people to return home. For reablement services at home, 60% of respondents reported that over 50% of the services reduce the level of long-term need.

There continues to be concern about the position and experiences of unpaid carers. 49% of Directors are not confident that unpaid carers will be able to cope financially with the cost-of-living crisis and 75% believe that this will result in increased need for social care.

The proportion of council budgets spent on adult social care was 37.2% of their overall budget.

Directors of Adult Social Services are expected to deliver £597m in savings to their budgets for this year (2022/23), that’s 3.5% of their total adult social care budgets. Cumulatively this means that they have been required to find £1.8bn in savings over the last three years. However, only 25% of Directors are fully confident they can deliver the expected savings this year and 6% of Directors report they have no confidence.

The next twelve months were always going to be challenging, but existing concerns are being compounded by unprecedented external cost pressures,
with inflation, currently running at 9% and predicted to reach 11% by the end of the year, creating an even bigger hole in council finances.

Directors report a range of rising cost pressures, with 91% of Directors citing workforce recruitment and retention as a major driver of costs in care at home, and 85% for residential and nursing care. Other pay pressures such as pay uplifts and recruitment difficulties are cited by 76% of Directors as driving up costs in care at home and 68% in residential and nursing care. 59% of Directors cite lower than expected occupancy levels as a major driver of costs for residential and nursing care.

A diminishing number of Directors are confident that they have the budget needed to meet all of their legal responsibilities. Just 12% of Directors are confident that they have the resources to deliver on all of their responsibilities this year, and just 3% next year. Last year finances were complex with several short-term grants (including for infection control, workforce, and hospital discharge) Some of these grants were late to be announced, which made it difficult to utilise them fully and effectively. A total of 54% of directors overspent on their adult social care budgets last year, with a strong reliance on drawing on reserves and increased use of the precept.

Market instability remains a major concern for Directors with 67% reporting that providers in their area had closed, ceased trading, or handed back local authority contracts. This is a significantly worse picture than last year and prior to the pandemic.

This is also reflected in the fact that 64% of Directors report being concerned about their legal responsibilities in relation to market stability. This figure increases to 82% for 2023/24.

Directors are also concerned about the level of quality and choice in their local care market. A total of 65% reported that quality and choice had reduced compared to the pre-pandemic period, with 7% of those reporting a significant decrease.

Whilst this varies across the country, Directors say that an average starting pay rate of £12.77 per hour would be required to minimise local recruitment and retention challenges. This is £3.27 more than the current national living wage rate of £9.50 is comparable to the case ADASS has been making for an Adult Social Care Living Wage to be equivalent to the mid-point of NHS Band 3 for Healthcare Assistants.
3 METHODOLOGY

The ADASS Spring Survey (formerly known as the Budget Survey) is an annual survey conducted by the Association of Directors of Adult Social Services (ADASS) and is sent to every Director of Adult Social Services (referred to as Directors in this report) in the 152 English councils. These Directors are all full members of ADASS.

The survey is conducted around the same period each year to enable comparability. Where possible, the survey questions have remained consistent over the last nine years to provide a longitudinal narrative, specifically tracking budgets, levels of savings, demographic pressures, where savings have been made and Director confidence in delivering on their statutory duties. Additional questions have been included to further strengthen our understanding of the financial position of, and other pressures facing adult social care. A number of specific topical questions are asked in each survey to reflect particular issues at that time.

ADASS has conducted several additional surveys in the last year as a result of concerns about the impact of the pandemic. These include a number focused on Waiting for Care and Support, a Winter Contingencies Survey, Commissioning or Providing Day Services and Rapid and Snap surveys.¹

There are additional reports to follow from this survey in relation to updated information on the number of people waiting for assessments, care and reviews and in relation to the profiling and funding of the reforms identified in the Health and Social Care Act and the Adult Social Care White Paper.

There were 144 completed returns to this survey, a 95% response rate. The survey was distributed via an online link and remained open between 5 May and 15 June 2022.

To ensure that results are comparable from year to year for the financial data contained within this report, we take the figure from the number of responses that we have received and extrapolate then to represent pressures on 152 councils. Where this is not the case, we have made it explicit in the report.

The survey report is anonymised and aggregated to a national level. No individual council data is shared with third parties unless this was agreed prior to the survey, and we have received consent from each individual council. The data and details in the report remain the property of ADASS.

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¹ These surveys can be accessed on the ADASS Website.
4 FINANCIAL CONTEXT

This section covers the resources that are available for councils’ funding of adult social care:

- Council and Adult Social Care Budgets (+ over/underspends)
- Council Tax and Adult Social Care Precept
- Social Care Grant
- Services Grant

The cost of funding adult social care services rises year on year and the section below highlights the financial context that adult social care is operating in. Some of the impact of the costs pressures for adult social care has been offset by council’s use of underspends from other departments, and an increasing number of councils relying upon their reserves to balance social care budgets.

The utilisation of Council Tax and Adult Social Care Precept flexibilities to increase council resources are local political decisions and must balance the need for additional resources to deliver a legally required balanced budget against the economic circumstances facing local people. For 2022/23 the cost-of-living crisis is likely to have been a particular consideration this year for local councillors.

Where financial figures are presented below, they will be extrapolated to a figure for 152 councils from the number of responses received for comparative purposes, unless it is stated otherwise.

4.1 COUNCIL BUDGETS

Councils have a broad range of responsibilities in supporting people’s lives and wellbeing and commissioning, delivering and co-ordinating services locally. To balance income and expenditure in the face of challenging Local Government Finance Settlements, councils must make annual savings to deliver a legally required balanced budget year on year.

The expected council total net budget 2022/23 (excluding schools) is £45.9bn.

Council savings (totals are extrapolated up to 151 councils in 2018/19 and 2019/20, totals for 152 councils in 2021/22 and 2022/23) are:

- 2018/19: £2.4bn
- 2019/20: £2.1bn
- 2021/22: £1.9bn
- 2022/23: £1.6bn

During the last two years because of the pandemic the government made a number of short-term grants to councils, including in relation to infection control, testing, hospital discharge and winter workforce. These have impacted on the overall position of council (and Adult Social Care) budgets and reserves. Also, inflation and the cost of living have impacted more
recently. The general understanding is that these will have a significant impact for some time, making savings to budgets for the current financial year more challenging to achieve.

4.2 ADULT SOCIAL CARE BUDGETS

Each year, Directors of Adult Social Services must make critical decisions about their budgets which attempt to balance the following key pressures:

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

Budgeted spend by councils on adult social care rose from £16.5 billion in 2021/22 (adjusted from ADASS Spring 2021 Report based on returns to this survey) to £17.1 billion in 2022/23. The proportion of councils’ overall budgets being spent on adult social care has increased from 36.9% in 2021/22 to 37.2% in 2022/23.

