

Autumn Budget 2025 Representation

Response from The Association of Directors of Adult Social Services

October 2025

Context

- Adult social care at its best transforms lives. It enables millions of us to live the lives we want to lead, where we want to lead them, protected against abuse and neglect, whether we need support with our mental health, because of physical disabilities, a learning disability, or because we are older and have additional support needs.
- Spending on adult social care has failed to keep pace with demographic change. After adjusting for age, spending was 2.6% lower in real terms in 2023/24 than in 2009/10.ⁱ
- Demand is growing. Local authorities received over two million requests for support in 2023/24. The number of older people presenting with needs has risen by 4.6% since 2018/19, and the number of working-age adults presenting with needs has risen even more sharply – by 19.6% since 2018/19. ([Adult social care activity and finance report, England 2023-24](#))
- The gap between resources and needs has restricted accesses to support, and this has particularly affected older people. In 2015/16, 6.0% of people aged 65 and over were in receipt of long-term care. This had fallen to 5.2% by 2023/24.ⁱⁱ
- Increasing complexity of needs, which can relate to demography or to people’s journeys in the health and care system, has driven up costs. In 2024/25, the average size of care packages for people being discharged from hospital increased in 63% of local authority areas ([2025 ADASS Spring Survey](#)).
- More unpaid carers are approaching local authorities for support. In 2024/25, 41% of local authorities saw an increase of more than 10% and 35% in the last 12 months ([2025 ADASS Spring Survey](#)).
- Other care, support and protection needs are also rising. ADASS’ 2025 Spring Survey showed increases in the number of people presenting to local authorities with mental ill health (73%), because of rough sleeping (60%) and as a result of safeguarding concerns (55%).

Meeting our communities' needs?

As the first Budget since the 2025 Spending Review announcement, November's Budget will enable Government to review support for progress against its policy objectives. Challenges are formidable and the fiscal constraints are tight.

ADASS has warned that we are not on target to achieve the improvements we need as a society, and which people with reason to draw on care and support have the right to expect. As ADASS President, Jess McGregor spelled this out in her [inaugural address](#): *'Going without care, without enough care, or without the right care is not the exception – it's becoming the norm. And that should shame us.'*

Gaps and shortcomings in our ability to meet social care needs are particularly damaging for groups in our society that are already disadvantaged. The likelihood of needing help with one or more Activities of Daily Living (ADLs) is much higher if you live in a deprived neighbourhood: the proportion of over-65s needing support with one or more ADLs is twice as high in areas ranked in the most deprived fifth of England compared to the least deprived neighbourhoods. Older women are at three times greater risk of having an unmet need for support with one or more ADLs than younger men: 48 percent of women aged 80 or over have an unmet need of this kind, compared to 16 percent of men aged 65-69. Black/Black British and Asian/Asian British over-65s are significantly more likely than their White counterparts to need support with one or more ADLs.ⁱⁱⁱ

Long-term underinvestment has left councils short of the resources they require to meet the adult social care needs of their communities. By the end of this Parliament, estimates put the additional funding pressures at between [£3.4bn and £8.7bn](#), the former sufficient to meet growing demand and cover rising costs to employers, the latter sufficient to meet demand, cover rising costs, improve access and boost pay – modelling social care workers at NHS Agenda for Change Band 3. Yet, according to [our analysis](#), the Spending Review effectively signalled at best a stand-still position. The additional £4bn designated for adult social care by 2028/29 compared with 2025/26 will be reliant, in part, on increases in council tax, the social care precept and the Better Care Fund and will be entirely [swallowed up by baked-in increases](#) to other inflationary costs.

Among the most significant – but also the most unpredictable – of the future cost increases relates to the introduction of a Fair Pay Agreement (FPA) for adult social care in 2028. Increased employment costs will inevitably be passed through to councils, as well as to self-funders and NHS bodies commissioning social care services. Councils face considerable uncertainty at a time of severe financial distress, with falling confidence on the part of Directors of Adult Social

Services in their ability to meet their statutory duties. ([2025 ADASS Spring Survey](#)).

The evidence set out in this submission suggests that more should and can be done to improve care and support today, and in the process build a platform for the medium and longer-term transformational changes being identified by the Casey Commission (phase one in later 2026; phase two in 2028). In the words of our current campaign to raise public understanding of adult social care, '[Care Can't Wait](#)'. As set out in our response to the [Health and Social Care Committee](#), the costs of inaction outweigh the costs of change. Through smart policy and targeted investment, we can build a network of care and support that works for everyone, promoting local economic growth, and stronger, healthier communities.

