

Members present: Clive Betts (Chair); Bob Blackman; Florence Eshalomi; Brendan Clarke-Smith; Ian Byrne; Rachel Hopkins; Ben Everitt; Matt Vickers; Mary Robinson; Andrew Lewer.

Panel 1

Witnesses:

Stephen Chandler, President, Association of Directors of Adult Social Services

Cllr Tim Oliver, Chair, County Councils Network

Pressures in the sector

Clive Betts asked the witnesses how the pressures on the adult social care sector have changed over the last three years.

Cllr Tim Oliver said there has been increased demand due to Covid; the provision of PPE, which local authorities have had to deal with; a reduction in income; payments to sustain private and third-sector providers; increased unit prices; and additional staffing costs.

Stephen Chandler said that more and more people are living longer with long-term conditions. This brings with it an increased demand. There is therefore greater pressure on the budgets of local authorities (LAs). A lot of the support is short term, which makes it difficult to plan for the long term. The pandemic has changed the landscape in which councils organise and deliver services and has brought with it increased associated costs for social care, e.g. for infection control (PPE, staffing, physical space needed). Social care is having to deal with increased demand that is a result of the increased activity in the NHS.

Plan for Health and Social Care

Clive Betts asked if the plan addresses the pressures.

Cllr Tim Oliver said that where health and social care come together – the discharge to assess – is the area that requires real focus. There is a shortage of hospital beds. What is needed is some form of fully funded stepdown facility or intermediate care of 4-6 weeks to enable the transition from hospital. There is a real opportunity for the two systems to work closely together on this.

Stephen Chandler thinks the plan does not address the current problems of increased demand and complexity of need that have arisen from the pandemic.

Funding

Ian Byrne said that local government will receive £5.4bn from the proceeds of the Health and Social Care Levy over three years. He asked if it will be enough to cover the reforms announced by the Government.

Cllr Tim Oliver understands that the money will fund four elements: 1. extended means testing, 2. the cap on care; 3. workforce development; 4. a fair price for care. the fourth one will be the biggest challenge in terms of both funding and delivery. The money from the Levy will go towards funding this transition, however, it will not deal with the current issues or the longer-term issues.

Ian Byrne asked how much money would be needed.

Cllr Tim Oliver said that the County Councils Network (CCN) has estimated that delivery of current care between now and 2030 will require an extra £7bn. The fair price for care will cost about £750m a year.

Stephen Chandler said that the Association of Directors of Adult Social Services (ADAS) fully supports the Health Foundation's model which states that a further £9bn (in addition to the £5.4bn) is needed for 2024/25 onwards. That is because staff and care staff should be paid the equivalent of a Band 3 NHS worker - £11.50 an hour.

Ian Byrne asked if LAs are planning to increase council tax.

Cllr Tim Oliver said that no councils want to increase council tax as a way of funding adult social care. It is complicated persuading residents that that is the way forward. The problem with council tax is the differential amount it raises across the country, e.g. 1% of the council tax in Stoke-on Trent raises £700,000; 1% in Surrey raises £7.5m.

Ian Byrne said that the plan expects existing pressures to be met through long-term efficiencies – he said this sounds like austerity. He asked the witnesses where they see opportunities for these efficiencies.

Cllr Tim Oliver said that all councils have been trying to make savings over the years and many now have nowhere to go in terms of finding further savings without cutting frontline services. He acknowledged that there has been good support for LAs during the pandemic, however, that money was specifically for Covid-related pressures. As we come out of the pandemic, there is no obvious place for savings to be made.

Stephen Chandler said that 34% of directors reported that last year councils had to draw upon reserves to cover adult social care overspends.

Ian Byrne asked what criteria the Government should consider when deciding how to share the proceeds of the Levy between social care and the NHS.

Stephen Chandler said one part of the care sector should not be pitched against each other. They have to co-exist. The Gov needs to look separately at the adult social care funding and the same for NHS funding.