Figure 1 - Adult Social Care (ASC) Gross and Net Budgets 2017/18 to 2022/23

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ASC net budget</td>
<td>£14.5bn</td>
<td>£14.8bn</td>
<td>£15.1bn</td>
<td>£15.6bn</td>
<td>£16.5bn</td>
<td>17.1bn</td>
</tr>
<tr>
<td>ASC outturn</td>
<td>£14.5bn</td>
<td>£14.6bn</td>
<td>£15.3bn</td>
<td>£15.6bn</td>
<td>£16.4bn</td>
<td></td>
</tr>
<tr>
<td>Outturn</td>
<td>Aggregate break-even</td>
<td>+£98m</td>
<td>-£197m</td>
<td>+61.1m</td>
<td>-£103.1m</td>
<td></td>
</tr>
<tr>
<td>ASC net budget as % of whole council net budget</td>
<td>36.9%</td>
<td>37.8%</td>
<td>37.4%</td>
<td>37.4%</td>
<td>36.9%</td>
<td>37.2%</td>
</tr>
</tbody>
</table>

4.2.1 Overspends/Underspends

Although the budgetary position above shows an underspend on adult social care budgets in 2021/22 of £103.1m (0.6% of adult social care budgets nationally) it oversimplifies a complex national picture. Of the 142 councils that reported an outturn position for 2021/22 in response to our survey, 77 of them (54%) indicated that they overspent on their adult social care budget. A small number of councils (9%) reported a breakeven position, with the remaining 52 councils (37%) reporting that they underspent in the last financial year.

A range of reasons were given by Directors as to why their budgets were underspent in 2021/22, these included the short-term and short notice nature of grants, the access to and provision of discharge to assess funding, issues with recruiting and retaining staff at the rates paid, capacity in care markets not being available to meet assessed needs, the impact of Covid-19 on levels of activity and an increase in income.
ADASS Spring Budget Survey 2022

Of those councils that indicated that they overspent on their adult social care budget in 2021/2022 Figure 2 below sets out how sources of funding have been used by their councils to address their overspends.

Utilisation of underspends from other council departments has increased significantly to 60% of respondents in 2021/22, up from 30% the previous year. Covid-19 funding has seen reduced use as the grants, but the use of council reserves continues to rise.

Figure 2 - Planned sources of funding to cover overspends on adult social care

<table>
<thead>
<tr>
<th>Response (respondents were able to select more than one)</th>
<th>2016/17</th>
<th>2017/18</th>
<th>2018/19</th>
<th>2020/21</th>
<th>2021/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>From under spending in previous financial year by other council departments (which does not have to be paid back)</td>
<td>66%</td>
<td>41%</td>
<td>51%</td>
<td>30%</td>
<td>60%</td>
</tr>
<tr>
<td>Use of Covid-19 funding from Government</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>75%</td>
<td>46%</td>
</tr>
<tr>
<td>From council reserves (which do not have to be paid back)</td>
<td>1%</td>
<td>1%</td>
<td>4%</td>
<td>34%</td>
<td>37%</td>
</tr>
<tr>
<td>Using a proportion of iBCF allocation</td>
<td>N/A</td>
<td>27%</td>
<td>27%</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>Other one-off sources of funding</td>
<td>9%</td>
<td>8%</td>
<td>25%</td>
<td>16%</td>
<td>8%</td>
</tr>
<tr>
<td>By requiring adult social care to pay back by making additional savings in the following financial year</td>
<td>67%</td>
<td>50%</td>
<td>43%</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

For the current financial year, 2022/23, 15% of councils said that they would be using non-recurrent funding, for example council reserves, to fund their adult social care base budgets, this is an increase from 12% in 2021/22. The use of reserves is one-off and unsustainable. However, it’s important to note that this is significantly lower than the quarter of councils that used non-recurrent funding to fund their base adult social care budgets in 2020/21.

4.2.2 Council Tax

As this report highlights, adult social care continues to be faced with challenging budgetary issues. One means of increasing the budget available to councils is by raising Council Tax and the Adult Social Care Precept. However, these are local political decisions and must balance the need for additional resources to deliver a legally required balanced budget against the economic circumstances facing local people, with the cost-of-living crisis a particular consideration this year for local councillors.

Our survey asked the level to which councils levied base Council Tax for 2022/23 (excluding the Adult Social Care Precept). 88% of councils raised Council Tax by at least 1.9%, 3% increased Council Tax by 1% and 9% made no increase. More information can be found in the technical annex to this report.
ADASS Spring Budget Survey 2022

4.3 ADULT SOCIAL CARE PRECEPT

Directors were asked the level at which their council levied the adult social care precept for 2022/23. The referendum limit was set by Government as 1% for the current financial year. However, it’s important to note that some local councils were able to raise the precept above this level as the Local Government Finance Settlement allowed any unused precept from 2021/22 to be levied in 2022/23.

Nearly three-quarters (71%) of Directors stated that their council levied the referendum limit of 1% for the Adult Social Care Precept. Just over a quarter (27%) increased the precept by an average of 1.6%, whilst the remaining 2% took the decision not to levy the precept in 2022/23. More information can be found in the technical annex to this report.

4.3.1 Using the Adult Social Care Precept

Of those councils that took the decision to use the precept in 2022/23, 97% plan to use the funding raised to meet demographic or inflationary pressures (see Figure 3), up from 94% in 2021/22. The proportion planning to use the precept to reduce savings required from adult social care fell to 27% in 2022/23 from 37% in 2021/22.

Figure 3 - Use of adult social care precept by those councils that have raised it (141 responses)

<table>
<thead>
<tr>
<th></th>
<th>2021/22</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>To meet demographic and / or inflationary pressures</td>
<td>94%</td>
<td>97%</td>
</tr>
<tr>
<td>To reduce the savings required from adult social care</td>
<td>37%</td>
<td>27%</td>
</tr>
<tr>
<td>To offset additional financial pressures as a result of Covid-19</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>To fund new services</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

4.4 SOCIAL CARE GRANT

The local government finance settlement for 2022/23 included the continuation of the Social Care Grant, which now totals £2.346 billion. The grant can be used for either children’s or adult social care, the proportion allocated to each service area is determined by each council. Directors were asked what proportion of this was allocated to their service area in 2022/23, with respondents indicating that 59% of the grant was allocated to adult social care for the current financial year, an increase from 52% in 2021/22.

4.5 SERVICES GRANT

The Local Government Finance Settlement for 2022/23 included a one-off Services Grant of £822m which was allocated to all tiers of local government “in recognition of the vital services delivered at every level of local government”. Directors were asked what proportion of their council’s share of the grant was allocated to adult social care. Overall, respondents reported that an average of 22% of the grant had been allocated to adult social care.
5 FRAGILITY AND ECONOMIC TURBULENCE

The ability to meet older, carers and disabled people’s needs in such a way as to support them to live the lives they want to lead has, over the years, become increasingly difficult. Adult social care was already in an incredibly fragile state but the pandemic, Brexit and growing economic turbulence is rapidly deepening the challenges. We have reported separately on the use of contingencies over the winter of 2021/22 that stretched into the spring and the rapid growth in people waiting for assessments, care, and reviews.²

This section covers:

- Adult Social Care Budgets & Savings
- Cost Pressures
- Origins of financial pressures
- Demographic pressures
- National Living Wage pressures
- Ability to meet statutory duties.

Directors have historically relied on making savings to help to balance adult social care budgets given that the number of people who are ageing or living with disabilities for longer is increasing. The NHS is increasingly relying on social care to meet needs it would once have met. This approach is increasingly difficult in the face of increasing costs, rising levels and complexity of need, high levels of inflation, significant increases to the National Living Wage (which are welcome and necessary) and a cost-of-living crisis. The level of the challenge is demonstrated by the fact that only a quarter of Directors were confident that planned savings will be fully met in 2022/23. This despite Directors and their teams utilising a range of approaches to deliver savings including developing asset-based approaches and delivering services more efficiently.

Given the points set out above, it should come as no surprise that Directors are increasingly pessimistic about their ability to meet their legal duties within their budgets in the current and following years.

