Homecare Association

Submission to the Health and Social Care Committee on: Adult Social Care Reform - The Cost of Inaction

Submitted 20 December 2024

Who are we?

The Homecare Association is a national membership body for homecare providers, with over 2,200 members across the UK. Our mission is to ensure society values homecare, and invests in it, so all of us can live well at home and flourish in our communities. We lead the way in shaping homecare and provide practical support for our members. Our members encompass the diversity of providers in the market: from small to large; state-funded to private-pay funded; generalist to specialist; live-in services to visiting services and from start-ups to mature businesses.

Introduction

Since 1997, there have been 25 different social care commissions, select committee inquiries and white papers[1]. Successive Governments have made some changes, such as introducing the Care Act 2014. Despite this, key questions about the funding, sustainability, and delivery of social care remain unanswered. Decisions to cut public funding over a prolonged period have been disastrous for social care. The sector has faced ongoing challenges with financial stability, and this is showing no sign of improvement.

The cost to long-term public health is significant. People's health is deteriorating. This leads to reliance on expensive emergency services and more frequent hospital admissions. The need for more complex care is growing, placing further strain on the NHS and reducing its efficiency. This hurts the economy by increasing spending, reducing labour participation, and slowing growth.

Investing in social care is vital for achieving high economic growth. Social care is a key plank of the foundational economy, upon which the tradable economy depends.

Homecare plays a vital role in enabling us all to live well at home and flourish in our communities. Investing in homecare helps to enhance wellbeing; increase healthy life expectancy; reduce pressure on the NHS; save money for the health and care system;

[1] Social care commissions: looking back to move forward - The Health Foundation

and support economic growth. As we outline in our manifesto[2], there is power in partnership, and collaboration across social care, health, housing and voluntary sectors is key.

Against this backdrop, the Nuffield Trust has estimated that increases in employers' National Insurance Contributions and minimum wage increases combined will cost social care employers £2.8 billion[2]. At the time of writing, the Government has allocated £880 million to adult social care and said that they would increase Local Authority budgets by 3.5%. Even if local authorities spent all of that additional funding on adult social care, it would not be enough.

The Government has estimated that the Employment Rights Bill will increase costs further by 1.5% [3] for all employers. However, for homecare employers it will be significantly higher than this - a Fair Pay Agreement and changes to zero hours contract-based employment could significantly increase delivery costs.

We urge the Government to take immediate action by committing to protect and adequately fund local authority budgets, ensuring councils can meet their legal obligations and continue to provide the vital social care services that people depend on. This is essential for individuals relying on care services and for the sector's stability. It is also important for the NHS, which has waiting lists of 7.6 million[4]. Lack of investment in social care increases hospital admissions and readmissions and delays discharges. Lack of availability of hospital beds is a key contributor to growing waiting lists for treatment.

Response to the Committee's Questions

Q1) How much is inaction on adult social care reform costing the NHS and local authorities, and what impact does this have on patients and the public?

Local authorities have a legal obligation under the Care Act 2014 to ensure the provision of services, facilities, and resources to help prevent, delay, or reduce the development of care needs.

It is the local authorities' responsibility that people in their local area:

- Receive services that prevent their care needs from becoming more serious.
- Allow easy access to information and advice to make good decisions about the potential care and support needed.
- Have a wide range of high quality, appropriate services available to choose from.

[2] Will the Autumn Budget push the social care sector beyond breaking point? | Nuffield Trust
[3] Employment Rights Bill economic analysis

To ensure this, local authorities have a responsibility to manage their commissioning of social care services efficiently so providers can be compliant with legislation and regulation and share their care market to enable choice and encourage independence.

The NHS is there to improve our health and wellbeing, supporting us to keep mentally and physically well, to get better when we are ill and, when we cannot fully recover, to stay as well as we can to the end of our lives.

Councils and the NHS purchase 79% of homecare services[4]. The funding they have available and the decisions they make shape the quality, delivery, and financial viability of the market.

The financial situation

The cost of inaction on adult social care reform, particularly in relation to central funding to meet growing demand, has meant that local authorities have been unable to meet their legal obligations. This has jeopardised the delivery of high-quality essential services, increased unmet need for care and created the conditions for an unsustainable homecare market.

The financial situation facing Local Authorities and Directors of Adult Social Care Services (DASSs) is as dire as it has ever been in recent history. The Local Government Association (LGA) has estimated that, over the past decade, care costs have increased by £8.5bn but revenue only by £2.4bn, resulting in a £6.1bn funding gap[5]. In October 2023, the LGA estimated that councils in England face a funding gap of £4 billion for all services, not only social care, over the next two years[6].

Alarmingly, nine out of ten DASSs have expressed little to no confidence that their budgets will be sufficient to fully meet their statutory duties in 2024/25[7]. The budget for adult social care increased from £19.2 billion in 2023/24 to £20.5 billion in 2024/25, and the share of councils' overall budgets spent on social care rose from 36.7% to 37.2%. These increases cannot, however, address the growing demands and pressures on the system.

What is particularly troubling is that in the most recent survey conducted by the Association of Directors of Adult Social Care Services, 37% of DASSs reported they would need to rely on council reserves and other one-off funding sources just to

---

[4] https://go.laingbuisson.com/homecare6

[5] https://www.local.gov.uk/parliament/briefings-and-responses/debate-social-care-provision-uk-and-role-carers-provision-house#:~:text=More%20information-,Debate%20on%20social%20care%20provision%20in%20the%20UK%20and%20the,billion%20needed%20to%20be%20managed.

[6] https://www.local.gov.uk/parliament/briefings-and-responses/local-government-finances-and-impact-local-communities

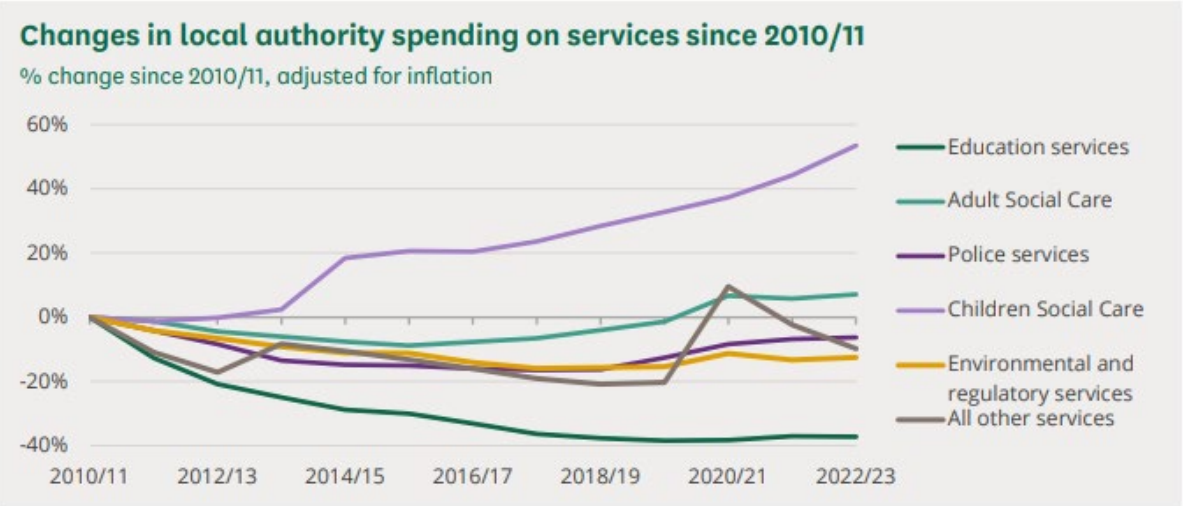
[7] https://www.adass.org.uk/documents/adass-spring-survey-2024/

cover their social care base budgets[8]. This is an unsustainable approach that jeopardises the long-term viability of essential services.

This is only further compounded by recent decisions at the Autumn Budget 2024. Overall, we calculate we need an extra £1.8 billion per year for homecare alone to cover new increases and historic deficits.

Funding deficits, and inaction have also had knock-on consequences on the ability of local authorities to fund other important public services. In Figure 1, the graph shows the decrease in spending on services such as libraries, planning services, housing, highways and transport[9].

Figure 1: Changes in local authority spending on services.



The NHS, in comparison, has historically attracted more funding than social care. Over the last decade, total health funding has increased by 1.4% per year, on average. This is broadly in line with the long-run historical average rate of increase in health spending and estimates of long-term future funding pressures[10]. Despite this, it has often been directed to elective and urgent care, with little being allocated to the commissioning of homecare services.

Inability to recognise the true cost of homecare.

Our recent research shows that fee rates for state-funded homecare across the UK remain dangerously low, failing to keep up with rising wages and costs, and putting the sector's stability at risk. As a result, the homecare market remains under severe strain.