Cllr Tim Oliver said that absolute commitment from Gov is needed on how much of the Levy is going to social care.

Spending Review

Ian Byrne asked what they would like to see in the Spending Review for adult social care.

Cllr Tim Oliver said that long-term sustainable funding is key.

Social care market

Rachel Hopkins said that as part of its new plan, the Government intends to bring new legislation into force to ensure that those who self-fund their care can ask their LA to arrange their care for them so they can find better value. The CCN responded to this by saying that they want to work

with the Gov to ensure that this commitment does not further destabilise local care markets. She asked what they mean by this.

Cllr Tim Oliver explained that the average price for a residential care bed that the council funds is about £750 per week whereas the average for a self-funder is £1,300. Care homes run on a mixed model. In effect, the self-funders are subsidising those who are funded by the LA. There are only two ways this can go – the cost of care goes down or the LAs will have to pay more. If all self-funders are able to access care at the same price as LAs, the market will be de-stabilised.

Stephen Chandler said that LAs cannot be seen to treat residents unequally. He said that either fees are brought down to the rates that councils pay - this would de-stabilise the care market – or fees rates are brought up from the current council level to match the level of self-funders.

Rachel Hopkins asked how the new additional national insurance employer contributions will impact the social care market.

Cllr Tim Oliver said it is another pressure on budgets.

Care cap

Rachel Hopkins asked what support local government require to implement the new means tested cap on cost.

Stephen Chandler said that the care cap will be accompanied by the care account to monitor the expenditure, so it will need changes to people and system infrastructure - either a change to local gov info systems, as well as additional assessors.

Cllr Tim Oliver said that 81% of those accessing care in Surrey are self-funders. The care cap would therefore mean that 81% more people would have to be administered by the council. The cost would be significant.

White Paper

Ben Everitt said that the white paper will include issues around choice, quality and accessibility of social care, and the social care workforce. He asked what else should be in there.

Cllr Tim Oliver said that it all depends on the detail and what the measures mean in practice. He said that it's not just about funding, it's also about improving the quality of care.

Stephen Chandler said it's important to recognise that a lot of people receiving care are not doing so through care homes, it is being given in their own homes or some other form of housing-related support. The white paper needs to ensure there is a broader understanding and focus on the non-residential and nursing models of support, such as extra care housing, housing with support, live-in carers, etc. as well as maximising the role technology plays in helping people make good decisions about their care and support, and helping them live better lives. He believes that the voluntary sector is a valuable resource, but it needs to form part of a coherent, funded plan.

Stephen Chandler argued that we also have to ensure there are robust support mechanisms in place for unpaid carers to help people continue to provide that very person-centred support and reduce the demand on councils.

Ben Everitt asked if it is economically viable to be a provider.

Cllr Tim Oliver said that the model does seem to work, however, there are important pressures. He argued that the individual needs to be at the centre of their own support; they need a level of control and independence. The longer we can keep people living independently, the less they are dependent on social care. A focus on prevention and earlier intervention is the way forward, e.g. mental health advisers in schools. Leadership is important – LAs have the responsibility for delivering and coordinating social care, however, there needs to be coherent and cohesive leadership, in collaboration with the NHS. Social care and the NHS need to be seen as equals. There also needs to be a performance framework to ensure consistency of quality improvement.

Stephen Chandler said that the pandemic has provided a period of stability for providers, through different streams of additional funding.

Ben Everitt asked how the development of the white paper, which the Government has said they would like to develop with the sector, is going.

Cllr Tim Oliver said there have been a few conversations, but they would like much more involvement. They have some ideas and suggestions they would like to share.

Stephen Chandler pointed out that there are two white papers in the Government's reform announcement – an integration white paper and an adult social care white paper.

Integration of health and social care

Matt Vickers asked the witnesses for their thoughts on the integration of health and social care.