5.1 BUDGETS AND SAVINGS

5.1.1 Adult Social Care

Directors of Adult Social Services are reporting that for the current financial year (2022/23) they have planned to deliver £597m in savings to their budgets, equating to 3.5% of net adult social care budgets.³ In 2021/22 the planned savings were £601m. In the past three years Directors have reported cumulative savings of £1.8bn to adult social care budgets; over the previous decade this figure was £7.7bn. Directors were asked about their confidence levels in delivering their planned savings in 2022/23. Only 25% of Directors are fully confident that planned savings will be fully met in the current financial year; 2021/22 this figure was 21%. For 2022/23, 65% of respondents report partial confidence, compared to 68% in 2021/22. 6%

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² Waiting for Care and Support, Association of Directors of Adult Social Services, May 2022.
³ Figure extrapolated from responses up to 152 councils for comparative purposes.
ADASS Spring Budget Survey 2022

of Directors have no confidence that they will be able to meet their planned savings in full this year, whereas in 2021/22 this figure was 9%. Note that confidence in delivering savings is likely to be reduced significantly by the current inflationary pressures and the impact that the cost-of-living crisis is having on need for adult social care services.

Looking ahead to 2023/24 Directors’ confidence in fully meeting planned savings significantly deteriorates, with only 7% fully confident, 48% partially confident and 9% stated that they have no confidence. Unsurprisingly, 36% of Directors stated this is ‘not yet known’.

5.1.2 Areas where savings are planned

Directors were asked how they would make savings in 2022/23. Overall, the priorities highlighted in Figure 4 suggest that councils are trying to manage the financial challenges by continuing a shift towards an asset-based approach (working with older and disabled people to identify their strengths, networks and communities that could support them) and attempting to avoid an adverse impact on people who access care and support and carers. This is the top savings priority in 2022/23 with 31% of respondents saying they are using this approach - though down from 34% the previous year. Making efficiency savings, which was the top response in 2021/22 at 40% of respondents, is in second place this year with 24% of respondents.

It’s important to note that reducing services has increased as a means of delivering savings from 8% in 2021/22 to 17% in 2022/23. Charging for more services and increasing provider fees by less than inflation is viewed as a relatively minor means making cost savings and have only seen a nominal increase since 2021/22. Pressing down fees paid to providers over a number of years has contributed to instability in markets and the ability to recruit and retain staff.

Figure 4 - Breakdown of planned savings for 2022/23- (% figures calculated from answers to this question and not total planned savings figure set out above)

<table>
<thead>
<tr>
<th>Response</th>
<th>Savings 2021/22</th>
<th>Savings 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing asset-based and self-help approaches so as to reduce the numbers of people receiving long-term care (84 responses)</td>
<td>34%</td>
<td>31%</td>
</tr>
<tr>
<td>Efficiency - doing more for less (99 responses)</td>
<td>40%</td>
<td>24%</td>
</tr>
<tr>
<td>Reducing services/personal budgets (42 responses)</td>
<td>8%</td>
<td>17%</td>
</tr>
<tr>
<td>Other (62 responses)</td>
<td>13%</td>
<td>15%</td>
</tr>
<tr>
<td>Income from charges increased above inflation (36 responses)</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Provider fees increased by less than inflation (19 responses)</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Pay increased by less than inflation (0 response)</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>
5.2 COST PRESSURES

5.2.1 Pressures associated with ASC budgets

A growing majority of Directors are concerned about budget pressures, with 64% reporting a concern about financial pressures arising from meeting the needs of people who access state-funded care and support, regardless of their age, up from 54% in 2021/22.

Of the remaining Directors, 29% considered pressures arising from adults aged 18-64 with disabilities as the greatest area of concern in terms of budgetary pressures with 6% most concerned about older adults. See Figure 5 for more detail.

Figure 5 - Proportion of councils identifying older people, younger adults 18-64 or both as the greatest areas of concern in terms of budgetary pressure (This question was not asked in 2020/21 due to the need to focus on Covid-19 related questions)

5.3 ORIGINS OF FINANCIAL PRESSURES

Directors ranked the unit cost of care packages to support people with increasing complexity of care needs as the main area of concern in terms of financial pressures in both 2021/22 and 2022/23. The unit cost of care relating to staffing costs driven by the National Minimum Wage / National Living Wage was ranked 2nd, up from 4th in 2021. This is likely to reflect the impact of the NLW increasing by 6.6% from 1 April 2022, compared to 2.2% in the previous year. As highlighted in Figure 8, the costs to adult social care, both direct and indirect, of the NLW increase in 2022/23 is just short of £1bn. In 2021/22 this figure was £494m.

The 3rd ranked area of concern was reducing capacity in the care market driving up costs, up from 6th in 2021. This reflects the findings presented in several ADASS reports, including the recent Waiting for Care and Support report. This report found that from 1 January – 31 March
ADASS Spring Budget Survey 2022

2022, 2,206,187 hours of care at home were not able to be delivered due to insufficient capacity in care markets.\(^4\)

Increasing costs are the top 4 concerns of Directors in 2022/23, in comparison with 2021/22 when demographic pressures and Covid-19 related pressures were in 2\(^{nd}\) and 3\(^{rd}\) places (now 5\(^{th}\) and 6\(^{th}\) respectively, marking a shift to the cost of care as a major area of concern.

Figure 6 - Ranking of the financial pressures on adult social care budgets from 1 - 7. Ranking an item 1 indicates the area of greatest concern. No two items could be given the same ranking.

<table>
<thead>
<tr>
<th>Financial Pressure</th>
<th>Rank 2021</th>
<th>Movement</th>
<th>Rank 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit price for care packages to support people with increasing complexity of care needs</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Unit price of care relating to staffing costs (NMW/NLW)</td>
<td>4</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Reducing capacity in the market driving up costs</td>
<td>6</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Unit price of care increasing for other reasons</td>
<td>7</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Demographic Pressures</td>
<td>2</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Covid-19 related pressures (category since 2021 Survey)</td>
<td>3</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Reduced occupancy/client levels driving up costs (category since 2021/22)</td>
<td>5</td>
<td></td>
<td>7</td>
</tr>
</tbody>
</table>

5.4 DEMOGRAPHIC PRESSURES

In cash terms, £686m of additional funding is required in 2022/23 to meet the same level as need as in 2021/22, up from £660m in 2021/22\(^5\). Demographic cost pressures from increasing numbers of older and disabled people needing care equate to 4% of adult social care budgets in 2022/23.

A majority (92%) of demographic pressures will be funded in 2022/23, this is the same proportion as in 2021/22.

Over half (55%) of the demographic pressure on adult social care budgets relates to people aged 18-64 in 2022/23, compared to 63% in 2021/22. Older adults account for 45% in 2022/23 compared to 37% in 2021/22. These trends reflect the change in the number of people

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\(^4\) Waiting for Care and Support, Association of Directors of Adult Social Services, May 2022.

\(^5\) The 2022/23 figures have been extrapolated to represent pressures on 152 councils to enable a comparison from year to year to account for additional councils.
accessing services between 2019/20 and 2020/21 which shows numbers of adults aged 18-64 falling slightly whilst numbers of older adults have increased.

Figure 7 - Financial pressure from demographic growth in the 2022/23 net ASC budget– 2021/22 responses in brackets for comparative purposes (figures extrapolated to 152 councils for comparative purposes).