Every year, we produce a Minimum Price for Homecare[11]. This is the amount required to ensure the minimum legally compliant pay rate for careworkers (excluding any

[8] https://www.adass.org.uk/documents/adass-spring-survey-2024/
[9] Local government finances: Impact on communities - House of Lords Library
[10] NHS funding has to translate into improvements the public can see - The Health Foundation
[11] https://www.homecareassociation.org.uk/resource/minimum-price-for-homecare-2025-2026.html

enhancements for weekend or bank holiday working), their travel time, mileage, and various wage-related on-costs. The rate also includes the minimum contribution towards the costs of running a care business to meet quality and other legal requirements. These include wages of a Registered Manager and other office staff; recruitment; training; PPE; digital systems; telephony; regulatory fees; insurance; office rent, rates and utilities; business administration; governance; and a small surplus for investment.

For the 2025/2026 financial year, we calculate that to be **£32.14[12].**

Figure 2 Breakdown of minimum price for homecare 2025/26.

Homecare Association research conducted in 2023[13] showed only 5% of public bodies across the UK were paying fee rates which met this minimum price (and, therefore, supported compliance with minimum wage legislation and care regulation).[18] public bodies were buying homecare at rates below the amount needed to cover direct staff costs at the then minimum wage. There is significant regional variation in rates with the amount commissioners in Greater London were paying averaging at just £19.01 in 2023/24, despite higher living costs in London.

In August 2024, we published further research investigating fee rates for homecare after the minimum wage increased to £11.44 per hour on 1 April 2024[14]. **Only 1%** of contracts with public bodies for regular homecare were paying the minimum price we calculated (then £28.53 per hour). **Only 6%** of regular homecare contracts with local authorities in England had a fee increase that kept pace with the National Minimum

[12] Minimum Price for Homecare - England 2025-2026
[13] The Homecare Deficit 2023
[14] Fee rates for state-funded homecare 2024-25

Wage increase. The average rate paid in England was £23.21 per hour – well below the minimum rate required. We estimate that in 2024/25 there is a £1.08 billion deficit to meet delivery costs at minimum wage in homecare alone[15]. Minimum wage is not an attractive wage rate – if providers are to compete with supermarkets and hospitality, they need to offer more than that.

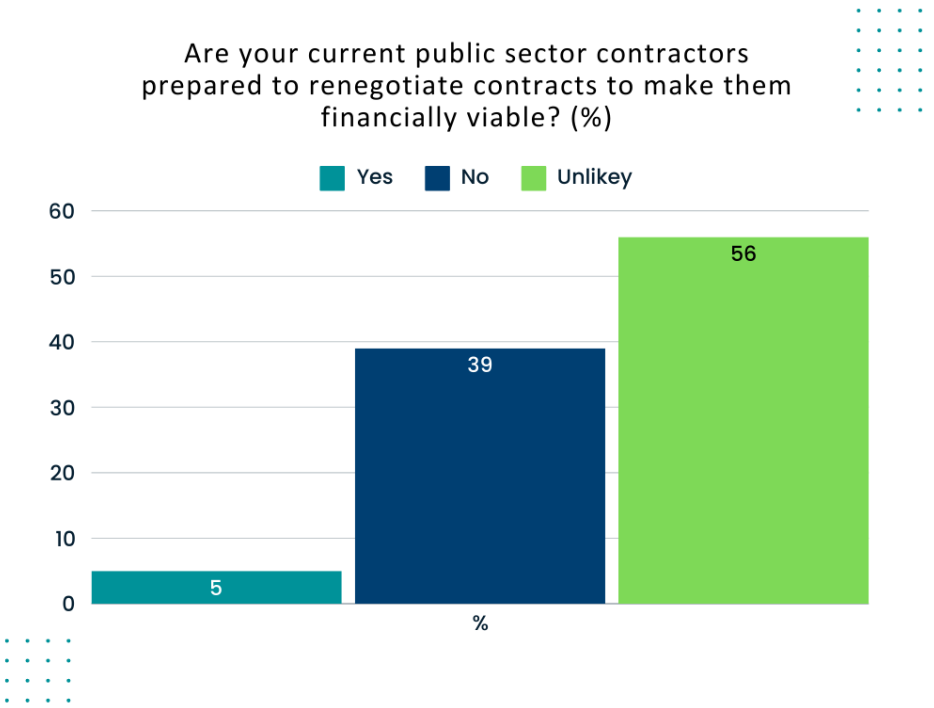
Inadequate central government funding for homecare has resulted in rationing of care and cost-cutting. Some public bodies encourage a race to the bottom on price, and some tenders now place more weight on price than quality. Our research highlights that some councils are paying less than the £19.90 per hour needed to cover direct careworker costs[16].

According to our recent research, 45% of providers report NHS commissioners pay the same rate for hospital discharge work with complex care as they do for regular, council-funded personal care. This can be for as little as £16-17 an hour[17].

Many councils estimate in the next financial year – 2025-26- they will only be able to increase fees by 0-5%, which is far below cost inflation. The Local Government Provisional Settlement offered no grounds for optimism. Evidence from Homecare Association members Caremark Ltd and Right at Home UK tells a similar story. With 95% of their branches unable to renegotiate contract prices with public commissioners to make them financially viable.

[15] Fee rates for state-funded homecare 2024-25
[16] https://www.homecareassociation.org.uk/resource/fee-rates-for-state-funded-homecare-2024-25.html
[17] https://www.homecareassociation.org.uk/resource/fee-rates-for-state-funded-homecare-2024-25.html

Figure 3: Response from homecare franchise owners about likely success of negotiations with public commissioners on fee rates.



Moving to unregulated care

Budgetary pressures mean more councils are also seeking to cut costs by promoting the use of direct payments and personal assistants who deliver unregulated care.

Unregulated care delivered by individual care workers is cheaper than regulated managed services, because it avoids the high costs of meeting regulatory requirements. Operational overheads are also lower.

Direct payment rates are typically lower than rates for commissioned homecare. Indeed, they are often below the amount needed to cover the National Minimum Wage and statutory employment on-costs. Fee rates which are too low are just as much of a problem for recipients of direct payments and those who work for them as they are for providers of commissioned services. Recruitment and retention of care workers is a challenge for everyone.

Many people eligible for state-funded social care, especially if over 65 years, have advanced healthcare needs. Personal care and healthcare tasks, such as complex catheter care, PEG (percutaneous endoscopic gastrostomy) feeds, and suction, require training and supervision, preferably from a registered nurse.

There is no mandatory training requirement or supervision for personal assistants performing such tasks. Nor are there safeguards for people drawing on unregulated services.

Reducing service capacity

Inaction on adult social care reform, particularly funding, is having severe consequences, with providers operating on a shoestring to keep afloat and delivering services.

A focus on price over quality has strained the market further. The Association of Directors of Adult Social Services (ADASS) reported that 39% of local authorities experienced provider closures or contract handbacks between November 2023 and May 2024[18].

After decades of underfunding, and multiple challenges facing the social care sector, we believe that homecare providers are now at a tipping point.

Evidence from our members and the wider sector suggests that homecare providers are having to hand back packages of care to public bodies, or close entirely. A recent survey by the Care Provider Alliance[19] showed that:

- 57% of providers handing back contracts to local authorities or the NHS
- 71% of providers will be abandoning business growth plans.
- 22% of providers are planning to close down their businesses.
- 36% of providers are planning to close some of your services.
- 32% of providers are planning to sell their business.

Evidence from Homecare Association members Caremark Ltd and Right at Home UK tells a similar story. With 81% of their branches lacking confidence, they can sustain operations over the next year.

[18] https://www.adass.org.uk/documents/adass-spring-survey-2024/
[19] https://www.homecareassociation.org.uk/resource/care-provider-alliance-call-to-address-the-devastating-impact-of-the-budget.html

Figure 4: Confidence of franchise owners in the sustainability of operations over the next 12 months

When providers close, local authorities need to find alternative care provision for the people that they supported, potentially at short notice. In homecare, this can be as short as 1 month. They can only do this if they can find other services which have the capacity to take more people on.

Inaction from successive governments has left local authorities facing the very real possibility of unplanned contraction and consolidation in the market, despite growing demand. We expect that over the next few years there will be severe disruption to service provision. This will mean people do not receive the care they need, and careworkers lose their jobs.

Compounded by the financial situation facing local authorities, we question how well-equipped local authorities are to deal with higher levels of disruption to care provision.

Increasing disparities

Evidence suggests that inaction on adult social care reform, and the instability in the market affects some areas on the UK more than others. Age UK has described 'care

deserts', where no care is available no matter your means to pay for it[20]. Limited access to services also correlates with areas where people live in low-income households and deprived neighbourhoods. People living in these areas are more likely to need support with activities of daily living[21].

