

# Association of Directors of Adult Social Services (ADASS)

## Autumn Budget/Spending Review Representation

### September 2024

#### **Introduction**

Adult social care at its best transforms lives. It enables millions of us to live the lives we want to lead, where we want live. Whether we need support with our mental health, because of physical disabilities, learning disabilities, or because we are older and need additional support. It supports us to work; to socialise; to care and support family members; and to play an active role in our communities. Investment in health and adult social care should not be seen as a cost to the public purse, but instead as one of our country's biggest investments in human capital and productivity.

We acknowledge the challenging financial outlook set out by the Office for Budget Responsibility (OBR) for the next few years. This is why in the short-term for 2025/26 we have set out practical steps that Government could take to increase productivity, improve planning between health and social care and to create the conditions for adult social care to thrive. For the Spending Review period 2026/27-2028/29 we have set out a range of proposals for Government consideration that would begin the reform of adult social care.

It's imperative that the Government prioritises adult social care. Our independently commissioned report [Time to act: A roadmap for reforming care and support in England](#) provides a clear blueprint for change. While we don't expect immediate solutions, we urge the Government to demonstrate the political will to invest in social care and recognise the importance of adult social care to all of our lives.

#### **Key Statistics**

The current challenges facing adult social care and local government more broadly are well-documented. However, for the purpose of this response it is important to reiterate that:

- As of 31 March 2024, there were a total of 418,029 people waiting for an assessment, care or direct payments to begin or a review of their care plan.
- In 2023/24, 72% of councils overspent on their adult social care budgets. Of these councils the proportion using reserves as a source of funding to address their overspends increased from 72% in 2022/23 to 95% in 2023/24. This one-off expenditure is unsustainable.
- The overspend nationally for 2023/24 totalled £586mn (based on 145 responses), up significantly from £74mn in 2022/23.
- For 2024/2025, councils are required to make £903mn of savings.
- In the past five years Directors have reported cumulative savings of £3.5bn to adult social care budgets; for the previous decade this figure is £7.7bn.<sup>1</sup>

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<sup>1</sup> [ADASS Spring Survey, Association of Directors of Adult Social Services, July 2024.](#)

## Creating the conditions for adult social care to thrive- 2025/26

The asks set out in this section should be seen as the building blocks that lay the foundations for the delivery of a more substantial reform programme for adult social care. We set out prior to the General Election [Our Asks of a New Government](#)- Early support, closer to home, fair pay and conditions for the social care workforce and a new deal for carers.

We welcome the Government's recent commitment to multi-year spending settlements, including for local government. This is something that we have been asking for a number of years, including in our recent [Spring Survey](#), to provide certainty and stability for councils, care providers and the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector to plan, invest and innovate the services they offer.

### Finance

- ***Make an early statement to confirm the continuation of all adult social care grant funding to provide certainty, confidence and continuity for councils, care providers and voluntary, community, faith and social enterprise sector organisations.*** The current budgetary challenges facing adult social care, and local government more broadly, mean that just over half (51%) of Directors of Adult Social Services are less than confident they can meet their legal duties for adult social care.<sup>2</sup>
- ***Confirm the level of the adult social care precept at the earliest possible stage.*** Since 2017, councils have been permitted to raise additional funding via the precept to provide additional funding for adult social care. Almost all have done so. Government should confirm the level of the precept ahead of consultation on the provisional Local Government Finance Settlement in December to enable councils to better plan their budgets for 2025/26.
- ***Commit to increasing the Minimum Income Guarantee (MIG) and Personal Expenses Allowance (PEA) by a minimum of inflation over the course of this Parliament.*** This will allow people accessing means-tested care and support to keep more of their own income in response to ongoing cost of living challenges. Such a commitment would mitigate, in a small part at least, the impact of the previous Government's Charging Reforms not being taken forward.
- ***Increase the upper and lower capital thresholds by inflation.*** The capital

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<sup>2</sup> [ADASS Spring Survey, Association of Directors of Adult Social Services, July 2024.](#)

thresholds have not changed since 2010/11. If the upper capital threshold of £23,250 had increased in line with inflation, then it would have been £7,080 higher at £30,330 in 2022/23, so more people would qualify for support.<sup>3</sup> The result of not increasing the thresholds in line with inflation is that successive governments have made the means test even meaner: it has become harder for people to get publicly funded social care, reducing its cost to the taxpayer. This contraction in eligibility is evidenced by the fact that despite the complexity of people's needs increasing and more people requesting state-funded care and support, 2% fewer people were receiving support in 2022/23 than in 2015/16, despite 11% more people requesting it. Any adjustments to capital thresholds must be fully funded by Government.