<table>
<thead>
<tr>
<th>Response</th>
<th>% of ASC net budget under pressure for client group</th>
<th>Additional cash required</th>
<th>% funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Older people</td>
<td>1.50%</td>
<td>1.75%</td>
<td>£243m</td>
</tr>
<tr>
<td>People with learning disabilities</td>
<td>1.50%</td>
<td>1.30%</td>
<td>£240m</td>
</tr>
<tr>
<td>People with physical disabilities</td>
<td>0.60%</td>
<td>0.40%</td>
<td>£95m</td>
</tr>
<tr>
<td>People with mental health needs</td>
<td>0.50%</td>
<td>0.50%</td>
<td>£81m</td>
</tr>
</tbody>
</table>

5.5 NATIONAL LIVING WAGE PRESSURES

The increase in the National Living Wage (NLW) rate of 6.6% from 1 April 2022 will cost councils in the region of £416m in direct costs plus at least £561m in indirect costs in the current financial year. This additional financial pressure totals £977m (See Figure 8). These figures comprise of both costs of council-run services (direct) and independent sector provision purchased by councils or by individuals with direct payments (indirect).

ADASS continues to be supportive of the Government’s policy of increasing wages of the lowest paid workers. We have advocated for a minimum social care wage above the level of the NLW which is equivalent to Healthcare Assistant NHS Band 3 (See section 6.2.1). This recognises the skilled and compassionate work that care workers undertake each and every day and the significant vacancy levels and turnover of staff, particularly in the context of pay in the NHS, retail and hospitality opening up and EU Exit. However, we have, and continue to be clear that the Government need to fully fund this.

The next two increases in the NLW have been provisionally modelled by the Low Pay Commission, with the proposed increase for 2023/24 of 8.6% and for 2024/25 of 6.1%. The Local Government Finance Settlement set out that councils should fund such increases from Council Tax and Adult Social Care Precept increases as well as other income, potentially putting considerable strain on adult social care budgets alongside pressure from the cost-of-living crisis and high levels of inflation.

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6 National Living Wage Increase boosts pay of low-paid workers, Low Pay Commission, 1 April 2022.
Figure 8 - Estimated cost to councils in 2018/19-2022/23 of the National Living Wage relating to adult social care (Answers extrapolated from number of responses stated to 151 councils for 2018/19-2020/21 and to 152 LAs for 2021/22 and 2022/23

<table>
<thead>
<tr>
<th></th>
<th>Total 2018/19</th>
<th>Total 2019/20</th>
<th>Total 2020/21</th>
<th>Total 2021/22</th>
<th>Total 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct wage costs</td>
<td>£173m</td>
<td>£151m</td>
<td>£348m</td>
<td>£228m</td>
<td>£416m</td>
</tr>
<tr>
<td></td>
<td>(98 responses)</td>
<td>(100 responses)</td>
<td>(84 responses)</td>
<td>(105 responses)</td>
<td>(94 responses)</td>
</tr>
<tr>
<td>Indirect costs (fees, etc.)</td>
<td>£293m</td>
<td>£297m</td>
<td>£342m</td>
<td>£266m</td>
<td>£561m</td>
</tr>
<tr>
<td></td>
<td>(82 responses)</td>
<td>(93 responses)</td>
<td>(93 responses)</td>
<td>(94 responses)</td>
<td>(94 responses)</td>
</tr>
</tbody>
</table>

5.5.1 Confidence in ability to meet statutory duties

Respondents were asked about levels of confidence in being able to do what they are required to by law, which is to meet specific statutory duties over the next two years. These duties include but are not limited to:

- Information and advice
- Prevention and wellbeing
- Assessment (carers and people using services)
- Personal Budgets/services sufficient to meet eligible needs
- Safeguarding
- DoLS/LPS and the requirements of the Mental Capacity Act
- Market Sustainability (including National Living Wage)

Current Year

In 2022/23 just over 12% of Directors indicated that they are fully confident that their budget will be sufficient to meet their statutory duties (see Figure 9); this is a significant drop compared to 21% of Directors in 2021/22.

For the current financial year 69% of Directors indicated that they are partially confident in meeting their statutory duties, compared to 71% of Directors in 2021/22. The proportion of Directors who stated that they have no confidence that their budgets will be sufficient to fully meet their statutory duties in 2022/23 is 17%, whereas this figure was 8% in 2021/22.

These responses will undoubtedly be influenced by the use of contingencies over the last few months and the rising numbers of people who are waiting for assessments, care and reviews.

Next Year

Looking forward to 2023/24, it is concerning that 75% of Directors either have partial or no confidence that their budgets will be sufficient to meet statutory duties, this breaks down to 32% of Directors who have no confidence and 43% that only have partial confidence.
ADASS Spring Budget Survey 2022

A minority of Directors (3%) are fully confident that their budgets will be sufficient to fully meet their statutory duties.

Directors were also asked which statutory duties they felt least confident about being able to meet for 2022/23 and 2023/24. Lack of confidence increases significantly for all the specific responsibilities for 2023/24, with over 82% of Directors reporting that ensuring market sustainability (i.e. having continuity of care and sufficient, suitable services to support people and provide essential care) was the area of most concern. This was followed by Deprivation of Liberty Safeguards (DoLS)/Liberty Protection Safeguards (LPS) with 64% of Directors identifying this as a statutory duty that they are less than confident their budgets will meet. This is likely to be related, in part at least, to the uncertainty about timescales and resources for the new LPS reforms which are due to go live at some point in 2023.

Prevention and wellbeing remained as the third highest ranked statutory duty that Directors are less than confident in meeting with 52% of respondents reporting this for 2023/24.

Figure 9 - Which statutory duties Directors felt least confident about being able to meet 2019/20 to 2023/24 (131 responses)
6 CARE MARKET INSTABILITY

Market instability remains a major concern for Directors. Uncertainty about fuel, other costs and availability of staff due to pay rates and career progression are having a direct impact on provider capacity.

This section covers provider:

- Providers
- Cost drivers
- Fees
- Closure and contract hand-backs
- Quality and choice
- Workforce Issues

Providers have faced significant challenges throughout the pandemic, some of which were mitigated by short-term grants from Government. However, coming into 2022/23 those grants have come to an end, inflationary pressures are driving-up costs, and the cost-of-living crisis is having a direct impact on recruitment and retention of staff.

These challenges are reflected by the fact that Directors identify staffing related costs as the key cost drivers for care homes and home care. Overheads are of particular concern for care homes, this likely to be a direct consequence of spiralling costs for energy, fuel and food. The proportion of Directors indicating that they’ve experienced closures of care homes or home care providers has significantly increased over the past year, demonstrating the fragility of the market. These challenges are likely, in part at least, to be the reason why Directors have indicated a decline in quality and choice of care and support. Whilst not asked or reported here, difficulties in recruiting personal assistants by people who draw on direct payments from councils to manage their own support are also reported as increasing. The capacity issue in local care markets could be improved by significantly increasing staff pay and terms and conditions for the social care workforce.

6.1 PROVIDERS

6.1.1 Provider Cost Drivers

Directors identified overheads (food costs, rent, borrowing costs, etc) and workforce (recruitment and retention) as key cost drivers for residential and nursing care, with 85% and 84% of Directors reporting these as high importance in 2022/23. These are both substantial increases from 2021/22 when 16% and 54% reported these as high importance cost drivers. 77% of Directors reported the National Living Wage as a high importance cost driver in 2022/23 compared to 54% in 2021/22. Occupancy levels, which are a concern to 59% of Directors, this has increased substantially from 21% in 2021/22.