More evidence from the Care Quality Commission (CQC) confirms this. They report that the Northeast and Yorkshire in 2023/24 had the highest proportion of delayed discharges because of waiting for homecare. The Northeast region also had the fewest homecare services per 100,000 population[22]. Our data shows that, outside London, the Northeast had the lowest local authority hourly rates for homecare in the UK averaging at £19.82 per hour in 2023/24. This was £6.13 an hour less than our Minimum Price for Homecare at the time[23].

This indicates there is a relationship between low fee rates for care and access to care. Government inaction to address disparities in fee rates has affected some regions more than others, and the people living there.

Increasing demand on the NHS

Despite playing a vital role in avoiding unnecessary hospital admissions, state-funding for homecare services has not kept pace with cost or demand. The impact of this on the NHS is significant. The Institute for Fiscal Studies assessed the impact of cuts to older people's adult social care between 2009/10 and 2017/18. It found that a 31 percent fall in spending per capita was associated with an 18 percent increase in A&E admissions among the over-65s, and a 12.5 percent increase in A&E readmissions within seven days. Each £100 reduction in adult social care spending resulted in an increase of £1.50 in A&E spending[24]. Homecare providers are a crucial partner to the NHS in enabling safe, timely and effective discharge from hospital. But all too often, we are seeing unsafe, chaotic and distressing discharge practices that are failing patients and families. Over 60% of providers tell us that people are being discharged from hospital too soon, leading to readmission. A third of providers (35%) say that most of the discharges they are involved in are not safe[25].

Homecare providers stand ready to support the NHS, but their services are not being fully used. In our recent research, two-thirds of providers said that while there are discharge delays in their area, they have unused homecare capacity. Nearly half of

---

[20] care-deserts---age-uk-report.pdf
[21] SPDO_Research_Brief03.pdf
[22] The state of health care and adult social care in England 2023/24 - Care Quality Commission
[23] The Homecare Deficit 2023
[24] https://ifs.org.uk/publications/impact-cuts-social-care-spending-use-accident-and-emergency-departments-england#:~:text=We%20estimate%20that%20the%20average,people%20aged%2085%20and%20above.
[25] https://www.homecareassociation.org.uk/resource/hospital-discharge-and-homecare-in-the-uk-a-call-for-urgent-action-from-an-incoming-government.html

private-pay homecare providers said they will step in and support services but are not being commissioned[26].

In October 2024 there were on average 12,340 people per day staying in hospital who did not need to be there[27]. This is around 12% of total acute and general bed capacity[28].

In 2022/23, the King's Fund estimated that delayed discharge cost the NHS around £1.89 billion in direct costs, though DHSC internal documents have suggested that, including indirect costs, the cost to the NHS could amount to £7bn[29]. A fifth of those awaiting discharge were waiting for homecare services[30]. Individuals who stay in hospital for extended periods when they do not require hospital treatment can experience worse outcomes such as deconditioning of muscles, adverse impact on dementia from being in an unknown environment, and hospital-acquired infections.

Deferring social care to the police

Lack of social care support for people with mental health difficulties or social, emotional or behavioural issues can mean that the police service ends up responding to situations that health and social care professionals would support better. This can often have a significant impact on someone experiencing mental distress.

The recent Right Care, Right Person (RCRP) research analysis[31] reported that:

"The main barrier to RCRP implementation was identified as capacity and resourcing limitations within health and social care for responding to incidents that had been dealt with by the police before the introduction of RCRP. Absorbing this demand has been made more challenging by wider increases in demand for health and social care services and ongoing resource challenges in many ICBs and LAs."

Q2) What NHS and local authority service reforms are not happening as a result of adult social care pressures, and what benefits are patients and the public missing out on?

A quarter of us will be 65 or older in 25 years. Our health and care system is not coping now. To meet this challenge, we must transform how we fund, provide, and ensure access to care. Early support and preventative approaches in the community will help to shift the dial on demand. We must harness the power of innovation while cherishing the irreplaceable human elements of hands-on care. With smart strategies, collaboration, and investment, we can build a future where more of us remain healthy for longer. Supporting people at home must be at the heart of government policy.

---

[26] https://www.homecareassociation.org.uk/resource/hospital-discharge-and-homecare-in-the-uk-a-call-for-urgent-action-from-an-incoming-government.html
[27] Statistics » Discharge delays (Acute)
[28] Statistics » Bed Availability and Occupancy Data – Overnight
[29] The Hidden Problems Behind Delayed Discharges | The King's Fund
[30] Delayed discharges from hospital | Nuffield Trust
[31] Right Care, Right Person - GOV.UK

Current budgetary pressures mean that NHS and local authority staff are focussing on fire-fighting crisis situations and commissioning by-the-minute to preserve over-stretched budgets. They do not have the capacity to implement changes[32]. Homecare providers themselves are desperately trying to deliver services in extremely challenging situations.

This has meant that public authorities and homecare providers have made little progress on assuring the foundations required for a sustainable adult social care market, which puts the person at the heart of their care.

Below we outline the Homecare Association's assessment of what reforms are not happening. This does not mean that high quality homecare providers do not wish to do so. Despite financial instability and significant challenges, many have business growth plans, innovative transformation plans and stand ready to work in partnership with their colleagues in the NHS. Without fair funding from public authorities and a willingness to engage by the NHS, this remains very difficult to deliver.

Successive governments have committed to delivering joined up, coordinated and integrated care for people. They have made significant policy decisions, introduced new legislation and reorganised the health service to enable this.

Social care however vital to the delivery of integrated care, has too often been ignored. This has hindered the ability to deliver care that people expect and makes sense to them. It has also stopped both the NHS and central government from benefitting from the value of social care.

Many care providers have thoughts on how they could work with the NHS to deliver efficient and effective services in their area but do not know how to discuss these ideas with their Integrated Care Boards[33]. They often are unable to get a seat at the table, in multi-disciplinary team meetings or access support from their healthcare counterparts when they need it. In some parts of the country, there are excellent examples of true integration. They are however few and far between.

With action on adult social care reform, we believe significant progress could be made on:

Enabling hospital discharge in partnership

Homecare providers are a crucial partner to the NHS in enabling safe, timely and effective discharge from hospital. But all too often, we are seeing unsafe, chaotic and distressing discharge practices that are failing patients and families. Over 60% of providers tell us that people are being discharged from hospital too soon, leading to

[32] Social care: Delay cap on costs to ease crisis, councils warn - BBC News
[33] Hospital discharge and homecare in the UK – a call for urgent action from an incoming government

readmission. A third of providers (35%) say that most of the discharges they are involved in are not safe[34].

Current discharge practices often fail to meet the basic standards of person-centred care. Our data shows 55% of providers report discharge paperwork inadequately reflecting people's needs and views, while 59% disagreed that the process offers adequate choice about care arrangements. Support for joint outcome-based assessments is strong at 69%, yet implementation remains poor. The consequences are serious: 35% of providers report unsafe discharges and 76% show increased difficulty accessing healthcare compared to the previous year[35].

Homecare providers stand ready to support the NHS, but their services are not being fully used. In our recent research, two-thirds of providers said that while there are discharge delays in their area, they have unused homecare capacity. Nearly half of private-pay homecare providers said they will step in and support services but are not being commissioned[36].

Recent analysis from Autumna confirms this. 85% of homecare providers who have a positive relationship with their local hospital discharge teams want to see the process reformed. 93% of homecare providers would like to see government reform of the hospital discharge process[37].

Unlike care homes, which have fixed bed numbers limiting capacity, homecare supply is more elastic. If hospitals handled discharges safely, fees covered costs, and ICBs paid invoices on time, more homecare providers would accept NHS work. Models of provision, such as live-in care, could also be useful for people with higher needs discharged from hospital. Many commissioners seem unwilling even to consider this, though costs are comparable to care homes.

Enabling care workers to better support preventative care in the community

The Secretary of State has stated that he intends to "shift the focus of healthcare from hospital to community, from sickness to prevention," [38].

Social care has a key role to play in preventing people's needs from escalating or reaching a crisis point. The earlier people can access services, the more preventative steps can be taken. The Local Government Association estimated that peer-to-peer early interventions to support hospital discharge, address loneliness, support falls prevention programmes and more could return £3.17 for every pound invested. Despite this, people still receive care too late, when their needs are complex and

---

[34] https://www.homecareassociation.org.uk/resource/hospital-discharge-and-homecare-in-the-uk-a-call-for-urgent-action-from-an-incoming-government.html
[35] https://www.homecareassociation.org.uk/resource/hospital-discharge-and-homecare-in-the-uk-a-call-for-urgent-action-from-an-incoming-government.html
[36] https://www.homecareassociation.org.uk/resource/hospital-discharge-and-homecare-in-the-uk-a-call-for-urgent-action-from-an-incoming-government.html
[37] https://www.autumna.co.uk/hospital-discharge-report-2024/
[38] Launching the biggest consultation in NHS history - Wes Streeting - Wes Streeting for Ilford North

preventative care is less appropriate[39]. ADASS has highlighted that for social care to be preventative, eligibility thresholds to access state funded care would need to be lower. Due to inaction on adult social care reform, and the related financial constraints care is only accessible to those with high need[40]. The investment needed, at the scale, to benefit the NHS has not been forthcoming.