- ***Undertake work to streamline the number of grants and reporting mechanisms for adult social care.*** At present councils report on several different grants relating to adult social care including, but not limited to, the Market Sustainability and Improvement Fund, Discharge Fund, Improved Better Care Fund and the Social Care Grant. Ahead of the Spending Review period 2026/27 to 2028/29, Government should work with ADASS, adult social care partners and local government representatives to develop proposals to streamline the number of grants into a single ring-fenced grant and simplify the reporting required. This would free up staff and resources in councils and Government to focus on priority activities and improve productivity.
- ***Update the adult social care relative needs formula to ensure that funding is aligned to need.*** The current funding formula that is used as the basis for distributing the majority of adult social care grant funding has not been updated since 2013/14. Ahead of the Spending Review period 2026/27 to 2028/29, Government should work with ADASS, adult social care partners and local government representatives to develop proposals for updating the Adult Social Care Relative Needs Formula.

## **Workforce**

- ***Fair Pay Agreement for Adult Social Care-*** ADASS supports the Government's overarching commitment to improve pay for adult social care staff to improve recruitment and retention. Such an increase is supported by the public, with recent polling finding that 73% of respondents had a clear preference for the government focusing on improving pay and conditions for social care workers so it can recruit and retain more social care workers from within the UK.<sup>4</sup>
- ***Any proposals must be co-produced with representatives from across the adult social care sector and be fully funded by Government.*** The

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<sup>3</sup> [Social Care 360, The King's Fund, 13 March 2024](#)

<sup>4</sup> [Public perceptions of health and social care \(May 2024\), The Health Foundation, August 2024](#)

financial circumstances in which councils and care providers find themselves in, means that it is unrealistic to expect them to find additional funding from already stretched budgets to increase the pay for care staff significantly.

- ***Ensure that unintended consequences of increasing care wages for adult social care staff on access to benefits are avoided.*** It's vital that this Government creates the conditions to ensure that for those who want and can work more hours are incentivised to without being financially penalised. Low pay and irregular hours in social care currently contribute to the workforce relying heavily on state support, with around 20% of staff in residential care drawing on Universal Credit and equivalent benefits between 2017-2020, compared with 10% of all workers. Any increases to would affect workers' eligibility for state support. For some, their wages would increase but their Universal Credit payment would reduce, so they would not see their incomes increase by the full amount of a pay increase or bonus payment. On average, for every £1 someone earns from working, their Universal Credit payment reduces by 55 pence.<sup>5</sup>

## Carers

- ***Government issue an amnesty to write off substantial overpayments of Carer's Allowance where carers could have been notified sooner.*** The Department of Work and Pensions (DWP) has long said the IT system should flag these automatically, yet most carers remained completely unaware that they were being overpaid carers allowance. Carers UK have recently published a [report](#) setting out the experiences of unpaid carers who have had a Carer's Allowance overpayment. ADASS supports the recommendations in this report to the Department of Work and Pensions (DWP) that would improve the processes and design of Carer's Allowance, therefore, enabling more unpaid carers to stay in the labour market for longer as well as reducing the risk of overpayments.

## Early Support, Closer to Home

- ***Provide one-off ring-fenced funding to enable councils to commission independent evaluations of existing adult social care projects and services that aim to keep people as healthy as possible, for as long as possible in their community.*** These independent evaluations would enable good practice and evidence to be disseminated across the country to support innovation and to make a better case for investment in projects, services and interventions, at a local and national level, that can make a real difference to peoples lives. At present, councils do not have the resources to evaluate projects fully over time, meaning opportunities for scaling up and mainstreaming may be missed.