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7 Personal Assistant Survey - The Forgotten Workforce, Think Local Act Personal, July 2022
Figure 10 - Key drivers for increases in unit costs for residential/nursing care in 2019/20, 2021-22 & 2022-23 (144 responses)

<table>
<thead>
<tr>
<th>Driver</th>
<th>Importance 2019/20</th>
<th>Importance 2021/22</th>
<th>Importance 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overheads (food costs, rent, borrowing costs etc.)</td>
<td>16%</td>
<td>16%</td>
<td>85%</td>
</tr>
<tr>
<td>Workforce - recruitment and retention</td>
<td>65%</td>
<td>54%</td>
<td>84%</td>
</tr>
<tr>
<td>National living wage</td>
<td>86%</td>
<td>54%</td>
<td>77%</td>
</tr>
<tr>
<td>Other pay pressures (uplifts, difficulties recruiting staff, etc.)</td>
<td>68%</td>
<td>39%</td>
<td>66%</td>
</tr>
<tr>
<td>New burdens, e.g. increased insurance premiums, infection control, impact of accelerated hospital discharge, etc...</td>
<td>N/A</td>
<td>76%</td>
<td>50%</td>
</tr>
<tr>
<td>Local market issues (lack of capacity, competition etc.)</td>
<td>46%</td>
<td>19%</td>
<td>35%</td>
</tr>
<tr>
<td>Reduction in cross subsidisation</td>
<td>9%</td>
<td>18%</td>
<td>22%</td>
</tr>
<tr>
<td>Occupancy levels</td>
<td>N/A</td>
<td>59%</td>
<td>21%</td>
</tr>
<tr>
<td>Premia to cover winter pressures, quality issues</td>
<td>12%</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>Travel time</td>
<td>7%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

For home care, 91% of Directors reported workforce (recruitment and retention) as the highest importance cost driver in 2022/23, compared to 65% in 2021/22, although this was the highest percentage in both years. Other pay pressures (uplifts, recruitment difficulties) driving up costs was reported by 78% of Directors, followed by the National Living Wage with 76%. These are up from 50% and 58% of Directors respectively in 2021/22. Overhead costs were seen as an important cost driver for 50% of Directors in 2022/23, up from just 5% in 2021/22, showing the impact of cost-of-living increases.

Figure 11 - Key drivers for increases in unit costs for home care in 2019-20 & 2021-22 & 2022-23

<table>
<thead>
<tr>
<th>Driver</th>
<th>Importance 2019/20</th>
<th>Importance 2021/22</th>
<th>Importance 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce - recruitment and retention</td>
<td>75%</td>
<td>65%</td>
<td>91%</td>
</tr>
<tr>
<td>Other pay pressures (uplifts, difficulties recruiting staff, etc.)</td>
<td>76%</td>
<td>50%</td>
<td>78%</td>
</tr>
<tr>
<td>National living wage</td>
<td>89%</td>
<td>58%</td>
<td>76%</td>
</tr>
<tr>
<td>Local market issues (lack of capacity, competition etc.)</td>
<td>49%</td>
<td>24%</td>
<td>50%</td>
</tr>
<tr>
<td>Overheads (food costs, rent, borrowing costs etc.)</td>
<td>10%</td>
<td>5%</td>
<td>50%</td>
</tr>
<tr>
<td>New burdens, e.g. increased insurance premiums, infection control, impact of accelerated hospital discharge, etc...</td>
<td>N/A</td>
<td>54%</td>
<td>47%</td>
</tr>
<tr>
<td>Travel time</td>
<td>36%</td>
<td>17%</td>
<td>44%</td>
</tr>
</tbody>
</table>
6.1.2 Provider fees

Average hourly rates for home care were requested for each council area. At the time of completing the survey, the national average hourly rate for home care was £19.33 (based upon 140 responses). These figures do not include temporary uplifts in hourly rates for Covid-19 or other reasons; instead, they provide an indication of the base rates paid. 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 6% when compared to last year’s average rate of £18.25. For comparative purposes, the Homecare Association’s calculation for the Minimum Price for Homecare is £23.20 per hour.\(^8\)

Provider Fee Increases

Over 40% of councils are increasing fees by between 5% and 6.9%, with between 20% and 25% increasing fees by over 7%. Home care services for both older adults and adults ages 18-64 are receiving slightly higher fee increases, with an average of 48% of respondents reporting an increase of more than 6% for home care services compared to an average of 41% for care homes. See technical annex for more detail.

6.1.3 Provider closure

In the past six months 67% of councils that responded reported that providers in their area had closed, ceased trading or handed back council contracts. This compares to 48% reported in the six months prior to the ADASS Home Care and Workforce Rapid Survey (published November 2021).\(^9\) For the six months prior to the onset of Covid-19 this figure was 25%. The remaining 33% of respondents have not experienced any provider closures, cessation of trade or contract hand-backs over the past six months. More detail can be found in the technical annex to this report. This section does not include data on fluctuating capacity (for example, the reduction in available places in care homes – for infection control or agency staffing costs, or the ability of home care organisations to respond to requests for additional care and support).

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\(^8\) Minimum Price for Homecare 2022-2023, Homecare Association, 17 December 2021

\(^9\) Home Care and Workforce Rapid Survey, Association of Directors of Adult Social Services, November 2021
More Home Care providers have closed during this period

The proportion of councils reporting closures, or providers ceasing to trade for home care is 62% for the past six months. This compares to 41% for the 6 months prior to November 2021. This figure was 15% for the six months prior to the onset of Covid-19.

More Residential / Nursing providers have closed in this period

The proportion of Directors reporting nursing or residential home closures or providers ceasing trading over the last 6 months was 65%. It was 48% when this was last reported in November 2021.

Numbers of people affected by Home Care providers closing down or ceasing trading

Respondents reported a total of 1,824 people who were affected by the closure or cessation of trading of home care providers in the past six months. This is an average of 22 people per council, compared to an average of 50 people in the six months prior to November 2021.

People who have been affected by Residential / Nursing home closures

Respondents reported that a total of 2,320 people were affected by the closure or cessation of training of residential / nursing care providers. This is an average of 26 people impacted per council where it was reported one or more providers closing or ceasing trading in the past six months. This compares to an average of 38 people per council in the in the six months prior to November 2021.

6.1.4 Contract Hand-backs

3,532 people have been impacted by contract hand-backs by home care providers in the past six months, which is equivalent to 38 people per council that reported they have been subject to contract hand-backs. This compares to 42 people per council when this question was last asked in the May 2021.

For residential or nursing care providers, 381 people have been impacted by contract hand-backs in the past six months, which is equivalent to 5 people per council area that has been subject to contract hand-backs. This compares to 23 people per council reported in the ADASS Activity Survey 2021 which was published in May 2021.

Inability to offer the right kind of care and support

As a result of the unavailability of care and support due to recruitment and retention issues, Directors indicated that almost 1 in 20 people (on average 4%) who access care and support are being offered care options that wouldn’t have been what they (or their representative or advocate if they lack capacity) would have chosen (e.g. residential care when they want/ need to be at home, unpaid carers having to take this on or give up work etc). This figure is down from 10.6% when this was last reported in the ADASS Home Care and Workforce Rapid Survey.

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10 Activity Survey, Association of Directors of Adult Social Services, June 2021
ADASS Spring Budget Survey 2022

(November 2021). The proportion of people varied considerably between council areas and responses ranged from 0% - 50%.