Stephen Chandler said that integration is not a new concept and has been operating for decades – mental health has been the forerunner of integrated arrangements for decades. He doesn't believe that it is the solution on its own, but it does offer some significant opportunities.

Cllr Tim Oliver was more positive about the benefits of the integration of health and social care. He said that 20% of the things that will make a difference to life expectancy are direct health interventions; 30% are personal wellbeing behaviour; 50% are around the things LAs and their partners can deliver – housing, access to green space, etc. He thinks that an integrated approach is vital between the health system, LAs and their partners.

Stephen Chandler said that ADAS believe there are several things that are critical to success: health and wellbeing boards; strong leadership; creative use of the use of the resources at a system and place-level; provided with overview and scrutiny.

Models of care for the future

Mary Robinson asked how the Government can support the transition to different models of care, such as domiciliary and community-based models.

Stephen Chandler agrees that we should be moving away from the current model of care. They should enhance what is currently available to allow people to remain independent and in their own homes for as long as possible – home care and technology are things that could support this. Government needs to talk more about models of support that are not care home related.

Regulatory oversight

Mary Robinson asked the witnesses for their assessment of the state of regulatory oversight.

Stephen Chandler explained that ADAS has been working with the Department for Health and Social Care and the Care Quality Commission (CQC) in developing the framework for future regulatory oversight of the sector. He is concerned on behalf of directors and local government that regulatory oversight will be introduced before any of the reforms have been implemented and before the additional investment will have funnelled through. He is worried that a modern measuring lens will be used on an old-style delivery system.

When ADAS asked directors of adult social services in their latest survey how they confident they were that they would be able to meet their legal responsibilities under the legal Care Act, 72% said they are not confident. This could be translated into 72% of directors believe they wouldn't be able to meet the regulatory framework, which is why it is so important to financially stabilise local government and adult social care services; and that a very clear long-term plan is provided.

Cllr Tim Oliver agrees that reform of the regulatory oversight is necessary.

Outsourcing services

Ian Byrne asked for thoughts on bringing adult care services back in-house, within LAs, rather than outsourcing.

Stephen Chandler does not believe that one option is the solution; there are good and bad examples of both in-house and outsourced services. He said that in Oxfordshire, all of the services are outsourced, and they have one of the best CQC ratings.

Panel 2

Witnesses:

Steve Scown, Group Chief Executive, Dimensions UK

Jane Ashcroft CBE, Chief Executive, Anchor

Dr Jane Townson, Chief Executive, Homecare Association

Pressures on the sector

Andrew Lewer asked how pressures on the adult social care system have changed since the HCLG Committee last explored the issue of long-term funding of adult social care along with the Health and Social Care Committee.

Jane Ashcroft said Anchor has seen a significant increase in demand for their retirement housing and extra-care services and their residential care homes. They have seen a reduction in the percentage of the people funded by the public purse and an increase in the private payer percentage. Previously it was just over 50% LA-funded, and that has now shifted to just under 50%.

Jane Ashcroft pointed out that the most significant change over the last three years has been the increase in workforce pressures – there has been an important increase in turnover and an increased difficulty to recruit. Anchor has sought to invest heavily in its workforce over the last three years and they have introduced a range of activities to recruit and attract people and retain experienced colleagues; they have a very strong commitment to training and development. They seek to be ahead of the Living Wage. During the pandemic, despite a reduction in occupancy in their care homes, they have not seen a reduction in the need for workforce due to additional workload around testing and management of the visiting system, infection control. The pandemic has provoked additional cost pressures around workforce, utilities, food prices and equipment for infection control.

In addition to the things stated by Jane Ashcroft, **Dr Jane Townson** highlighted the increase in complexity of need – as numbers of older and disabled people needing support has increased while funding has been squeezed, care has been rationed. For home care, in order to receive state funding, an individual needs to have fairly advanced healthcare needs. The typical time that a person is in a homecare service funded by the state is between 1 and 1.5 years – people who are close to the end of life. **Dr Jane Townson** said investment needs to happen much earlier than is currently the case.

