

SPRING BUDGET 2023

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

February 2023

Context

1. When we published the ADASS Spring Survey in July 2022, Directors told us that ‘they have never been more concerned than they are about the winter to come’.¹ We are now amid one of the most challenging winters facing adult social care in recent history where many of their fears have been realised.
2. It is inarguable that adult social care entered 2023 in a worse position than the previous year. In short there were:
 - 165,000 vacancies in adult social care in 2021/22, a 50% increase on the previous year.²
 - Over one million hours of homecare could not be delivered due to workforce shortages between April- June 2022, an increase of 87% compared to a similar period in 2021. This despite adult social care delivering a 17% increase in the number of homecare hours that have been delivered between 1 April 2022 and June 2022 (42m hours) and 1 May- 31 July 2021 (36m hours).
 - Nearly half a million (491,633) people waiting for an assessment of their needs, care and support or a direct payment to begin, or for a review of their care plan as of August 2022, up 24% from November 2021.
 - 4,833 people have been directly impacted by provider closures, cessation of trading or contract hand backs between July-October 2022.
 - Increased complexity of need is driving an increase in the size of care packages in 83% of council areas. Of these, 66% of Directors reported an increase, whilst 17% of councils have seen a significant increase.³
3. This situation would be significantly worse if it were not for the skilled and compassionate work that the social care workforce undertakes every day, as well as that of unpaid carers. However, people can only do this for so long: staffing shortages put enormous pressure on carers, rushing from person to person as paid staff leads to more staff leaving; lack of support leads to either people giving up work to care (just when the economy needs them) or leads to carers breaking down.
4. Given people’s rising needs and care providers’ spiralling costs, the funding package set out in the recent provisional local government finance settlement is helpful, but nowhere near what is needed.
5. The continued assertion by senior government Ministers that adult social care will have access to a ‘historic £7.5bn funding settlement’ over the next two years does not represent reality and unhelpfully raises expectations about what can be achieved amongst people who access care and support and care providers.⁴ The reality is that additional flexibilities in council tax and the Adult Social Care precept are unlikely to be maximised by every council, the £600m of new grant funding for discharge in 2023/24 will be split 50/50 with the NHS and the Social Care Grant can

¹ ADASS Spring Survey, Association of Directors of Adult Social Services, July 2022.

² The State of the Adult Social Care Sector and Workforce in England, Skills for Care, October 2022

³ ADASS Autumn Survey, Association of Directors of Adult Social Services, November 2022.

⁴ [Minister for Care, Helen Whately, Tweet 9 December 2022](#)

be used for both adult and children's social care (This split was 59%/41% in favour of adult services in 2022/23).⁵ It certainly falls well short of the £7bn a year extra for social care that the chancellor, Jeremy Hunt, identified as necessary when he was chair of the Commons Health and Social Care Committee.⁶

6. Government is seeking tangible improvements to adult social care in the next financial year in areas such as care market capacity, workforce, fee rates and waiting times through the additional £400m funding made available through the Market Sustainability and Improvement Fund. However, given the funding available and turbulent economic environment, and in particular inflation, we find ourselves in, it will be necessary for Government to reevaluate its expectations relating to these areas for tangible improvements or provides additional funding in 2023/24. For example, the scaling back of the Energy Bill Relief Fund from the end of March 2023 will mean that care providers will be subject to additional costs which they are likely to pass, in part at least, on to councils.⁷ Similarly, the focus on fair cost of care and commitments to move towards paying it will remain aspirational given the funding envelope set out in the Autumn Budget and provisional Local Government Finance Settlement consultation. This is likely to put councils in very difficult positions with care providers and in turn this puts at risk their ability to manage fee levels within the context of the funding available to local government and the legal responsibility on councils to deliver a balanced budget year on year.
7. It is also unclear, at the time of writing, whether Government will increase the upper and lower capital thresholds, as well as the Minimum Income Guarantee (MIG) and Personal Expenses Allowance (PEA), by inflation. We would support such increases in principle as necessary for older and disabled people on low incomes, assuming that they are fully funded with additional resources from Government. However, if these increases are implemented without additional funding beyond that already announced in the provisional local government finance settlement 2023/24, then this will further diminish the ability of councils to deliver tangible improvements to adult social care and will increase unmet and under met need.
8. Government, in the absence of a significant real-terms uplift in funding for adult social care, should instead be focused on investing in NHS community, primary and mental health services to support more people's wellness and wellbeing at home (thus avoiding the need for hospital admission and increasing the effectiveness of rehabilitation and recovery after hospital) and stabilisation over the next two years, including improving retention of the current workforce, reducing the number of high-quality care providers exiting the market and supporting unpaid carers.