### 6.2 PROVIDER QUALITY AND CHOICE

Directors were asked whether the level of quality and choice in their local care market had increased or decreased compared to pre-pandemic and over the last 12 months. 65% of respondents reported that quality and choice had reduced compared to pre-pandemic, with 7% of those reporting a significant decrease. More than half (53%) of respondents said that quality and choice had reduced over the last 12 months, of which 6% felt that there had been a significant decrease.

Only 6% of Directors reported that quality and choice had increased compared to pre-pandemic, and 7% in the last 12 months. 40% of respondents reported that there had been no change over the last 12 months.

**Figure 12 - Do you think the level of quality and choice has increased or decreased in your local care market? (140 responses)**

<table>
<thead>
<tr>
<th></th>
<th>Increased</th>
<th>Stayed the Same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over the past 12 months</td>
<td>7%</td>
<td>40%</td>
<td>53%</td>
</tr>
<tr>
<td>Compared to pre-pandemic</td>
<td>6%</td>
<td>29%</td>
<td>65%</td>
</tr>
</tbody>
</table>

### 6.3 WORKFORCE ISSUES

#### 6.3.1 Ensuring sufficient numbers of care workers

Directors were asked to rank in order of importance (from 1 to 8, with 1 as the greatest importance) what they believe is needed to ensure the sufficiency of care workers in their local area. The clear and unequivocal message is that care workers need to be paid more and treated better.
ADASS Spring Budget Survey 2022

There has been no change in the rankings since 2018/19, with increasing salaries, improved working terms and conditions and improved career structures consistently ranked as the top 3. More detail can be found in the technical annex to this report.

Directors were additionally asked how much they thought that an entry-level home care worker would need to be paid per hour to minimise local recruitment and retention challenges. The average entry-level pay reported by the 123 Directors that responded was £12.77 per hour, £3.27 above the current national living wage rate of £9.50 per hour. ADASS has been making a case for an Adult Social Care Living Wage that is equivalent to the mid-point of NHS Band 3 for Healthcare Assistants, which at the time of writing is £12.76.¹¹

¹¹ Pay scale material for 2022/23, NHS Employers, 1 April 2022
7 CARER BREAKDOWN AND THE COST-OF-LIVING CRISIS

The number of directors reporting increase referrals because of carer breakdown, from the community continues to grow and the cost-of-living crisis is only likely to worsen this situation.

This section covers:
• Unpaid carers

The challenges and pressures set out throughout this report would have been significantly worse had it not been for unpaid carers. It is estimated that there are around 13.5 million people in the UK with caring responsibilities. The over-reliance upon unpaid carers, prior to and throughout the pandemic, has had a detrimental impact on their wellbeing - it is estimated that 600 people give up work every day to care for an older or disabled family member, that 72% of carers have suffered mental ill health because of caring and 61% said they had suffered physical ill health as a result of caring.\(^\text{12}\)

Carers need to be valued and given access to greater levels of financial and practical support. Given that it is estimated that carers in the UK provide unpaid care to the value of £132 billion a year, investing more in their health and wellbeing should be a priority.\(^\text{13}\) The cost-of-living crisis is likely to be a considerable challenge for carers and Directors believe that this could in-turn lead to increased levels of need for adult social care services.

\(^{12}\)Facts & figures, Carers UK, 2019
\(^{13}\)Carers Week 2020 Research Report, Carers UK, June 2020
8 UNPAID CARERS

The impact of the cost-of-living crisis is being felt by both providers (as reported above), the adult social care workforce and by unpaid carers.

At present Carer’s Allowance is worth £69.70 per week for 2022/23. This was an increase of 3.1% (which was the September 2021 inflation rate).\(^\text{14}\) It is important to note that those people in receipt of carers allowance will be unable to access the cost-of-living payments announced by the Chancellor in late May 2022.\(^\text{15}\) Carers will only be able to access the £650 if they are in receipt of a means-tested benefit or £150 if they are in receipt of a disability benefit.

Directors were asked about their confidence that unpaid carers will be able to cope financially with the cost-of-living crisis: over three quarters were not confident (nearly half (49%) had no confidence, and 28% were only partially confident). No respondents were fully confident that unpaid carers could cope, with the remainder of respondents reporting that they did not yet know. This is supported by recent findings from a Carers UK survey which found that just under half (45%) of carers are unable to manage their monthly expenses. Looking ahead, the 42% of the carers surveyed felt they would not be able to heat their home to a safe level, whilst 32% are worried they may have to use a foodbank.\(^\text{16}\)

When asked about this impact this will have on the need for council funded adult social care services, 75% of Directors believed that the cost-of-living crisis would lead to an increase in needs, and 25% said it is too early to know.

14 Carer’s Allowance, Age UK, Accessed 7 July 2022
15 Millions of most vulnerable households will receive £1,200 of help with cost of living, HM Treasury, 26 May 2022
16 Financial pressure on unpaid carers unsustainable, Carers UK, 15 March 2022.
9 HEALTH AND SOCIAL CARE SERVICES ARE IN JEOPARDY THIS WINTER

The challenges facing the NHS in addressing urgent and planned hospital care are leading to increased requests for adult social care and support. Prioritising support, arguably disproportionately for the NHS nationally and locally, risks taking focus and funding away from other people who need care and support in the community and thus worsening needs for acute health care.

This section covers:
- Financial outlook for health and social care
- Discharge to assess
- Better Care Fund
- Level of adult social care need

Directors’ concerns about the delivery of savings to deliver legally required balanced budgets and statutory services to those people that are entitled to them, set out earlier in this report, are not confined to their own budgets. Nearly 9 out 10 Directors are feeling pessimistic about the state of the wider health and social care economy. The ending of Discharge to Assess funding at the end of 2021/22 has only served to exacerbate this situation with over a quarter (27%) of Directors seeing either a reduction or cessation in services.

The impact on adult social care of people being discharged from hospital earlier and with higher levels of need than they would have done previously due to increased demand, shortages of beds and availability of staff is demonstrated below. Directors have seen the average size of care packages increase for people leaving hospital. Directors have also identified that the proportion of people presenting needs or being referred to social care for reasons including carer breakdown, mental ill health, domestic abuse or rough sleepers have increased.

9.1 FINANCIAL OUTLOOK FOR HEALTH AND SOCIAL CARE

Concerns about financial constraints are not limited to adult social care budgets. Directors were asked how they feel about the financial state of the wider health and care economy in their local area (See Figure 15 below).

85% of respondents reported that they felt pessimistic about the financial state of their local health and social care economy, of which 21% were very pessimistic. Levels of pessimism have increased significantly in 2022/23 compared to previous years, with just 2% of respondents feeling fairly optimistic.
9.2 DISCHARGE TO ASSESS

Discharge to Assess (D2A) funding ended on 31 March 2022. Directors were asked what actions were being taken in their local areas in response to the ending of the funding. 61% of respondents reported that services would continue to be funded jointly with the NHS, (for instance via the Better Care Fund – see 9.3 below) whilst 20% reported that D2A services would be reduced. This means that hospital discharge is taking priority over services that might avoid the need for hospital care and treatment.

9.2.1 Complexity of Need

Directors report that the average size of care packages for people being discharged from hospital more rapidly has either increased or increased significantly in 92% of council areas. Of these, the average size of care package (which might require more time or more than one care worker, for example) had increased significantly in 47% of council areas, whilst the remaining 45% have increased since March 2020. Only 2% of Directors reported a decrease.
Acute hospitals have discharged people at an earlier stage than they would have done previously due to increased demand, shortages of beds and availability of staff. This means that people who were discharged consequently are sicker, have a high level of need than they would have had prior to Covid-19, meaning additional and more intensive support is required in the community and via local authority funded adult social care.