Adult social care must be seen as a driver of economic growth

'Adult social care must be seen as an enabler, not only in supporting people to live independent lives, but also in enabling health reform, preventing ill health, higher employment rates and growing the economy'.^{iv}

ADASS supports the Government's ambition to '[fix the foundations](#)' of the economy. We strongly feel that this cannot and should not be done without adult social care, which is a growth sector and not a drain on the economy as is so often portrayed. Over [1.5mn people work in the sector across 19,00 organisations](#). As well as supporting the wellbeing of millions of us and our families, adult social care contributes to the economic wellbeing of our communities. The adult social care sector in the England [contributed £77.8bn to the economy in 2024/25, up 12.2% from 2023/24](#). It is a major local employer, and any expansion of social care means new businesses, new job opportunities, increased tax contributions and a significant net contribution to the local and regional economies, aligning with the Government's mission to drive economic growth across the country.

The rising levels and complexity of need, coupled with escalating costs, highlight that an unreformed and underfunded adult social care system is not only failing to deliver value for money from a Treasury perspective but, more importantly, is leading to growing levels of unmet, under met, and wrongly met needs. This not only negatively impacts the ability of people with care needs and their carers to live the lives they want to lead, including socialising and accessing employment, training and education, but it also means that adult social care is increasingly limited to those with the highest levels of need. This undermines the preventative potential of adult social care as an early intervention that reduces

the need for more intensive interventions, such as acute elective care or urgent hospital admissions, later on.

In this context it is also important to note that requiring more people to self-fund their care, while also driving up market costs, is likely to undermine prevention and introduce unexpected acute costs. Where people – especially older people – are funding or contributing significantly to their care, they may choose to ration their support to the detriment of their health and wellbeing, potentially leading to medical complications and expensive emergency interventions. Certainly, councils are having to step in with public support in a growing number of cases of capital depletion.

If Government are to lay the foundations for adult social care to be a driver of economic growth, then it's vital that immediate steps are taken to stop the further deterioration of care and support. In this light, our ['Early priorities for a new government'](#) (October 2024) proposed a range of constructive and investable propositions which would be incremental steps which support this goal and lay the foundations for more fundamental reform of adult social care. These actions include, but are not limited to, reforming planning to raise accessibility standards for new homes, maximising the potential of technology enabled care (TEC) and more equitable data access between the NHS, councils, the social care workforce and people who draw on care and support.

Valuing and growing the adult social care workforce

'We don't have enough people [working] in adult social care today and we are going to need more tomorrow. That is why we need a Workforce Strategy.'^v

[ADASS welcomes the FPA](#) as a significant step towards creating a valued and sustainable workforce. Delivered in the right way it can support local economic growth – a key part of the Government's Growth Mission. However, we do not yet know key aspects of its scope or costs. The impact assessments will be finalised and published alongside the current [consultation](#) over the coming weeks. We do know that £500mn of the additional £4bn for adult social care in this Spending Review period has been earmarked for improving pay, terms and conditions, and other matters in 2028. Unless considerable additional funding is to be found – or councils are to be exposed to unmet costs – this would indicate a relatively small uplift in care workers' hourly rates – important, but insufficient to bridge the gap between other sectors such as retail and the NHS.

It is important that, over time, the FPA enables social care workers to enjoy equivalence with health colleagues, particularly in the context of more integrated neighbourhood working and more widespread use of delegated healthcare

activities. We will continue to work with Government to advocate for a government led plan to grow the FPA after its introduction in 2028 so that it can deliver on its potential to improve the sustainability of the adult social care workforce. Our work should draw on our experience of the National Living Wage (NLW). Many of our lowest paid care workers have benefited from the introduction of and steady growth in the NLW, but increased employment costs have pushed up care costs for local authorities and self-funders. The [King's Fund](#) has characterised the NLW's impact as '*an annual chain reaction of increased costs to providers, resulting in increased fees paid to them by local authorities and, ultimately, fewer people accessing publicly funded long-term care as local authorities try to balance their books.*' NLW has also shown how raising the cost floor can lead to a [flattening of the wage structure, to the detriment of incentives and retention](#). Government's approach to funding social care, once the FPA is introduced, should account for these likely consequences.

The fact that the Fair Pay Agreement won't be implemented until 2028 at the earliest means that there is a big gap between improving pay of frontline care staff and Government imminently cutting off access to new international workers for care providers. The vacancy rate still remains high at 111,000 people, with no national plan of how to address recruitment and retention issues in the short to medium term. To bridge this gap, it's important that Government provide local government with the ability to work with care providers to enhance rewards to staff that deliver improved recruitment and retention in the shorter term. One approach would be to provide funding ahead of the 2025/26 winter period to enable councils to take targeted actions, such as bringing the scheduled National Living Wage increase forward, as was done as part of the Workforce Recruitment and Retention Fund (WRRF). The funding for rounds one and two of the WRRF totalled £460mn and government analysis found that this led to a net growth of 33,000 staff relative to the baseline period, and providers reported a high level of satisfaction. Smart investment would allow us to get ahead of this problem without falling into the '[crisis-cash-repeat](#)' intervention cycle that commentators including CIPFA have often criticised.