Steve Scown said they haven't seen a significant increase in demand; rather a continuing trajectory of increasing demand at the same pace as before. They have noticed that the people who are not supported 24/7, who live in their own home, are likely to have their number of hours reduced, which places them at risk of certain issues. Their staff vacancies reduced during the pandemic and they had no difficulty recruiting, however, since April 2021 there has been a material change in that. They have struggled to stay above the National Living Wage. This year they have nobody on the National Living Wage, they are just above it, but it is an increasing challenge each year, as their contract prices aren't increasing at the same rate as their costs.

Plan for Health and Social Care

Andrew Lewer asked for thoughts on the plan.

Steve Scown doesn't think that the services Dimensions UK provide are going to see any benefit whatsoever.

Dr Jane Townson said that the reforms don't come into effect under 2023, so money has to be found up until then. There have been hints that councils will have to find the extra money, either by raising council tax or generating efficiencies. The workforce is the biggest challenge. The Homecare Association has just published data showing that the volume of hours purchased in the UK has increased by 11% in just one year. As demand is increasing, supply is going down. Providers are reporting a 75% reduction in applications for jobs, and care workers are leaving faster than they've ever known. This isn't being helped by some of the Government's policies, such as vaccination as a condition of deployment.

Dr Jane Townson went on to say that homecare is one of the most squeezed services by commissioners, specifically homecare purchased by the minute at fee rates well below cost. This means that it has become impossible to pay staff what they deserve.

Jane Ashcroft said that the short-term pressures are profound, and she is concerned about how these will be addressed. Anchor's national insurance bill will go up by £2.5m on 1st April. They anticipate that the fee increases that LAs may be able to discuss with them may be in the region of 2%. They are concerned that supply across a range of services will be insufficient, as they already have small numbers of care homes where they are not able to accept any further residents because they aren't able to attract any further staff.

Social care market

Clive Betts asked about the Government's plans to level the price of care between self-funders and those who care is state-funded.

Jane Ashcroft said that data shows that the range of care home fees is very significant in different parts of the country, with no link to the cost of delivering care in those areas, therefore the introduction of a fair price for care mechanism which very clearly identifies the true costs of care delivery is going to be critical.

Dr Jane Townson explained that section 18.3 of the Care Act 2014 has already been brought into effect in healthcare, and some providers have already experienced councils putting requests for care for self-funders on their procurement portals at their rates. In their studies, the Homecare Association has found that it is the areas of greatest deprivation that have the lowest rates for homecare. She warned that providers cannot make it work economically on those fee rates, as they have to be compliant with national minimum wage legislation and care regulations, and they don't vary depending on where you are in the country. In some places, homecare is on the brink of sustainability. There is a large number of small and medium enterprises in the homecare sector – over 85% have fewer than 50 employees, and many rely on a mix of state-funded and private pay funded work, and if that gets taken away, there will be many more providers, having to hand back work, cease trading, sell their businesses.

National Living Wage

Clive Betts asked what impact the Government's plans to increase the National Living Wage by 6.6% will have on the care sector.

Dr Jane Townson said it will have a huge impact, as staff costs are a very high percentage of the total costs in the care sector, and for the homecare sector they represent around 70% of total costs; care homes around 60%. Unless the wage increase is funded, providers are going to struggle to cover the costs. There are also other costs – pension, national insurance holiday pay, sick pay, and for the homecare sector, travel and mileage.

Steve Scown said that he would need a 4% uplift next year to cover the increased wage costs. His average increase in contracts prices is 2%.

Spending Review

Clive Betts asked the witnesses what they would like to see in the Spending Review.

Steve Scown agrees with the £14bn figure by 2030 which was identified by the Health Foundation.