In addition, there has been a significant increase in the size of care packages for those people drawing on state-funded care and support from community-based settings in 83% of council areas. This breaks down as 17% of councils have seen a significant increase, with 66% of Directors reporting an increase.

Figure 17 - Change in the average size of care packages for people entering state-funded care and support since March 2020 (134 responses)

9.3 BETTER CARE FUND

Directors were asked how the Better Care Fund (BCF) was being spent on the following specific support types in 2022/23 compared to 2021/22. For the majority of support types, Directors reported that the level of funding in 2022/23 stayed the same. 42% of respondents reported that Discharge to Assess received increased investment compared to 2021/22 and 24% reported that intermediate care received increased investment. Very few respondents reported decreased investment in support types, with an average of 3% reporting decreased investment overall.
There is a significant increase in referrals arising from discharges and assessment from hospitals, with 82% of Directors reporting an increase in the number of people presenting a need or being referred to adult social care for this reason. Concerningly, looking back Directors reported that this figure was 70% for the period from March-November 2020.17

There has also been a large increase in people either presenting with a need or being referred from the community with nearly three-quarters (74%) of Directors indicating that this is the case in their council area. This had increased from 63% when compared to the period from March-November 2020.

The number of people presenting a need or being referred as a result of carer breakdown, sickness or unavailability has risen in nearly three-quarters (73%) of council areas. Worryingly this figure has increased from 64% reported in the ADASS Autumn Survey in November 2020.

The proportion of councils experiencing an increase in the proportion of people presenting a need or being referred as a result of providers’ concerns about accepting new clients has remained static at 65% when comparing the figures reported in November 2020 and for 2021/22.

As would be expected with the Government’s lifting of a significant majority of Covid-19 restrictions, the proportion of Directors reporting that the number of people presenting need/being referred to adult social care as a result of the temporary closure of services has fallen from 66% in March-November 2020 to 56% in 2021/22.

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17 ADASS Autumn Survey, Association of Directors of Adult Social Services, November 2020
The unavailability of community or voluntary support has led to an increase in the number of people presenting needs in 51% of respondents’ council areas, this is an increase from 43% reported in November 2020.

46% of Directors indicated that there were increases in the numbers of people presenting with need in their council areas as a result of not being admitted to hospital, up marginally from 45% reported in November 2020.

Figure 19 - Reported level of change that councils have experienced in people presenting need/being referred to adult social care as a result of the following over the course of 2021/22 (135 responses)

<table>
<thead>
<tr>
<th>Drivers for need for adult social care and rates of change</th>
<th>Decreased more than 10%</th>
<th>Decreased less than 10%</th>
<th>No Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailability of community or voluntary support</td>
<td>44%</td>
<td>36%</td>
<td>15%</td>
</tr>
<tr>
<td>Discharges from Assessment and Treatment Units</td>
<td>55%</td>
<td>27%</td>
<td>17%</td>
</tr>
<tr>
<td>People not being admitted to hospital</td>
<td>49%</td>
<td>26%</td>
<td>20%</td>
</tr>
<tr>
<td>Temporary closure of services</td>
<td>39%</td>
<td>34%</td>
<td>22%</td>
</tr>
<tr>
<td>Carer breakdown, sickness or unavailability</td>
<td>24%</td>
<td>47%</td>
<td>26%</td>
</tr>
<tr>
<td>Providers concerned about accepting new clients</td>
<td>34%</td>
<td>39%</td>
<td>26%</td>
</tr>
<tr>
<td>People being referred from the community (inc. PA breakdown, sickness or unavailability, etc...)</td>
<td>24%</td>
<td>44%</td>
<td>30%</td>
</tr>
<tr>
<td>Discharges and Assessment from hospitals</td>
<td>10%</td>
<td>17%</td>
<td>65%</td>
</tr>
</tbody>
</table>

In terms of the people presenting need or being referred to adult social care services during 2021/22, 78% of Directors report an increase in the number of people approaching their council with mental ill health. This included 45% of Directors who reported increases of more than 10%. This figure has concerningly increased from 68% when mental ill health was first asked about in the May 2021.18

67% of Directors reported an increase in referrals in relation to the domestic abuse of people with care and support needs (safeguarding), including 37% reporting an increase of more than 10%. The overarching figure has fallen marginally from 69% of Directors reporting an increase in November 2020.

18 ADASS Spring Survey, Association of Directors of Adult Social Services, June 2021
In 2021/22 49% of Directors indicated that their council has seen an increase in the number of rough sleepers presenting with social care needs or being referred. This figure has increased from 35% in our November 2020 report.

*Figure 20 - Level of changes experienced in the number of people presenting need/being referred to adult social care services over the course 2021/22. (131 Responses)*
ADASS Spring Budget Survey 2022

10 ADULT SOCIAL CARE IS NOT FIXED

_Saying that social care is fixed, does not mean that it is fixed. To sort social care, we need to prioritise it._

This section covers:
- Early intervention and prevention
- Investment strategies- Innovation- digital, technology and housing
- Reablement

The Government’s _People at the Heart of Care: adult social care reform white paper_ in many ways identifies a number of areas of action that could be taken to change the current direction of travel for adult social care. However, the investment does not match the ambition narrative, beyond some resources for pilots, that would deliver a fundamental shift for adult social care away from increasingly focusing on crisis resolution.

Directors are fully aware of where investment would have the biggest impact on enabling people to live healthier, and lives that are both more independent and more connected, such as accommodation and support at home. They want to invest in different models of care and other preventative approaches that enable people to live good lives and in services that get people back on track after crisis or illness, such as reablement or intermediate care. However, councils remain trapped in a vicious circle of having insufficient funds to be confident they can meet all their statutory duties, whilst being unable to release funding to invest in approaches that might reduce the number of people with higher needs in the future.

10.1 EARLY INTERVENTION AND PREVENTION

The proportion of adult social care net budgets being invested in prevention is 7.9%, this is an increase from 7.5% in 2021/22. Prior to the onset of Covid-19 this figure was 8.4% (2019/20).

Figure 21 - Spend on prevention services that can be accessed by people whose needs did not cross the National Eligibility threshold from 2017/18-2022/23 (2022/23 figures based on 119 responses, extrapolated to 152 councils)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Spend on prevention</td>
<td>£1,201m</td>
<td>£1,187m</td>
<td>£1,251m</td>
<td>£1,163m</td>
<td>£1,204m</td>
<td>£1,352m</td>
</tr>
<tr>
<td>% spend on prevention as % of ASC net budget</td>
<td>8.3%</td>
<td>8.0%</td>
<td>8.4%</td>
<td>7.4%</td>
<td>7.5%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Difference in spend from previous year</td>
<td>N/A</td>
<td>-1.2%</td>
<td>+5.4%</td>
<td>-7%</td>
<td>+3.5%</td>
<td>+12%</td>
</tr>
</tbody>
</table>

In 2022/23 38% of Directors indicated that they are investing in preventative services, compared to 36% in 2021/22. Over half of Directors (58%) indicated that they are maintaining existing levels of expenditure, which is an increase compared to 53% in 2021/22. Significantly only 4% of Directors indicated that their council are disinvesting in preventative services, which is a decrease compared to 11% in 2021/22.
10.2 INVESTMENT STRATEGIES

Directors were asked about their investment strategy. Whilst some councils are investing in preventative services in adult social care, the focus on meeting the care and support needs of those people entitled to state-funded care and support remains the priority within limited resources and therefore whilst this section covers relative investment or disinvestment, the actual levels could be low.