Care workers are often the professionals who spend the most time with someone: they know the people that they support well and can spot changes in their condition. This means that they can refer people for support early on. They can also provide support to prevent people's health from deteriorating and causing unnecessary admission to hospital.

From our recent report[41], we know providers are keen to engage with the NHS about the prevention agenda. This includes:

• Looking at new ways to prevent hospital admission, for example, stepping up care to look after people at home when they have infections.

• Offering more rapid response services to prevent hospital admission; and greater focus on rehabilitation and avoidance of readmission following a hospital stay.

• Allowing care providers greater ability to refer people into the NHS for preventative support.

Enabling care workers to reduce avoidable deterioration in people's health conditions requires access to the right professional when they need it. Since the pandemic, the pressure felt by community health services, including GPs, means that getting hold of the right person is more challenging than ever before.

Access to professionals such as dieticians or continence nurses can mean the difference between someone being able to continue managing well at home, or admission to hospital. Often, care workers cannot speak with a healthcare professional, or they are unable to find out who they need to speak to.

This is particularly important for people who are dying. Many people nearing the end of their life find themselves unnecessarily admitted to hospital. Almost a third of emergency hospital admissions are for people in the last year of life. 7% of people have 3 or more emergency admissions in the last 90 days of their lives[42]. Although most people would prefer to die at home, 44% still die in the hospital. About 75% of people do not die where they wish to.

Homecare workers play a vital role in supporting people to live and die well, but they often cannot access the support or training they need to enable this to happen. In

---

[39] https://www.independent.co.uk/news/uk/local-government-association-government-budget-labour-nhs-b2655040.html
[40] ADASS-Autumn-Survey-2024-EMBARGO-0001-6-NOV.pdf
[41] https://www.autumna.co.uk/hospital-discharge-report-2024/
[42] https://spcare.bmj.com/content/14/Suppl_1/A20.3

areas where we see powerful examples of partnership working, Multi-Disciplinary Teams (MDTs) consider homecare providers as part of their teams.

Providers are considered core to a person's care team and fundamental to their health and wellbeing. Most times, however, this is not the case. Careworkers, and the relationship they have with the people they care for, go unrecognised by NHS staff. Providers are often not aware of MDT reviews of a person they care for, or the outcomes of those meetings. This means that careworkers cannot share vital information on any changes to a person's condition or wellbeing easily with NHS staff.

Working in partnership enables health and social care workers to proactively manage and personalise care for the people they care for. They can reduce preventable admissions to hospital and support high-quality care.

Availability of good housing options is also crucial to supporting prevention.

As the Older People's Housing Taskforce[43] and others have highlighted, it is important that a wide range of housing options are available to meet the diverse needs of older and disabled people. Accessible housing has the potential to enable people to stay socially connected to their communities for longer and undertake activities that they would otherwise need additional support to do.

However, property development is not keeping up with the projected growth in demand for older people's housing and only 9% of homes have features that are accessible[44]. Earlier research had also shown concerns about reduced levels of on-site support at existing sheltered housing developments[45]. Social care reform should include consideration of housing reform. Prevention of ill health starts at home and where we live matters.

Outcomes based commissioning

In the Adult Social Care Outcomes Framework (ASCOF) 2023 to 2024[46] the UK Government set outcomes-based priorities that focused on 6 key objectives:

1. Quality of life
2. Independence
3. Empowerment
4. Safety
5. Social connections
6. Continuity and quality of care

---

[43] Our Future Homes: Housing that promotes wellbeing and community for an ageing population - GOV.UK
[44] A Shortage Of Accessible Housing Is Affecting Disabled People | EachOther
[45] Supported housing for older people in the UK: An evidence review
[46] Adult Social Care Outcomes Framework

These six objectives from the ASCOF to ensure that local authorities concentrate on maximising quality of life by commissioning social care. These help to maintain independence and empower individuals.

It also helps homecare providers to deliver more personalised, sustainable services. Inaction on the reform of adult social care, and funding challenges means this is not happening.

In most places, public authorities are commissioning on the basis of time-and-task based. This is where homecare is purchased by the minute and organised on a list of tasks that the careworker must complete. Time and task commissioning in domiciliary care is restrictive and does not support the sector to support people's optimal wellbeing. It may also require more variable working patterns.

Alternative approaches, such as outcomes-based commissioning can allow providers to focus on what the people that they are supporting really want for their lives on a week-by-week basis. Productivity in care is not about the number of minutes that are spent with a person, but on whether the support that person has enables them to live the life they want. Having tasks specified by social workers can limit this.

To support the delivery of outcomes-based commissioning a more trusting, collaborative and effective way of providers and commissioners working together around the person is needed. We know there are examples of this happening, but there are not enough.

We can achieve greater flexibility and more efficient care provision if commissioners empower good quality care providers to work together with the people, they support to explore what is possible rather than being prescriptive. Often, policy discussions contrast the autonomy that people with Direct Payments have over their care with the rigidity and inflexibility of 'traditional' homecare services. It doesn't need to be this way – commissioning style shapes the 'inflexibility' of services.

We know that homecare providers favour outcomes-based commissioning to. In our recent research, 53% of providers said they thought that favouring outcome-based commissioning would improve hospital discharge[47]. 69% said undertaking joint outcome-based assessments where the person being supported, social worker and care provider are all present would make significant improvements.

Outcome-focused approaches also rely on greater trust between the commissioner and provider to deliver the right level of support. We know this is possible, but progress has been slow. Manchester has seen a significant increase in homecare provision, as more people receive support to live well at home. To enable this,

[47] https://www.homecareassociation.org.uk/resource/hospital-discharge-and-homecare-in-the-uk-a-call-for-urgent-action-from-an-incoming-government.html

Manchester City Council has worked closely with trusted homecare providers to look at how they can deliver more complex care at home[48]. This includes

- Delegated Healthcare Responsibilities. District Nurses have been training homecare workers to undertake health care tasks on their behalf. This includes delivering insulin injections at the same time as a care visit for breakfast. Minimising any delay between insulin being injected and breakfast. Other pilots include wound care and pressure area care. Manchester City Council has said it expects to develop similar pilots after the re-tendering process.
- Trusted Assessor Role. Careworkers have been undertaking regular needs assessments of the people they care for. Careworkers can adjust a person's care plan, ensuring a rapid response to changing needs. It means that where someone becomes more independent, they can reduce their care or increase care where the opposite is true.
- Double cover to Single cover. The Council is currently embarking on a new pilot project with a small number of current homecare providers to work on a "double to single cover" pilot. Occupational Therapists, trained in moving and handling best practice and techniques, are training careworkers to safely move a person on their own with the right hoisting equipment and professional guidance. The council sees this as an integral part of managing demand going forward.

There is huge opportunity to maximise our collective workforce capacity.

Commissioning for value

Effective management of supply and demand in homecare depends on various factors. These include the total volume of hours required; local geography, including population density and travel requirement; fee rates; type of contract; e.g., framework or block; number of providers willing to contract with councils; number of careworkers; hours worked per careworker; presence and capacity of council or NHS in-house teams; and the number of self-funded clients.

The cost of delivering homecare is highly sensitive to the volume of hours delivered. The higher the volume of hours delivered per registered location, the greater the economies of scale and lower the operational costs per hour.

All registered homecare providers need to cover overheads. These include a registered manager; back office staff; training; recruitment; PPE; CQC registration; insurance; IT; telephony; office rent, rates, utilities. Overhead costs are similar regardless of whether a provider delivers 250 hours per week or 5000 hours per week. The average cost per hour thus falls as the volume of hours delivered increases.