Policy Priority: Invest in support for unpaid carers. They are the backbone of care and support but too many of them are breaking down.

9. ADASS has been advocating for an increase in financial and practical support for carers for a number of years, including in our 2022 ADASS Spring Survey where we recommended that Government provide '*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*'. Such investment is supported by Carers UK '*UK Government should invest an additional £1.5 billion in carers' breaks so that carers are able to access the breaks they need and improve their mental and physical*

⁵ ADASS Spring Survey, Association of Directors of Adult Social Services, July 2022.

⁶ [MPs call for £7bn annual increase in social care funding as a starting point for reform – doing nothing 'no longer an option', Health and Social Care Committee, 22 October 2020](#)

⁷ [Disappointment and unsupported, Care England, 12 January 2023](#)

health and wellbeing.⁸ The investment will far outweigh costs of carer' breakdown and admission to hospital.

10. 97% of Directors of Adult Social Services indicated that a significant uplift in the financial and practical support available to unpaid carers would have a positive impact on mitigating workforce pressures this winter, with just under half (49%) of Directors stating this would have a large impact on mitigating workforce pressures this winter, with a further 48% of Directors indicating that this would have a moderate impact.⁹ It can be assumed, especially given the ongoing pressures facing health and social care, that such support would have a positive impact over a longer period of time.
11. The need for additional financial support for carers is highlighted by figures from Carers UK which found that over half of carers (52%) said that they need more financial support. 84% of carers in receipt of Carer's Allowance said that an increase in the value of carers' benefits would be one of the main financial changes that would make a difference to them.¹⁰
12. The over-reliance upon unpaid carers is having detrimental impact on their physical and mental wellbeing, as well as their ability to play be in paid employment if they so wish. This impact on carers is reflected in the average carer-reported quality of life score, which decreased from 7.5 to 7.3 (out of a maximum score of 12) between 2018-19 and 2021-22, indicating a deterioration in their overall quality of life.¹¹
13. It is estimated that 600 people give up work every day to care for an older or disabled family member. The care provided by unpaid carers is worth an estimated to be £530 million per day to the economy.¹² This demonstrates a direct impact on the economy, which is especially pertinent at a time when there are workforce shortages across a range of sectors including health, social care, hospitality and retail. In the first instance we are keen to understand when the £25m funding, set out alongside the Government's adult social care white paper, to 'kick start a change in the services provided to support unpaid carers' will be made available to councils.¹³

Policy Priority: Increase care worker pay – including one-off increases and/or retention bonuses – to help tackle the serious recruitment and retention issues facing the sector.

14. A significant number of people are not getting the essential care and support that they need, leading to increases in unmet and under met need. The increasing volume and complexity of need is far outstripping the capacity to meet it.
15. It is well documented that adult social care is facing a significant and intensifying recruitment and retention crisis. In 2021/22 there were 165,000 vacancies. The starter rate has fallen from 37.3% in 2018/19 to 30.8% in 2021/22. The turnover rate of staff was 29%.¹⁴ Therefore, around the same proportion of people are leaving their roles, but there are fewer people replacing them.
16. This is despite the heroic efforts of those that work in adult social care which have seen significant increases in the number of homecare hours that have been delivered. The number of hours delivered between 1 April 2022 and June 2022 (42m hours) represents a 17% increase

⁸ [Cycles of caring: transitions in and out of unpaid care, Carers UK & Centre for Care, November 2022](#)

⁹ ADASS Spring Survey, Association of Directors of Adult Social Services, July 2022.