10.2.1 Preventative Services

In 2022/23 38% of Directors indicated that they are investing in preventative services, compared to 36% in 2021/22. Over half of Directors (58%) indicated that they are maintaining existing levels of expenditure, which is an increase compared to 53% in 2021/22. Significantly only 4% of Directors indicated that their council are disinvesting in preventative services, which is a decrease compared to 11% in 2021/22.

10.2.2 Innovation: digital, technology and housing

Directors were asked for the first time in our 2021 report about their council’s investment strategy for digital and technology and housing/accommodation models of care and support.

The proportion of Directors have indicated that their councils are taking positive investment strategies for both digital and technology (65%) and housing/accommodation models of care and support (62%), this compares to 63% and 67% respectively in 2021/22.

This is also consistent with the areas that are seen as most important to delivering savings in the current financial year (See Figure 4).

Although such approaches may deliver savings to adult social care budgets, they most importantly are key to supporting people to living more independent, connected, healthier lives. Very few Directors indicated that their council is disinvesting, with no directors stating this was the case for Digital and Technology and 1% for housing/accommodation models of care and support.

Directors were also asked to give more detailed information about their authority’s current investment strategy in relation to a range of accommodation and different support (Figure 22).

The types of accommodation where Directors indicated that their councils are making the greatest levels of investment are supported living (52%), learning disabilities (43%) and extra care housing (40%). It’s important to note that the proportion of councils investing each of the accommodation types listed in Figure 22 have all seen reduction since 2021/22. However, a significant proportion of councils are maintaining existing levels of investment in all of the accommodation and care and support options listed below. The top three areas where councils are maintaining existing levels of investment are diversion from custody (92%), floating support (82%) and accommodation and/or support options for rough sleepers and homelessness (65%).
The areas where the largest proportion of Directors indicated that their councils are disinvesting are accommodation and/or support options for working age adults with a learning disability (15%), extra care housing (10%), for younger adults with mental ill health (10%) and rough sleepers and homelessness (10%).

Directors were asked which areas they felt investment would have the greatest impact on enabling people to live healthier and independent lives for longer. Investment in accommodation and/or support options for working age adults with a learning disability is seen as the area of investment that would have the greatest impact on enabling people to live healthier and independent lives for a longer period. Nearly half of Directors (47%) ranked this as having either the greatest or second greatest impact, this compares to 45% in 2021/22. This was alongside accommodation and/or support options for younger adults with mental ill health which also was rated either the greatest or second greatest impact by 47% of Directors, a substantial increase on 32% in 2021/22.

This was followed by Supported Living which was ranked as having either the greatest or second greatest impact by 45% of respondents, up from 40% in 2021/22. Extra care housing was ranked as the fourth most impactful area for investment, with 40% of Directors ranking this as having the greatest or second greatest impact. This was up from 35% in 2021/22.
### Figure 23 - Services rated by 1st and 2nd highest impact on enabling healthier and more independent lives, 2021/22 and 2022/23

<table>
<thead>
<tr>
<th>Service</th>
<th>2021/22</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Highest Impact</td>
<td>2nd Highest Impact</td>
</tr>
<tr>
<td>Extra care housing</td>
<td>23%</td>
<td>12%</td>
</tr>
<tr>
<td>Supported living</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Accommodation and/or support options for working age adults with a learning disability</td>
<td>28%</td>
<td>18%</td>
</tr>
<tr>
<td>Accommodation and/or support options for younger adults with mental ill health</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>Floating Support</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>Shared Lives</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>Accommodation and/or support options for rough sleepers and homelessness</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>Support for people misusing substances</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Accommodation and/or support options to support diversion from custody</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

### 10.2.3 Voluntary, Community and Social Enterprise (VCSE)

37% of Directors indicated that their council is investing in the VCSE sector in 2022/23 for adult social care, compared to 34% in 2021/22. Nearly two-thirds of Directors (60%) indicated that their council is maintaining existing levels of funding, compared to 63% in 2021/22. The remaining 1% of Directors stated that their council has disinvested.

### 10.3 REABLEMENT

Directors are asked to assess the impact of their reablement services in terms of whether residential reablement services enable people to go home and for their reablement at home services, whether these reduce the level of ongoing support required. The results are broadly positive, with 72% respondents reporting that over 50% of residential reablement services enable people to return home. For reablement services at home, 60% of respondents report that over 50% of the services reduce the level of long-term need. This is significant for the future wellbeing of people in crisis both in terms of avoiding the need for hospital and in supporting people home afterwards and is worthy of evaluation in much more detail and then significant investment from both the NHS and government. More detail on the figures can be found in the technical annex to this report.
11 CONCLUSION AND RECOMMENDATIONS

The ADASS Spring Survey 2022 paints a vivid picture of the cumulative pressures that adult social care is facing. It is inarguable that it has a profound impact on people with care, support and safeguarding needs, and their families and carers and people working in social care.

The survey largely looks back to the financial year of 2021/22. Therefore, it cannot fully reflect or anticipate the impact of short-term government funding ending, or the increasing impact of cost-of-living raises and inflation, now and over the coming months, which are only like to exacerbate the existing pressures.

The reality is that adult social care faces a series of short-term (winter, Covid and the cost-of-living crisis), medium (delivering more care and support with less money), and longer-term (delivering our ambitions and the ambitions of government in the White Paper, Mental Capacity Act, of older and disabled people, the sector) challenges.

Adult social care and the NHS will go into this winter without national funding which has previously supported different, community and home-based support for people after a period in hospital. Given that Directors have told us that they have never been more concerned than they are about this winter to come, it is imperative that Government take decisive action.

It is clear from this report that adult social care is not ‘fixed’.

Recommendations - looking for solutions- we need:

• Government to provide an immediate grant to fund the fallout of Covid-19 and inflationary pressures (as NHS England has done for the NHS) in 2022/23 for social care and commit to review and fully fund these pressures ahead of the local government finance settlement 2023/24.

• A significant uplift in the financial and practical support available to unpaid carers to help counter the impact of the cost-of living crisis on their health and wellbeing, provide essential respite and to enable carers to play an active part in society.

• A commitment from Government to provide winter funding to adult social care and the NHS in September 2022 to enable local areas to plan and prepare for an extremely challenging winter. This funding has often come too late in the past to be used to maximum effect.

• A two-year local government finance settlement to provide stability to councils and adult social care for the remainder of this Spending Review period.

• Adult social care to be seen as a central pillar of Government’s economic growth strategy, with investment focused on improving terms and conditions for the workforce (including an adult social care living wage equivalent to Healthcare Assistant NHS Band 3) and preventative approaches to care and support (reablement, crisis support, intermediate care and housing-based models of care), to support the country to emerge from the current economic turbulence and support the reduction in adult social care waiting lists.
ADASS is the Association of Directors of Adult Social Services in England. We are a membership charity, a leading, independent voice of adult social care. We promote higher standards of social care services and influence policies and decision-makers to transform the lives of people needing and providing care - so that all of us needing care and support can live the lives they want regardless of age, disability, status, and social background.

The membership is drawn from serving directors of adult social care employed by local authorities and their direct reports. Associate members are past directors and, since 2019, our wider membership includes principal social workers.

Charity reg.
299 154