Local authorities cannot support growth with one-hand tied behind their backs

30 local authorities are receiving [Exceptional Financial Support \(EFS\)](#) from the Government in the current financial year (2025/26). For eight this includes agreement to support for prior years. This unprecedented situation dramatically illustrates the depth and breadth of the crisis in local government finance. In its [announcement of the Fair Funding review](#), the Minister for Local Government described a 'local government sector on its knees—councils pushed to the financial brink, facing rising demand'.

Increasing social care needs and escalating care costs are part of this worsening situation. ADASS surveys show Directors of Adult Social Services attempting to control spending, while also being required to contribute to essential savings across their councils. Social care overspends have reached a record high. 80% of DASSs in our [2025 Spring Survey](#) indicated that their local authority overspent its social care budget in 2024/25 – an overspend of £774mn nationally. DASSs reported that they are planning to deliver £932mn savings to their budgets for 2025/26, which is an increase from £903mn for 2024/25 and the highest level of planned savings since 2016/17. But only 16% of DASSs are confident in their ability to deliver them.

Local authorities' financial distress has real world consequences for people with social care needs. Looking at published CQC assessments, local authorities under Section 114 measures or receiving EFS almost always have poor ratings. Persistent overspends also seem to correlate in many cases to low assessment ratings.

ADASS has welcomed the reintroduction of multi-year funding settlements for local authorities, crucial to supporting more effective planning. However, the limited additional predictability that they afford has been outweighed by the turbulence caused by a suite of major reforms and reviews that are currently in train. These include, but are not limited to, local government finance reform, local government reorganisation, ICB restructures, the dissolution of NHSE and merger into DHSC and emerging proposals about the future use of the Better Care Fund. In this complex and risky environment, it is especially crucial that government departments work together over the next twelve months to facilitate the smoothest possible administration of grant arrangements and reviews to keep disruption to a minimum.

From sickness to prevention

Directors of Adult Social Services understand where investment in their local areas would have the greatest impact. This is supporting people to live more healthily, with greater independence, connected to their communities. They want to invest in innovative care models and preventative approaches that empower people to live fulfilling lives. This includes services that help individuals regain or relearn essential daily living skills lost due to illness, accidents, or disabilities, such as reablement and intermediate care service, or the right accommodation to enable someone to live independently as part of their community. It also includes other public services for which local authorities have responsibility, and which should be promoted as part and parcel of coherent, place-based prevention strategies. Public health, leisure, culture and transport services, for

example, can make a contribution to shifting from treatment to prevention, but non-discretionary spend is severely squeezed in local authorities across the country.

Directors of Adult Social Services are long-standing advocates for care closer to home, and have been engaging fully with government on the development and roll-out of [Neighbourhood Health](#). The 'left shift' that the whole of the health and care system is committed to making in order to move from sickness to prevention requires the kinds of early support that local authorities and VCFSE partners understand and can deliver. In late 2024, ADASS and sector partners published a joint [report demonstrating clear economic returns on investment](#) in prevention, showing that for every £1 spent on earlier preventative support, £3.17 can be saved in the longer run.

Yet the current financial environment set out above means that local authorities are only able to prioritise spending on meeting the highest level of need. In 2024/25, 51% of Directors were less than fully confident in being able to meet their prevention and wellbeing statutory duties. Confidence has now dropped sharply. 74% of Directors are less than fully confident that their budget in 2025/26 will be sufficient to enable them to meet their wellbeing duties. ([2025 ADASS Spring Survey](#)).

By emphasising prevention, early intervention, and community engagement, neighbourhood care models can improve outcomes, reduce health inequalities, and relieve pressure on hospitals and urgent care services. Ensuring long-term financial sustainability, fostering cross-sector leadership, and leveraging technology and local data will be key to successfully embedding these models into the health and care system for the long term.

Our recommendations: Laying the foundations for change

The state of adult social care is precarious. Long-standing challenges are being complicated, and in some cases compounded, by a turbulent policy environment and funding shortfalls. The Budget can ease some of these pressures through the following actions:

Clarifying funding:

- Government should publish the outcome of the Fair Funding Review 2.0 consultation and the Local Government Finance Statement, including adult social care precept levels and updated needs shares, no later than close of

play on 3rd November 2025 to enable councils maximum time to model adult social care budgets for 2026/27.