¹⁰ [State of Caring 2022, Carers UK, November 2022](#)

¹¹ [Experience of adult informal carers, Nuffield Trust, 15 December 2022](#)

¹² [Key facts and figures about caring, Carers UK, accessed 1 February 2023](#)

¹³ [People at the Heart of Care, Department of Health and Social Care, December 2021](#)

¹⁴ The State of the Adult Social Care Sector and Workforce in England, Skills for Care, October 2022

from a similar period last year when just over 36 million homecare hours were delivered (between 1 May- 31 July 2021). The April-June 2022 figures also represent a 4.5% increase on the number of homecare hours delivered between 1 January-31 March 2022 (40m hours).

17. However, the scale of the challenge faced by adult social care is highlighted by the fact that despite the increase in the number of hours delivered, the number of home care hours that could not be delivered from 1 April-30 June 2022 was 87% higher than a similar period in 2021 (1 May- 31 July) when 581,282 hours could not be delivered due to workforce capacity issues.
18. Adult social care is finding it increasingly difficult to compete with other sectors such as the NHS, retail and hospitality to recruit and retain staff. For example, Sainsburys and Argos recently announced an increase in hourly rate from £10.25 to £11.00 (outside of London) for retail staff from February 2023.¹⁵ By comparison, many entry level adult social care jobs are paid in and around the National Living Wage rate of £9.50 per hour. There is not enough funding available to councils to increase fees to care providers to enable them to compete with hourly rates in these sectors.
19. Ahead of this winter we asked Directors what actions would have the greatest impact on mitigating workforce capacity issues in their local care markets. Nine out of ten Directors indicated that increasing recurrent adult social care funding sufficiently to enable pay parity with NHS roles and other labour market competition would have the largest impact. This is something that ADASS has previously advocated for, including in our 2022 Spring Survey, where we recommended that an Adult Social Care Living Wage that is equivalent to the midpoint of NHS Band 3 for Healthcare Assistants (£12.76) should be introduced.
20. Recent funding initiatives by Government have shown that investment in the adult social care workforce can deliver better rates of retention. The Government's recently published evaluation of the Workforce Recruitment and Retention Funds that were made available to councils to be spent '*on activities to address workforce capacity pressures in the adult social care sector through recruitment and retention activity*' between 21 October 2021 and 31 March 2022 found that they largely increased retention rather than improved recruitment.¹⁶ DHSC estimated that the funds led to a net growth of 33,000 staff relative to the baseline period, with qualitative feedback highlighting that the fund was most effective when used on retention methods or investment in the existing workforce, such as overtime, childcare costs, welcome and retention bonuses and bringing forward planned 2022/2023 National Living Wage increases. The evaluation found that 'Local authorities and providers reported that they needed more time to plan and then distribute the funding' and that 'the spending period and lead time was too short'. Therefore, learning lessons from the above, any additional investment from Government in adult social care must be provided well ahead of winter. Announcements in November are far too late to be effective as they could and should be and they also provide poor value for money for the expenditure public funding.

Policy Priority: Focusing on prevention and recovery services, including community-based services, intermediate care and steps to support the voluntary sector to provide fast, low-level support.

21. In our recent joint letter with the Local Government Association and SOLACE to the Secretary of State for Health and Social Care we stated that the '...interdependence of health and social care and that pressure in the NHS is also impacting on social care, particularly in relation to primary, community and mental health services, increased levels of need, and people waiting

¹⁵ [Sainsbury's makes biggest ever pay boost to £11ph; total investment tops £205m, Sainsburys, 4 January 2023](#)

¹⁶ [Workforce Recruitment and Retention Funds: outcomes and findings, Department of Health and Social Care, January 2023](#)

for NHS treatment. Whilst we have been prioritising the needs of people in relation to abuse and neglect and hospital discharge, more people are waiting for care at home, some will inevitably deteriorate and need hospital treatment, and this will inevitably be accelerating a vicious circle'.¹⁷