---

48 https://democracy.manchester.gov.uk/documents/s47013/Adult%20Social%20Care%20Activity%20and%20Care%20Market%20Capacity.pdf

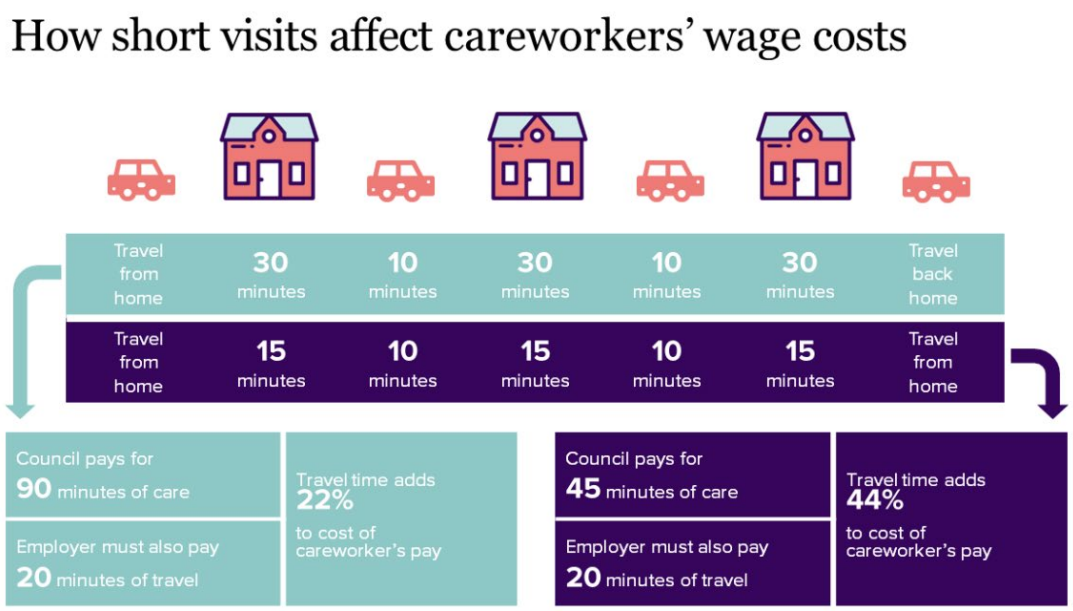
The volume of hours can also affect the experience of careworkers. With a lower volume of hours, careworkers are more likely to have significant gaps in their rotas, which can reduce the salary they receive each day. It can also lead to inefficient use of their time; for example, careworkers may be on the road for 40 hours but deliver only 20 hours of paid contact time. It is difficult for them to use the gaps productively. Employment conditions like this exacerbate staff turnover. This adds to operational costs and reduces quality.

Many local authorities have fragmented homecare hours across hundreds of small providers with fewer than 10 employees. Since 2013, the number of registered locations of community social care services has increased to 12574 in June 2024[49]. This significantly reduces utilisation of the workforce, increases travel time, and decreases efficiency of homecare delivery. By assigning fewer providers more hours in close locations, we can improve schedules and boost productivity. In a research study, modelling of data from two local authority areas suggested opportunities to improve care worker utilisation by 35%; reduce mileage by 65%, along with associated travel costs for providers and care workers; and improve the overall experience of people drawing on services[50].

Unit operational costs are also highly sensitive to length of visit, with shorter visits resulting in proportionately higher operating costs. We include detailed calculations showing this in our new Minimum Price for Homecare Report 2025-2026[51]. This is because of the relative influence of travel time, which counts as working time for National Minimum Wage purposes. State-commissioned homecare visits are typically 30 minutes. In some areas, the proportion of 15-minute calls is increasing, adding to costs. 30 We outline this in Figure 5 below.

[49] https://www.homecareassociation.org.uk/resource/critical-failures-in-homecare-regulation-revealed-by-new-report.html
[50] https://www.healthinnowest.net/news/trial-of-ai-based-optimisation-technology-demonstrates-opportunities-for-the-domiciliary-care-sector-to-transform-provision-of-homecare/
[51] Minimum Price for Homecare 2025-2026

Figure 5: How short visits affect careworkers' wage costs.

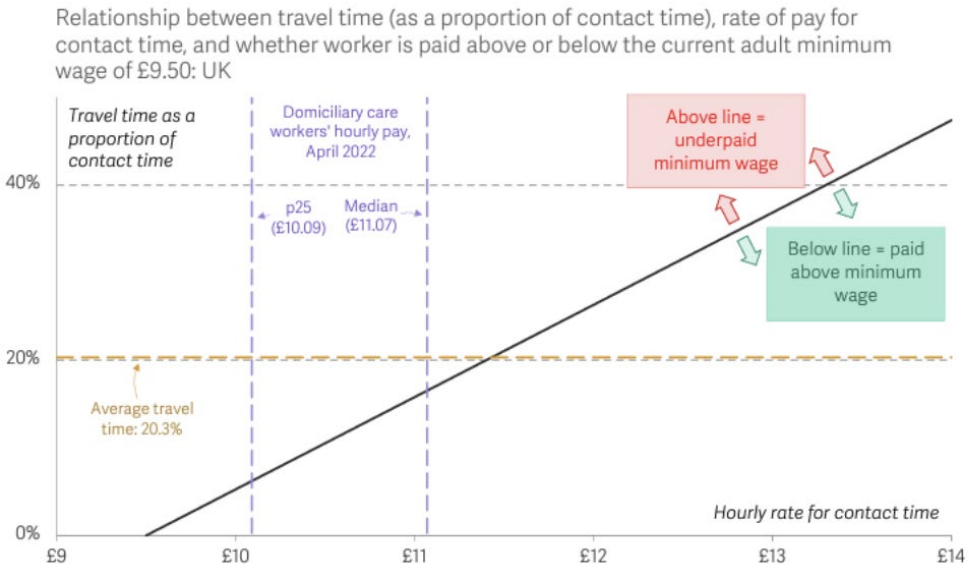


The minimum wage sets the lowest pay rate for workers, but it is complex to apply in the homecare sector because of travel time. Employers must include travel time between clients' homes as working time for minimum wage calculations. Many homecare workers do not receive direct payment for this travel time and only get paid for the time they spend with clients. It's legal to structure pay like this, but the law says that the average hourly rate, including both contact and travel time, must meet the minimum wage. This creates a situation where travel time effectively "erodes" the hourly rate paid for contact time, potentially pushing workers' actual average hourly rate below the legal minimum. It's important to note that reimbursement for travel expenses, such as mileage allowances, does not count as pay for minimum wage. Industry data shows homecare workers spend an average of 12 minutes travelling per hour of contact time, which equates to about 20.3% of their working time[52].

This significant proportion of unpaid time can have a substantial impact on workers' effective hourly rates. In Figure 6, you can see how different hourly rates and travel time proportions affect whether a worker earns more or less than the minimum wage. The graph includes a line representing the break-even point where pay exactly meets the minimum wage. Combinations above this line result in pay below the minimum wage, while those below are above it.

[52] https://www.homecareassociation.org.uk/resource/homecare-association-publishes-minimum-price-for-homecare-2024-25.html

Figure 6 Relationship between travel time, rate of pay for contact time, and whether a worker is paid above or below the adult minimum wage.



The graph also includes reference lines for the average travel time (20.3% of contact time) and the median (£11.07) and 25th percentile (£10.09) hourly pay rates for homecare workers in 2022[53]. When considering these typical pay rates and travel times together, the graph suggests that many homecare workers are at high risk of effectively receiving payment below the minimum wage once their travel time is taken into account. Even workers paid at the median rate, with average travel time, would likely end up with an effective hourly rate below the legal minimum. This analysis shows how homecare workers struggle to get fair pay for all the hours they work. Councils have made this situation worse by spreading available hours across too many providers and paying fee rates which are too low. In a survey of Homecare Association members in September 2023, 80% of respondents reported a decrease in the hours available for them to deliver[54]. Nearly half (48%) said they had seen a 25% or more reduction in the number of hours available to them from their local authority. In our 2024 Workforce Survey, 28% of respondents reported they could not give their homecare workers enough hours[55]. Lack of hours and income causes serious hardship for homecare workers who receive pay on a zero-hours basis. The ADASS Spring Survey suggests the total number of hours of local authority commissioned

[53] https://www.resolutionfoundation.org/app/uploads/2023/01/Who-cares.pdf
[54] https://www.homecareassociation.org.uk/resource/the-impact-of-late-payment-of-invoices-by-the-nhs-and-local-authorities-and-a-reduction-in-volume-of-hours-available-per-provider.html
[55] https://www.homecareassociation.org.uk/resource/workforce-survey-2024.html

homecare has increased[56]. The number of homecare hours delivered between January and March 2024 was 30% higher than between January and April 2021.

Framework contracts make it difficult for providers to plan effectively. Providers who respond to local authority requests to increase capacity and recruit internationally have taken on substantial liabilities without guarantee of income. Losing 25% or more hours creates substantial risk to the viability of homecare providers. In some local authority areas, many smaller providers are handing back packages or ceasing to trade. Local authorities then must manage potential safeguarding risks and find alternative provision, which negatively affects people drawing on services and careworkers. Late payments can also significantly impact businesses, leading to cash flow difficulties, which can affect the ability to pay bills and the business's own suppliers. Without predictable payment terms, homecare providers find it difficult to invest and expand. Our research shows that homecare providers who have contracts with their local authority or ICB often face delayed payments[57]. Sometimes, payments have been outstanding for over a year. Individual small providers have told us local authorities and ICBs owe them as much as £350K. Some providers also commented on issues with inaccurate payments, which can take months to resolve. Many providers are saying no to working with local authorities and the NHS because they don't get paid enough and payments are inconsistent. This is more than just a financial inconvenience—it is destabilising the entire care sector. Late payments make it difficult for providers to hire staff, cover expenses, or enhance care quality.