Dr Jane Townson argued that social care should be seen as a means of investing, rather than just a cost. Skills for Care recently published data showing that the value of social care to the economy is about £50bn. International evidence shows that having a strong foundational economy is essential for the tradable economy to function. The care sector employs more people than the NHS, and if those people are being paid a good wage, they will spend money in their local economies. They see it as a call for investment to help the economy.

Jane Ashcroft agrees that the £14bn Health Foundation figure is a good place to start. She built on Dr Jane Townson's point that the consequence of under supply of social care is dramatic on the economy. There are 10m unpaid carers – people stepping out of the workforce in order to provide care because it can't be accessed through any other route. Investment in social care needs to be seen as infrastructure investment and an opportunity to create jobs.

Investment in housing for older people

Speaking about how housing can help with the social care conundrum, **Jane Ashcroft** explained that Anchor sees the benefit of specialist housing for older people as a means of preventing people needing more intense social care services. Across Anchor's 60,000 residents, 6,000 live in residential care services that are focused predominately on dementia care, but the majority of their residents live in purpose-built retirement housing, most of them with no care provided, as they are able to maintain a degree of independence. Anchor thinks that further investment provides opportunity for the development of age-specific housing for older people, built in a way that fits into the local communities and is connected to other generations. Anchor is calling on the Government to bear in mind housing for older people when thinking about planning and future investment, as part of support for the social care agenda and to ensure a range of choice for all of us in later life.

White paper

Clive Betts asked if the Government has been in touch on the topic of the white paper.

Dr Jane Townson said that there was a rush of invitations to meetings to discuss different elements of the white paper. She feels that the country is missing an overarching strategy. She warned that the number of people over 85 is increasing, and if we can't cope now, how are we going to cope in the future.

Steve Scowen said that the Government has rarely been in touch to get Dimensions UK's opinions. He said that it is the usual suspects who get asked, and the organisations representing service users are rarely asked – he thinks this should change. He said that we should move away from seeing social care as one big single homogeneous lump – the social care white paper is successful in this regard. Social care is usually seen through the lens of large residential care homes for older people.

On the topic of the workforce, **Steve Scowen** said he is fed up of waiting for a strategy from the Government. Select Committees and the CQC have all called for it.

Jane Ashcroft highlighted the importance of listening to the voices of both the providers and the service users. There is often an assumption that if LAs are involved, then care providers are, however, this is not the case – the vast majority of services in social care are provided by the independent sector and it is quite rare for the voice of providers to be involved in the debate. She reiterated the call for a workforce strategy.

Workforce

Florence Eshalomi said that Carers UK estimate that there are around 13.5m unpaid carers in the UK. She spoke about her experience being an unpaid carer for her mother. During the pandemic, an additional 4.5m people were caring for someone. She asked the witnesses what their experiences have been attracting and retaining staff during the pandemic and what the outlook is beyond the pandemic.

Steve Scowen said that during the pandemic, Dimensions UK's recruitment rates went up, as people saw it as secure work - better than Furlough or being on benefits. Since April, that trend has reversed; they have lost 7.2% of their workforce who are going for better jobs. They are competing against the likes of supermarkets and the hospitality sector. **Steve Scowen** is currently very pessimistic about the future. He said that until social care staff are paid what they are worth, on parity with NHS colleagues – a £7,000 uplift per person - social care is not going to be seen as an attractive career. A better career structure is needed.

Dr Jane Townson made a comparison with the position that nursing was in 100 years ago when people were calling for professionalisation. The same is needed for social care. The £500m is a positive step, but it only works out at about £111 per person per year.

Jane Ashcroft said that many people who work for Anchor were at some stage in their lives informal carers and that is what brought them into care. She argued that the work is physically, emotionally and intellectually demanding and people need to be rewarded for that and their professionalism needs to be recognised. She said that not anybody can be a carer. She is concerned about burnout.

Dr Jane Townson brought up the topic of migration, which is having both a direct and indirect effect. As the hospitality and leisure sectors have lost a lot of their workforce, they are now targeting the care sector to recruit workers.