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<sup>5</sup> [From ambition to reality, The Health Foundation and Nuffield Trust, July 2024](#)

## The Path to Adult Social Care Reform- Spending Review 2026/27- 2028/29

### Reform

The reform of adult social care has been the subject of much political focus over the past 20 years and more. There have been 13 green and white papers and five independent commissions. However, we are yet to see fundamental reform delivered.

ADASS has already set out solutions to many of the known issues facing adult social care, in our independently commissioned report [Time to act: A roadmap for reforming care and support in England](#). It draws together the thinking that's been done on the future path we could take and develops a roadmap to get us there.

We were of course disappointed that Government has decided not to proceed with Charging Reform, in particular, those changes that would have supported people with the least means to access state-funded care and support. Whilst any reform of adult social care will be at a cost to the Treasury, it should not be forgotten that continuing along the same path that we are on also comes at a cost, not only in monetary terms, but most importantly to the lives of people who draw on care and support, their carers and family. As stated earlier in this paper, our recent Spring Survey shows that the financial situation facing adult social care is the worst it's been for years and that councils are struggling to meet legal duties. We need to turn the tide and collectively commit to a new approach.

- **Government should, as a matter of urgency, commission a rapid independent investigation of adult social care performance that lasts no more than 3 months.** This should mirror the approach taken by the Independent Investigation of NHS performance being led by Lord Darzi.<sup>6</sup> This should then feed into the development of a fully funded 10-year plan for adult social care, which should be aligned with the development of the NHS/DHSC 10-year plan being led by Sally Warren and Paul Corrigan.
- If this Government does choose to go down the route of a Royal Commission, then it's important to note that they take an average of 2-4 years to complete.<sup>7</sup> **We ask that the Commission is delivered in the shortest timescale possible of no longer than 2 years.** Otherwise, adult social care reform will not begin until the next parliamentary term and time is of the essence. As set out above, we cannot continue to tread water until a Royal Commission concludes, we will do so at the detriment of people's health and wellbeing.
- **Ensure that ADASS, sector partners, the social care workforce and people who access care and support, their carers and families are**

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<sup>6</sup> [Independent investigation ordered into state of NHS, Department of Health and Social Care, 11 July 2024](#)

<sup>7</sup> [Royal Commissions Part One – “a subject wrapped in a haze of common knowledge”?, The Constitution Society, 28 July 2023](#)

**included in discussions to develop a National Care Service.** ADASS is supportive of the Government's proposal to create a National Care Service which is underpinned by national standards and that delivers consistency of care across the country. We acknowledge that there could be benefit in the establishment of a national body which sets national standards, drives consistency of access and gives adult social care long-term leadership and direction. However, adult social care should be place-based, locally delivered and subject to democratic accountability. It is imperative that if we are to shift towards a more preventative model of social care that we do not de-couple adult social care from other key council services, such as housing, environment, transport and public health, that have a direct impact on people's health and wellbeing.

### **Finance**

- ***As part of a fully funded 10-year plan for adult social care, Government should, at a minimum, commit to incrementally increasing the upper and lower capital thresholds above inflation for adult social care to increase access to state-funded care and support for those people with the least means.*** As stated above, the capital thresholds have not been uplifted for over a decade, which has led to a contraction in eligibility.

### **Workforce**

- ***As part of a fully funded 10-year plan for adult social care, Government should deliver a fully funded national workforce strategy to solve the social care staffing crisis.*** This Government committed to 'ending the workforce crisis across both health and social care' in their manifesto.<sup>8</sup> As stated earlier in our submission, the immediate priority is to improve pay, terms and conditions for adult social care staff in order to reduce the recruitment and retention challenges facing the sector and also to increase the number of economically active people of working age. ADASS has worked with partners from across adult social care, led by Skills for Care, to develop [A Workforce Strategy for Adult Social Care in England](#), as such Government would not be starting from a blank sheet of paper. The delivery of such a plan would mean more social workers, occupational therapists and other practitioners who support people to stay well at home and in their community.