Attracting and retaining staff in social care

Poor funding and inaction on the reform of adult social care has contributed to poor recruitment and retention of care workers. It is also the reason for unattractive terms and conditions and low pay for the sector. This makes the sector less competitive than the NHS and many other industries. Despite employing a workforce larger than the NHS, the social care sector finds it challenging to attract and retain talent. This has direct consequences and costs to local authorities and the NHS.

Turnover in homecare services is currently 25%[58]. If employers could reduce turnover, then it would improve continuity of care. Carework is a skilled job that depends on emotional intelligence, ability to work with families, ability to work with confidential data, responsible lone working and more. There are significant benefits to keeping good careworkers in the sector. Valuing care work, recognising specialisms and offering career progression routes that give staff the chance to progress and get better pay for it is key.

---

[56] https://www.adass.org.uk/documents/adass-spring-survey-2024/
[57] https://www.homecareassociation.org.uk/resource/critical-failures-in-homecare-regulation-revealed-by-new-report.html
[58] Summary of domiciliary care services_2024

As the National Institute for Health and Care Excellence (NICE) has recognised[59], continuity of care is important. It can help careworkers to understand what a person wants and build a positive relationship with that person. Continuity of care is better supported if the sector has good retention levels for its workforce.

As well as retaining the careworkers we have, we will need more careworkers in the future. Skills for Care estimates the sector will need 440,000 more care workers by 2035, a 25% increase from 2022 to 23. Growth in the older population is happening more in peripheral, rural, and coastal areas than in urban centres. While international recruitment is helping to address immediate shortages, it is not a long-term solution.

Social workers play a fundamental role in supporting local authorities to deliver their statutory duties under the Care Act 2014. This includes assessing the care needs of people who need support and their unpaid carers. They have a key role in managing safeguarding concerns about people suffering from abuse or neglect. If we are to address issues with waiting lists in social care, then it is vital that there are enough social workers.

75% of social workers report they do not have time to complete their work within their working hours[60]. 68% of social workers consider the biggest challenge for the social work profession to be "failure to adequately fund social care" [61]. Working in a broken system can leave people feeling demoralised. Turnover of social workers in adult social care is high at 14.5% and a vacancy rate of 10.5%[62]. As well as additional recruitment costs, poor retention incurs costs for local authorities in training, experience and organisational knowledge.

Technology

Current technological infrastructure presents significant barriers to integrated partnership and care delivery. Multiple incompatible systems create unnecessary complexity and stop information sharing across care settings.

Financial limitations restrict technological advancement in the sector. Current fee structures rarely account for technology investment costs, while training requirements place additional pressure on already constrained budgets. The existing time-and-task commissioning model for homecare creates fundamental barriers to technological innovation. Care providers, facing increased costs cannot justify investing in technology solutions when such investments may reduce billable hours and revenue. The substantial implementation costs for digital care records systems, combined with ongoing maintenance requirements, are barriers to adoption. Without adequate funding, providers struggle to maintain pace with technological advancement. Worryingly, a recent survey by the Care Provider Alliance shows that 75% of providers

[59] Quality statement 3: Continuity of care and support | People's experience using adult social care services | Quality standards | NICE
[60] The BASW Annual Survey of Social Workers and Social Work: 2022 | BASW
[61] Layout 1
[62] Social Worker Headline report - Feb 2024

are reducing or stopping investment in digital transformation. This follows the government's Autumn Budget measures[63].

In addition to this, complex governance requirements make effective information sharing difficult. In many cases, providers are duplicating data entry, and these requirements are burdensome. They also face limited access to NHS systems. This is inefficient and frustrating for careworkers, who often have important information to share with health professionals. It also means that careworkers cannot access key information about people's care plans. To encourage truly integrated care, we need a digital infrastructure that allows health and social care providers to use compatible systems and share data. GP Connect is a positive development, and access to this needs to be extended. As a basis for shared care records between health and social care, which would mean people had to repeat the same information less often, NHS Transformation Directorate has been working to ensure 80% of care providers are using digital care records. The deadline for achieving this goal has now been extended to 2025.

Once most care providers use digital care records, there is the potential further to develop how NHS and care systems can automatically share relevant information to ensure that people's needs are met. Digital systems might also support health and social care providers to work together in other ways. This could include notification systems so care providers know when someone attends A&E or is admitted to hospital, for example. At present, care providers might not know someone is in hospital until they arrive at their house and find no one is there. They then need to make many phone calls to locate their whereabouts. A project to explore notification systems showed promise, but solutions are yet to become available. When complex care providers collaborate with healthcare on 'hospital at home' initiatives, they will need appropriate digital systems and data sharing. We can see a future where technology enables care workers to support people at a much earlier stage. Working closely with GPs and their data, homecare can utilise technology in people's homes to prevent deterioration at a much earlier stage in someone's life. This will reduce unnecessary admissions to hospital. This system could also improve how the NHS commissions homecare.

Care workers, who are out and about in communities every day, could maximise their time and the support they provide. Roles such as 'Care Technologists' could be transformative. To enable this, we must get the foundations right. This includes improving poor Wi-Fi and mobile coverage across the UK. We cannot have technology enabled care without reliable access to the internet. We need to acknowledge that some older people are digitally excluded, and we must not leave them behind. Age UK estimates that 1.7 million people aged 75 and over do not use

[63] https://www.homecareassociation.org.uk/resource/care-provider-alliance-call-to-address-the-devastating-impact-of-the-budget.html

the internet. We need to pay attention to ensure increasing technology use does not further worsen inequalities.

There is increasing potential for home-based technology to play a key role in supporting people in maintaining their wellbeing. Whether that is through virtual assistants reminding people to take medication to using remote connection to check people's wellbeing; through to use of wearable and assistive technology to support people in managing their health and undertake tasks independently.

Technology cannot replace the need for human contact, but it can support people to undertake care tasks. Systematic use of data can help the sector learn and innovate.

At present, many care companies are operating on time-and-task delivery models for local authorities and do not have the financial or staff capacity to facilitate the exploration of new, technology-assisted ways of working. Investment is needed for productivity in the care sector to keep pace with developments in wider society.

Q3) What is the cost of inaction to individuals and how might people's lives change with action on adult social care reform?

Good quality, flexible care and support should work with health care services to enable people to live their lives in ways that are meaningful to them. Support services mean inclusion; they mean ability to participate; they mean safety; they provide human interaction; they enable people and help people to flourish.

Inaction will lead to lack of access to care, and this will lead to worse health and wellbeing outcomes for individuals and their families. Inaction could see people with existing care packages having those reduced with worsening quality of life as an outcome. Inaction could lead to some individuals facing catastrophic costs that others never have to think about. Inaction will see more people receiving poor quality care. Inaction could see people taking on intensive unpaid care responsibilities with no breaks.

Accessing care services

Waits for care can be long, leaving people without essential support. In March 2024, there were 418,029 people waiting for an assessment, waiting for care or direct payments to begin, or waiting for a review of their care plan. 78,641 were waiting for over 6 months[64]. Even when a public body undertakes an assessment, the number of additional requests that are being refused has risen by 27% since 2017/18[65]. Age UK estimate that 2 million older people now have unmet care needs[66]. This means that people have difficulty dressing, eating, bathing, getting out of bed and more. Inaction means escalating needs, higher eligibility criteria for care and more unmet need. This

[64] ADASS-Spring-Survey-2024-FINAL-1.pdf
[65] The state of health care and adult social care in England 2023/24 - Care Quality Commission
[66] 2 million older people now have some unmet need for social care

is likely to cost individuals their wellbeing, ability to take part in society and dignity and increase demand for NHS services.

Difficulties accessing care may also give individuals less choice about how and where they receive care. This might mean that they have less choice about whether to be cared for in their own home (for example, with live-in care) rather than in a care home. Or, if in residential care, that someone arranging care might place them in a care home a long way from where they previously lived. This can have a significant effect on individuals' wellbeing and social connections.

We would like to see everyone have access to the care that they need at an early enough stage that this prevents unnecessary deterioration in their condition. People should be able to be supported in their own homes, in their communities.

Reduced access to social care results in higher demand for urgent and emergency care. Age UK report that the rate of A&E attendances amongst over 80s went up by 40% between 2012/13 and 2021/22. At the same time, access to social care reduced – there is likely to be a correlation here.

In 2019/20 alone, there were 855,000 avoidable emergency admissions to hospital of older people, which would not have happened if people had the right care at the right time[67]. People's needs can escalate unnecessarily if they do not have the right support with their day-to-day activity or regular social contact.

Affording care

The Government previously estimated that 1 in 7 people could face lifetime care costs over £100,000[68] in England. Government reform to limit the amount that people may have to pay towards their care could help people to plan financially and protect people from catastrophic costs.

In the wake of the Autumn Budget, we know that homecare providers who care for people who pay for their own care, are having to increase their prices further.