- Government should publish the Provisional Local Government Finance Settlement no later than 15th December 2025. This will enable councils a reasonable amount of time to assess the full impacts of the transitional funding arrangements for adult social care that are being implemented as part of the Fair Funding Review 2.0.

Supporting the workforce:

- Government should commit to meeting in full the costs of the Fair Pay Agreement and its introduction, as well as other cost pressures introduced by the Employment Rights Bill, separately from existing adult social care funding stream.
- Government to provide £300mn prior to winter 2025/26 to enable local government to undertake actions, such as bringing National Living Wage increases forward, to improve recruitment and retention in the short-term. This action is required as the Fair Pay Agreement will not be implemented until 2028, whilst the Government will imminently be ending international recruitment of care workers. As such Government should act now to prevent vacancy rates rising again in the interim.
- We welcomed the commitment in the 2025 [Labour Party manifesto](#) to the 'publication of regular, independent workforce planning, across health and social care'. Government should lead the development of a clear and fully funded workforce plan, building on the work undertaken by [Skills for Care](#), to recruit, train and retain the social care workforce we'll need across England. This will help increase access to quality care and support for everyone to live the life they want. That will mean more social workers, occupational therapists and other practitioners who support people to stay well at home and in their community.

Shifting to prevention:

- Government should complete and publish its review on the £30,000 upper limit and means testing criteria for the Disabled Facilities Grant to ensure it sufficiently facilitates life-changing adaptations, as recommended by the 2018 review into the DFG, the Older Peoples Housing Taskforce and the Levelling Up Committee.

- Government should build on its £100mn Innovation Fund and "test-and-learn" initiative for digital technologies. The innovation teams should work closely with the care sector including leaders, staff and people who draw on care and support and their families to ensure reforms are grounded in real-world experience, driving sustainable, effective care models that improve wellbeing and independence. The test and learn model can and should be adapted to accelerate and amplify innovation more broadly, not solely in relation to digital and technology.

Shifting from analogue to digital:

- Government should facilitate better collaboration and planning in health and care by enabling more data sharing. Despite the challenges, adult social care is prepared to act quickly and collaboratively with colleagues across the public sector, the VCFSE sector, housing, technology providers, academics and people who draw on care and support to create new solutions. Information sharing is crucial to many elements of place-based partnership work and Neighbourhood Health, so we repeat our call for Government guidance and support for enhanced data sharing and digital infrastructure. This should enable the establishment of data-sharing agreements between the NHS, local authorities, and other partners to facilitate integrated care and IT systems that allow for real-time data sharing and communication across sectors.
- Government should consider the use of capital funding to support adult social care to digitise, including solutions such as AI. This would increase productivity, deliver efficiencies within commissioned care and most importantly deliver better person-centred outcomes for individuals who draw on services and their carers and families.

Fairness and inclusion:

- Government should commit to increasing the Minimum Income Guarantee (MIG) and Personal Expenses Allowance (PEA) by a minimum of inflation over the course of the Spending Review period from 2026/27–2028/2029. This will allow people accessing means-tested care and support to keep a fair percentage of their own income.
- Government should commit to increasing the upper and lower capital thresholds by inflation over the course of the next Spending Review period. The capital thresholds have not changed since 2010/11. If the upper capital threshold of £23,250 had increased in line with inflation it would have been £7,080 higher at £30,330 in 2022/23, enabling more people to qualify for

state-funded support. Any adjustments to capital thresholds must be fully funded by Government.

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 Paul Buddery, Senior Officer, Policy, Association of Directors of Adult Social Services paul.buddery@adass.org.uk

ⁱ [Social care funding: three key questions about funding in England](#), Health Foundation, September 2024, updated May 2025. The authors point out that ‘Despite recent increases, social care spending trends over time suggest that average spending growth between 2019/20 and 2023/24 remained below the long-term average since 1997/98.’

ⁱⁱ [Social care 360: access](#), King’s Fund, May 2025. Reasons for the changing access to social care support by older adults are complex. For a fuller discussion, see Schlepper L and Dodsworth E, [The decline of publicly funded social care for older adults](#), Quality Watch Annual Statement, Nuffield Trust and Health Foundation, 2023

ⁱⁱⁱ All data in this section is taken from Brimblecombe, N. and Burchardt, T. [Social care irregularities in England: evidence briefing](#), LSE, September 2021

^{iv} Health and Social Care Committee, [Adult social care reform: the cost of inaction](#), UK Parliament, May 2025