### **Carers**

- ***As part of a fully funded 10-year plan for adult social care, Government needs to deliver a new deal for carers.*** Fewer unpaid carers are receiving direct support, and fewer people receiving respite care than in 2015/16.<sup>9</sup> This despite the number of people providing more than 50 hours of unpaid care a

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<sup>8</sup> <https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf>

<sup>9</sup> <https://www.kingsfund.org.uk/insight-and-analysis/long-reads/social-care-360-workforce-carers#9.-carers>

week increasing.<sup>10</sup> The [ADASS Supporting Carers Hub](#) showcases a range of what councils are currently doing to support carers. However, more needs to be done evaluate the impact of these projects, disseminate good practice and where appropriate scale up provision across the country. This will require investment from Government.

- ***Carers should be rewarded and valued for the critical role they play in our health and care systems, rather than financially disadvantaged.*** Carer's Allowance is the lowest benefit of its kind at £81.90 per week if a person spends at least 35 hours a week caring for someone with an illness or disability. According to Carers UK, the rate of poverty of those claiming Carer's Allowance has doubled in the past decade. This highlights the unmet needs of unpaid carers and their inability to survive on the current provisions within the social security system.

### **Care closer to home and early support**

We welcome this Government's commitment in its manifesto to '*... explore how we best manage and support an ageing population; how integration with the NHS can be secured; how to best support working age disabled adults; and how to move to a more preventative system.*'<sup>11</sup>

- **Over the course of the Spending Review period, the Government should commit to an incremental shift in funding from acute and crisis care to community, primary, mental health and adult social care support.** This will enable many more people to remain in their homes and communities. This will enable people to live as independently as possible, for as long as possible, reducing the pressure on the NHS and delaying the point at which someone may need formal care. It is essential that local government has a strengthened role to support such a shift given that it is responsible for a range of community-based services that impact on peoples health and wellbeing including, but not limited to, social care, public health, transport, housing and leisure.
- **Investment in step-up and step-down intermediate care, which is short-term care aimed at maximising people's independence, and the workforce required to deliver it.** To deliver the Government's commitment in its manifesto to the principle of 'home first', that supports people to live independently for as long as possible, a significant increase in the availability of intermediate care is required.<sup>12</sup> It can also reduce pressure on hospital services by providing a pathway to timely discharge or by preventing admission altogether. For example, most people (61%) receive no further support from the council after completing their intermediate care package.

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<sup>10</sup> <https://www.ons.gov.uk/datasets/TS039/editions/2021/versions/3/filter-outputs/58deae48-907f-47fc-9a2d-d09f98c206e7#get-data>

<sup>11</sup> [Labour Party Manifesto 2024](#)

<sup>12</sup> [Labour Party Manifesto 2024](#)

However, availability of provision is not sufficient, with at least 1 in 4 people expecting to receive home-based intermediate care and nearly half of those intended for bed-based intermediate care delayed in hospital waiting for care in 2023.<sup>13</sup> There is a strong economic case for intermediate care. On average, for every £1 of upfront investment in improving home-based intermediate care, the resulting benefit to the system amounts to £7-9/year once the operational benefits are fully realised.<sup>14</sup> This could be achieved through an expansion of the Better Care Fund.

- **Investment in digital, technology and data that makes care more responsive to people.** A boost for councils and other organisations investing in digital, technology and data to give people more choice, control and information about the care and support available to them, as well as personalised advice to help them plan for the future. New approaches and products are independently evaluated, data is equitably accessible across organisations and funds are available to scale-up the best solutions.

### **About Us**

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.

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, Director of Policy and Analysis, Association of Directors of Adult Social Services [michael.chard1@adass.org.uk](mailto:michael.chard1@adass.org.uk)

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<sup>13</sup> [The challenges and potential of intermediate care, The Health Foundation, 20 March 2024](#)

<sup>14</sup> [The Case for Home-Based Intermediate Care, The Better Care Fund Support Programme, 2023](#)