Florence Eshalomi asked what they would like to see in a workforce strategy.

Steve Scowen said first and foremost, fair pay.

Dr Jane Townson said that a big reason people decide to work in the care sector is the emotionally rewarding work, the feeling of making a difference. She said that in the past the care sector has lost people to retail but they subsequently returned because they missed that aspect of the job. She said that pay is obviously key, but the way care is commissioned and purchased also has a big impact on care workers.

Florence Eshalomi asked about care workers' ability to get to work.

Jane Ashcroft said it is a good point. For homecare, travel is obviously an issue, but it can also be a problem for residential care too, i.e. if there isn't a bus route or any public transport nearby. She went on to speak about data in the Skills for Care report which shows that turnover rates are lower in establishments that have higher CQC scores – this points to the fact that better care is provided by a stable workforce, as it is based on relationships, and carers want to work somewhere they are proud of.

Dr Jane Townson highlighted that care quality ratings are higher in areas of lower deprivation. The quality is related to income and how much there is to invest in training, pay, support and supervision – a virtuous circle.

Integration of health and social care

Brendan Clarke-Smith asked about the progress of the integration of health and social care.

Dr Jane Townson said that the word integration means different things to different people. She prefers the word collaboration – that is what needs to happen on the ground. The NHS is made up of lots of different trusts, GPs working as independent business, community pharmacists, etc. and what unites everybody is the person who is receiving care. It's about joining things up for the patient.

Steve Scowen said that services for younger people and working age adults with disabilities are not on the integration agenda, as far as he can see. In terms of the national care service, he doesn't know what that means; if it means the medicalisation of social care and the NHS being in charge of services for people with learning disabilities, it would be the biggest retrograde step this country could ever make. He said he has spent 40 years fighting to enable people with learning disabilities to have choice and control and get them out of institutions.

Jane Ashcroft said that at a local level, Anchor has some good relationships where they deliver integrated services. Their concern is around the cost of process, which will mean more money going out of delivery and into managing a complex system.

Bob Blackman asked if the witnesses would agree with the idea to move the model away from care homes to more domiciliary and community-based organisations, and if so, how the Government can encourage this shift.

Dr Jane Townson said that there definitely needs to be investment in home-based and community services. To deal with the demographics, the aim should be supporting people to live well and longer at home.

Jane Ashcroft said there is definitely a role of care homes, however, the focus should be on providing choice for people. It would be helpful if we could have support for the development – across a range of tenures – of retirement living options, multi-generational living options, etc. The number of older people in this country is growing, and therefore the range of options should grow.

Steve Scowen said that the best model is when people have choice, control and independence.

Outcomes

Bob Blackman asked about an outcomes-based model.

Steve Scowen believes that we should move towards outcomes-based commissioning, and outcomes should be determined by the people receiving the care. He said that it's about giving people the life they want, rather than the one some procurement officer thinks they should have.

Dr Jane Townson said that homecare is currently measured on how many minutes the care worker spends with the person, not outcomes. One of the challenges is the mechanism for the commissioning. A radical reform for commissioning is required.

Jane Ashcroft completely supports commissioning for outcomes and doesn't believe that it would cost more money.

Regulatory framework

Bob Blackman asked for their assessment of the current regulatory framework and what needs to change.

Steve Scowen said there should be a regulatory framework that is prepared to measure and judge people on outcomes. He said that CQC's strategy is ok, but what they are experiencing on the ground is not in line with their strategy.

Dr Jane Townson said that the intent of the CQC system is positive. A lot of the mechanisms are there, however, they are not always implemented in the most consistent manner and she believes it has got worst during the pandemic. There should be some rules for LAs, they shouldn't be allowed to commission at rates below what is compliant to regulations.

Jane Ashcroft would like to see an intelligence-based and proportionate approach to regulations. It needs to draw on the experiences of those using the services and those who work with the services. The way the regulatory framework applies to the commissioning environment is going to be very important.