There is a strong case for pooling risk in relation to care costs. Unlike many other expenses in our lives, we cannot plan for or predict whether we will develop a condition that will need long-term or complex care.

Quality of care

We all know that quality of care is important. If we were helping someone we love and care about to arrange care, we would want to be confident that the support they were receiving was trustworthy, respectful and had their best interests at heart. Poor care can mean short and rushed visits, communication issues or lack of sensitivity to the individual's specific needs. At worst, it could mean abuse or negligence.

---

[67] Age UK issues clarion call for a big shift towards joined up home and community based health and social care services for older people

[68] Operational guidance to implement a lifetime cap on care costs - GOV.UK

We have concerns in three areas around quality of care at the moment:

- Dysfunction at the CQC, providing inadequate regulatory oversight of the sector.
- Increasing use of unregulated forms of care
- Commissioning focused on price driving a race to the bottom on employment standards.

Care regulation

Ahead of Dr Penny Dash's report on the CQC in October, we published a report[69] raising significant concerns around activity at the CQC. We found that:

- The number of registered community social care locations has increased c. 2-fold over the last decade, to 12,574 in June 2024, while CQC's resources have remained largely static. CQC staff numbers per registered location have almost halved in this period.
- As of June 2024, 60% of community social care providers had either never been rated by CQC (23%} or had a rating of 4 to 8 years old (37%).
- CQC's risk-based approach is identifying a greater proportion of under-performing providers. In community social care, the locations "Requiring Improvement" have increased from 0.5% in 2017 to 26.3% in 2024. In residential care, locations "Requiring Improvement" have increased from near 0% in 2017 to about 33% in 2024. Many poor-performing providers continue to operate, and others remain undetected.
- The CQC is conducting too few assessments and inspections to ensure quality, safety, and public confidence in care services.
- Providers report long delays in registration; inconsistent or flawed inspection approaches; and poor communication from the CQC.
- Councils cannot rely on the CQC data for homecare tender processes, and many have given up trying. Many councils are now contracting with unassessed and unrated providers. Others are disallowing providers without ratings or with old ratings to bid for work.
- The CQC's poor performance is increasing risks to people drawing on services and harming providers. Some providers are suffering severe financial detriment because of delays in registration and ratings reviews.

Support for informal carers

People taking on unpaid caring roles save the NHS and local authorities significant sums of money. Experts estimate the value of informal care at £162 billion a year[70]. Carers may need time away from their responsibilities in order to support their own health and wellbeing, and for this, they need replacement care. If there is not adequate access to replacement care and support, then carers often delay seeking

[69] Homecare Association report exposes serious deficiencies in homecare regulation
[70] Support for informal carers - House of Commons Library

treatment, potentially generating healthcare costs for the NHS. Carers may also face 'burn-out' and, if they cannot continue caring, formal care services will need to be found for the people they support, generating significant costs for commissioners. The BBC and Sense reported earlier this year that two-thirds of family carers were at risk of burn-out, with some carers feeling they had to use breaks to earn additional money[71] (two-thirds of £162 billion would be £107 billion, though presumably many of these carers will continue, at personal cost).

Increased budget pressures and provider closures will leave more people without the support they need and have a significant impact on NHS services and informal carers. If people's health requires that they receive support and no professional support is available, the buck often stops with the NHS and families. This is because families will need to step in at short notice if local authorities leave people without care because of provider failure – potentially causing disruption to the work and other care responsibilities of those family members. Alternatively, if people's essential care needs cannot be met, they can end up calling NHS 111 or presenting at A&E because of their health deteriorating. We urge the Government to address this issue urgently before it materialises.

People who provide informal care intensively often feel they do not have time to care for their own wellbeing. In 2023-24 less than half of carers reported they could look after themselves 46.7% down from 49.2% in 2021-22. 20.2% of carers felt they were neglecting themselves in terms of sleep and eating well[72]. Carers UK report that 44% of carers had put of health treatment because of their role[73].

It is vital we see changes so people with unpaid caring roles can maintain their wellbeing. This is possible with the right professional support.

Unregulated care

We are concerned there is an increase in unregulated care provision, driven by Council's desire to cut costs. Direct Payments often offer a lower cost-per-hour than regulated homecare services. However, sometimes conditions encourage personal assistants to act as 'self-employed' careworkers that work via 'introductory agencies' that find work for them.

There is no oversight of personal assistants. This means that individuals seeking to employ personal assistants need to base their judgements on DBS checks and references and trust that these are sufficient. It also means that, from the worker's perspective, there is no mechanism to ensure their health and safety at work, ensure that they are trained appropriately or communicate key messages to them. In the pandemic, for example, it was difficult to identify careworkers working in the unregulated part of the sector.

---

[71] Family carers at risk of 'burn-out' amid calls for more respite - BBC News
[72] Personal Social Services Survey of Adult Carers in England, 2023-24 - NHS England Digital
[73] soc23-health-report_web.pdf

It can also create tax liability risks. We have concerns that East Sussex Council ran a scheme that placed 'self-employed' careworkers on an assured list. However, HMRC viewed these workers as employees of the individuals they were supporting. This means that individuals with support needs who used this scheme could face tax liabilities[74].

We urge the Government to consider creating a professional register for all careworkers undertaking personal care, as defined in the legislation.

Where in the system is the cost of inaction on adult social care reform being borne the most?

As explained above, there are clear financial pressure points:

- For homecare providers, we estimate there will be an operating deficit of £1.8 billion. This is based on the gap between sustainable operating costs and the amount providers are being paid now. As explained, this can lead to reductions in management and office staff, reduced pay differentials (so lower reward for experienced staff). It can also increase the risk of labour exploitation and call clipping.
- For local authorities – the Association of Directors of Adult Social Services report that 81% of councils are on course to overspend their adult social care budget this financial year and 55% of Councils are expected to be asked to make savings next year[75]. The Institute for Fiscal Studies estimate that plans announced in the Provisional Local Government Settlement for 2025/26 would still leave Councils 17% worse off (in real terms per resident) than they were in 2010/11[76].

However, for many people running care organisations, the implications of these budget deficits for their staff and the people they support is what hurts the most.

The British Social Attitudes Survey revealed that only 13% of respondents were satisfied with social care, while 57% were dissatisfied. This is the lowest level of satisfaction recorded since the survey began. Reasons for dissatisfaction were pay, working conditions and training for social care workers not being adequate (57%), people not getting all the social care they need (56%) and there not being enough support for unpaid carers (49%)[77]. This provides some indication of where other key pressure points are.

Careworkers

There are 1.59 million people working in social care. Pay is low - 18% of careworkers are on or below the wage floor[78]. Progression prospects are low due to differentials

[74] Unregulated homecare - blog by Dr Jane Townson OBE
[75] ADASS-Autumn-Survey-2024-EMBARGO-0001-6-NOV.pdf
[76] The 2025-26 English Local Government Finance Settlement explained | Institute for Fiscal Studies
[77] Public satisfaction with the NHS and social care in 2023 | Nuffield Trust
[78] The state of the adult social care sector and workforce in England, 2024

being eroded because of systemic underfunding (as discussed in the concerns about policy measures destabilising the sector section above). A careworker with five years' experience typically only earns 10p per hour more than a careworker with one year experience[79]. Commissioning care on a time and task basis by-the-minute can mean that careworkers feel like they have to clock-watch and can reduce job satisfaction. Care work is skilled work that requires confidentiality, excellent communication skills, lone working, personal responsibility, emotional intelligence and resilience, as well as training in the specific tasks to be undertaken. Many people stay in the sector because they feel it is a vocation, but providers cannot offer the rewards that staff deserve because of cost pressures.

The Government is in initial discussions with the sector about a Fair Pay Agreement for social care. Skills for Care has developed a Workforce Strategy[80] which includes consideration of career progression, for example. However, the Government purchases 79% of homecare services in England and the sector does not have the margins to absorb cost increases. There is no clarity about how the sector could finance the improvement of employment terms and conditions.

People unable to access the right care and support.

We cannot underestimate the human cost of lacking access to the care and support needed for daily activities most people take for granted. Care is an essential part of many people's lives as we have outlined above in the section on "the cost of inaction to individuals". Two million older people have unmet care needs[81]. People with existing care packages are having reviews that suggest that they should receive less care than they have previously. Police are responding to mental health crises due to a lack of health and social care resources. People with dementia are being discharged from hospital to care homes because they can't access care in their own home, even though this is distressing.

Access to the right care is life changing.

Summary

All of us could need care and support or taking on an unpaid caring role unexpectedly. There is widespread dissatisfaction with the level of support available and the treatment of professional and unpaid carers. Deteriorations in health that lead to a person needing care and support can already be emotionally fraught. At the moment, people facing major life challenges have to navigate a broken system.