22. A consequence of the focus on hospital discharge is that more 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 council funded adult social care. In the ADASS Spring Survey Directors reported 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.¹⁸
23. As we set out in the joint letter to the Secretary of State, while the conflation of several different factors has created the enhanced level of pressure facing the NHS this winter. This is an annual and predictable challenge and we advised Government in July, and again in November, that this current winter would be the worst ever.^{19 20} We (ADASS/LGA/SOLACE) recommended a series of short and medium-term actions that could be taken to help address immediate pressures in hospitals, as well as medium-term actions that will help preparations for next winter. These included investment in voluntary sector support, therapeutic led reablement, focusing on prevention and recovery services and primary and community services.
24. By acting on the issues we have set out above, we firmly believe we will give our care and health services the very best chance of overcoming the difficulties they face here and now, and with ongoing funding, we could ensure that community and residential services to support recovery are available on an ongoing basis all year round and avoid an annual last minute search for solutions.
25. In our 2021 submission to the Budget and Comprehensive Spending Review we set out a range of examples where increased investment in preventative services would make an impact, all of which require serious consideration for this next Budget period:²¹
 - Greater prevention at all levels, for older people, yes, but also including in relation to rough sleeping, mental ill health, substance misuse and to avoid the unacceptably high levels of people with learning disabilities, mental illness in prisons
 - Increased crisis resolution and support of all types
 - Increased capacity for recovery, rehabilitation, assessment (and planning time if longer term care is needed) including on a 24-hour basis after hospital
 - Housing based models of support and care at all levels – from floating support for people with learning disabilities or mental ill health to enable them to remain independent, to extra care housing or intensive models of support as alternatives to Assessment and Treatment Units for people with learning disabilities and/or autism and mental ill health
26. The shift towards prevention must include a significant upscaling in investment for rehabilitation and reablement services. In our Spring Survey we asked Directors 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.²² The results are broadly positive, with 72% respondents reporting that over

¹⁷ [Joint letter to Secretary of State on winter pressures and discharge, LGA/ADASS/SOLACE, January 2023](#)

¹⁸ ADASS Spring Survey 2022, Association of Directors of Adult Social Services, July 2022

¹⁹ ADASS Spring Survey 2022, Association of Directors of Adult Social Services, July 2022

²⁰ ADASS Autumn Survey, Association of Directors of Adult Social Services, November 2022

²¹ [ADASS Submission to the Budget and Comprehensive Spending Review, Association of Directors of Adult Social Services, September 2021](#)

²² ADASS Spring Survey 2022, Association of Directors of Adult Social Services, July 2022

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.

27. An example where investment could make a real impact is Occupational Therapy, which could deliver improved outcomes for individuals and maximise the chances of them living the life they want to lead. The Royal College of Occupational Therapists data indicates that despite making up just 4% of the regulated workforce, occupational therapists address 35 – 45% of council referrals. This demonstrates that funding occupational therapy services delivers a significant return on investment.²³ The value of investment in occupational therapy is further demonstrated by the following example:

*'The provision of home assessment and modification reduces the number of falls that require a hospital admission. For every £1 invested in providing assessment and modifications, £2.17 is saved in care costs and the quality-of-life benefits are equivalent to £7.34, indicating there is a positive return of £6.34.'*²⁴

28. The case for investment in reablement was further evidence in Public Health England's report *The older adults' NHS and social care return on investment tool* which included a range, which was published in 2019.²⁵ Homecare reablement was shown to deliver a positive societal ROI where every £1 invested in the intervention was estimated to achieve £4.71 in total benefit.

About Us

1. The Association of Directors of Adults Social Services (ADASS) welcomes the opportunity to contribute representations to the Spring Budget 2023.
2. 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.
3. Our members are current and former directors of adult care or social services and their senior staff.

If you have any questions regarding this submission, please do not hesitate to contact Michael Chard, Assistant Chief Officer, Association of Directors of Adult Social Services-
michael.chard1@adass.org.uk

²³ [Relieving the pressure on social care: the value of occupational therapy, Royal College of Occupational Therapists, 2019](#)

²⁴ [Roots of recovery: Occupational therapy at the heart of health equity, Royal College of Occupational Therapists, 2021](#)

²⁵ [The older adults' NHS and social care return on investment tool, Public Health England, January 2020](#)