A reformed system would value the skills of careworkers, and they would have parity of esteem with health colleagues. The public would recognise care as a professional, responsible and rewarding career. People could access the right care when they need it. Unpaid carers would feel that they had choice about whether to take on a caring

---

[79] The state of the adult social care sector and workforce in England, 2024
[80] Home - A Workforce Strategy for Adult Social Care in England
[81] 2 million older people now have some unmet need for social care

role and how to manage, while being confident that the people that they love are safe.

What contribution does adult social care make to the economy and H.M. Treasury and how might this change with action on reform?

Skills for Care report that the social care workforce contributes £68.1 billion to the economy per year and employs 5.4% of the labour force in England[82]. Demand for social care will increase. So, it is likely that the size of the sector will increase as the population ages. Most money going into the sector goes directly into wages – employment costs make up 70-75% of the cost of delivering homecare[83]. It is highly likely that this then gets spent in the local economy, generating revenue for H.M. Treasury.

If the Government leads reform that enables better access to outcomes-focused care, then it is likely that it will also affect the economy in the following ways:

Support older and disabled people to work and take part in society.

This could mean supporting disabled people to go to work, supporting someone to continue with a voluntary role, teaching someone how to use a voice activated system in their house so that they can shop online or planning an accessible holiday for someone. Without the housing, technology and support that they need, older and disabled people will find it harder to both earn and spend money. This means lower quality of life for the people in question. It also means less income and less spending, and therefore less tax.

The Purple Pound estimated the spending power of disabled households in the UK in 2020 to be £274 billion pounds[84]. The 'Silver Economy' – i.e. the spending power of older people has become an increasing force in the UK economic landscape. Social care is key to supporting this highly significant part of the economy to function.

Record numbers of people are out of work because of health issues and sickness (2.8m because of long-term sickness[85]). Get Britain Working[86] does not give enough emphasis to the value of social care in helping people to recover from temporary ill health, maintain their wellbeing and access work, focusing instead on health services, skills support, employers, and benefits.

Support unpaid carers to work and take part in society.

The 2021 Census suggests there are five million unpaid carers in England and Wales, half of these work (but many on reduced hours). Carers UK estimate 600 people a day leave work to care[87]. They report that "69% of working carers said affordable,

---

[82] The state of the adult social care sector and workforce in England, 2024
[83] Homecare Association publishes Minimum Price for Homecare 2024-25
[84] The Purple Pound – Infographic
[85] INAC01 SA: Economic inactivity by reason (seasonally adjusted) - Office for National Statistics
[86] Get Britain Working White Paper - GOV.UK
[87] Juggling work and unpaid care | Carers UK

accessible and reliable replacement care for the person they care for would help them juggle work and care"[88]. Access to replacement care is also vital to allow carers confidence to go out, shop, exercise, attend health appointments, go on holiday and support their own wellbeing.

Efficient use of NHS resources

As discussed above, social care can prevent health conditions escalating, support people to stay well, keep people out of hospital and help people to recover when they have been in hospital. This makes use of health resources more efficient.

Improved mental wellbeing.

There is very little that is more important to any of us than having confidence our basic needs can be met and that the people we care about are safe. Being unable to access the social care support that we and our family members need can put a significant strain on our mental wellbeing, compromise our dignity and cause long-term trauma. Worries about the safety, quality or cost of those services, and our ability to manage informal care relationships can also cause strain.

Difficulties in the sector also affect the workforce. Without proper resourcing, support, progression opportunities, pay, terms, and conditions, care work can be more stressful than it needs to be. At the moment, social care and social work have a comparatively high incidence of stress, anxiety, and depression[89]. This worsened during the pandemic and many in the sector are still feeling the effects. Reforming the sector could support the wellbeing of those working in the sector, both in terms of personal working conditions and also by seeing positive improvement for the people they support.

The Centre for Mental Health estimated that mental ill health cost the UK economy £300 billion a year[90]. Why add to that cost, when good social care could help to reduce it?

To what extent are the costs of inaction on adult social care reform considered by the Government when evaluating policies, including within the Budget and Spending Reviews? How should these costs be assessed and evaluated?

Historically, the UK Government has acknowledged the challenges in adult social care but has consistently delayed comprehensive reforms. Despite a litany of government commitments to change funding models and most recently the development of a National Care Service, no progress has been made.

---

[88] State of Caring 2024
[89] Working conditions and well-being in UK social care and social work during COVID-19 - PMC
[90] The economic and social costs of mental ill health - Centre for Mental Health

The Homecare Association remains seriously concerned that the government, and in particular H.M. Treasury does not understand the benefits of the adult social care sector. We believe successive governments have chosen not to tackle this major social policy issue. When evaluating policies and making wider decisions, we believe at best social care has been ignored, at worst, they have chosen to not act until the system collapses.

Opportunities to rectify major funding issues in the sector and distribute more funding to local government have not been maximised. Multiple government Budgets have failed to address this. They have almost always prioritised the NHS. Most recently, decisions taken by the government in the Autumn Budget 2024 to introduce unfunded increases for the sector, while allocating a £22 billion increase of funding to the NHS is indicative of this issue.

Despite various representations from the social care sector in the wake of these decisions, the government has not made any meaningful support available.

As we have outlined in this response, pressure on the NHS will continue to increase while the social care sector remains unsustainable. Lord Darzi recognised this in his independent review[91], and as the NHS confederation has previously said:

"Healthcare leaders are clear that the NHS and social care will sink or swim together. New integrated care systems (ICSs) encompass both health and care and are acutely aware that both need sufficient resourcing if ICSs are to succeed in their essential task of improving health and sustainability."[92]

The Prime Minister has promised to reduce NHS waiting lists. This is not possible whilst decimating social care services, on which the NHS depends. The UK now risks widespread failure of care provision in the wake of the Autumn Budget. Providers face a 10% increase in employment costs which they cannot cover because the fee rates they receive from councils and the NHS are too low. Loss of services will leave people without care; overwhelm family carers; and cripple the NHS. The Labour government will pay a high price for ignoring social care.

Evaluation of social value and cost associated with inaction should include:

- Unmet need
    - Number of people on local authority waiting lists
    - Length of time on local authority waiting lists
    - Delayed discharges
    - People reporting difficulty with activities of daily living that do not have support.
    - Number of people leaving work to provide informal care
    - Number of people providing high intensity informal care

[91] Independent Investigation of the National Health Service in England
[92] System on a cliff edge: addressing challenges in social care capacity | NHS Confederation

    - Number of people providing informal care because they feel they have no choice.
- Indicators of working conditions
    - Data on cases of modern slavery in care sector
    - Data on enforcement action on national minimum wage, sponsorship licences
    - Skills for care data on pay and pay differentials.
    - Vacancy rates
    - Turnover
- Indicators of instability in the homecare market
    - Number of contracts being handed back
    - Number of provider closures
    - Data on profit margins
- Indicators of care quality
    - Data on CQC ratings
    - Data on CQC activity (enforcement action, number of inspections per provider)
    - Estimates of unregulated care provision
    - Estimates of call clipping/cramming
    - Reported mental wellbeing of people being supported.
- Financial impact on people who pay towards their care.
    - Independent data on cross-subsidisation
    - Number of people paying catastrophic care costs
    - Number of unpaid carers experiencing financial difficulties
    - Number of disabled people struggling to pay local authority fees for arranging care

Conclusion

To avert widespread provider failure and avoid incentivising labour exploitation, the Government must act urgently to address the disparities between the cost of care delivery and the prices that the public sector is paying for care – particularly following the employers National Insurance Increases.

The care sector is all about people and relationships. Inaction on longer term reform is eroding the sector's ability to recruit and keep people with the right values and skills to do care work well. Inaction is damaging people's health, increasing their A&E attendance and the length of their hospital stays, and limiting their quality of life. Inaction limits people's ability to plan their finances. It is also damaging economic growth.

Much more is possible. The care sector can help people to recover and maintain their health and wellbeing. It can prevent needs escalating and maintain capacity in health services. It can provide work that really makes a difference to people. It can give

family members peace of mind and support unpaid carers to work. We want to see a society where all of us can live well at home and flourish in our communities.

We call on the Government to:

- Meet the £2.8bn additional costs associated with the National Living Wage and employer National Insurance Contributions and ensure that this funding reaches all social care providers.
- Ensure that everyone who needs care at home can access it.
- Implement a National Contract for Care Services which specifies a legal minimum price for homecare to prevent a race to the bottom in care provision.
- Urgently improve performance at the Care Quality Commission.
- register all care professionals undertaking personal care, including personal assistants.
- End zero-hours commissioning and move to an outcomes-focused approach. This will mean fully modelling, costing and funding the change in working practices.
- Ensure a multiyear funding settlement for social care to meet future demand and cover the full cost of care (estimated £18.4 billion by 2032/33[93]).
- Meaningfully include providers in Fair Pay negotiations.
- Fund improvements in pay, terms and conditions, as the primary purchaser of care.

[93] Adult social care funding pressures - The Health Foundation