

# **Health and Social Care Committee Inquiry: Adult Social Care Reform - The Cost of Inaction**

## **County Councils Network Evidence**

### **About the County Councils Network**

1. The County Councils Network (CCN) represents 37 English local authorities that serve counties. The 20 county and 17 county unitary authorities that make up CCN are the largest part of the local government family. They represent all four corners of England, from Cumbria to Cornwall, Durham to Kent, North Yorkshire to Suffolk, Derbyshire to Essex.
2. The essential services our members provide touch on the everyday lives of residents and businesses across 86% of England's landmass and 47% of its population. The areas represented by our members constitute 38% of local government expenditure; 44% of total public expenditure (£201bn); and generate just under half of all tax revenues (£255bn). County and unitary councils are responsible for a wide range of services impacting upon adults, including providing social care for all those meeting eligibility thresholds.

### **Overview**

3. The County Councils Network (CCN) strongly welcomes the Committee prioritising this crucial subject right at the beginning of the Parliament. The 37 county and large rural unitary authorities that make up the CCN membership are the largest adult social care providers in, representing almost half (47%) of all expenditure in England.
4. Adult services, which encompass support for both older and working age adults, have never been more in the spotlight, nor more important to our society. They can be a truly transformative, with timely and well-resourced services ensuring that some of the most vulnerable people in our communities are cared for, while aiding them to live independent and fulfilling lives. However, the services provided through adult social care have rightly attracted social and political attention as a result growing financial and demand challenges over the past decade.
5. Even despite an increasingly improved public profile since the pandemic, much of the commentary on adult social care reform is focussed on two relatively narrow angles:
  - the impact of social care on the NHS;
  - who pays for older people's care and support in the face of ageing demographics?
6. It is understandable that political dialogues – often reliant on the most horrendous case studies reported in the media or to constituency offices – emphasise the relationship of social care to the NHS, and 'who pays for care' must be the things that need 'fixing' as the priority.
7. However, these issues do not represent the full scope of necessary reform of an interconnected system comprising care and support for some of our most vulnerable

citizens as well as the preventative (and thus cost-saving) potential in the social care system. For those closer to the operational level there is a more pressing urgency for reform to focus on stabilising an increasingly insecure and fragile system as it is stretched to breaking point.

8. As we outline in this submission, given existing service pressures, CCN supported this government's decision not to proceed with adult social care charging reforms. Our network has nonetheless been wholeheartedly committed to reform of the adult social care system to reflect the rapidly changing demographics of the nation. Charging reform was only ever one part of the reform agenda, as indeed is the indirect impact on the NHS. As the Government sets out its new ambitions to create a 'National Care Service' it is important that this contains a full range of reform measures to transform the sector and is not focussed on narrow objectives.
9. CCN has set out a range of research on reform to adult social care, and wider health system, in the reports listed below. While we summarise the findings of aspects of this research within this submission, we urge the committee to study the findings as part of their inquiry:
  - [Newton: Working-Age Adults, The Forgotten Story of Social Care](#)
  - [CCN Analysis - Adult Social Care Charging Reform](#)
  - [Newton: Finding a Way Home - how health and social care can optimise hospital flow and discharge this winter](#)
  - [Newton - Preparing for Adult Social Care Reform](#)
  - [Newton: The Future of Adult Social Care](#)
10. In summary, it is not hyperbole for the committee to note that the viability of the care system over the coming decades as the UK's population ages now seriously threatens the overall solvency of local authorities. The need for a cross-party and cross-governmental solution to this challenge becomes more urgent every moment. However, the narrative must stretch much further than simply addressing the issues around charging reform and concentrate on ensuring the adult social care system is fundamentally fit for purpose and able to deliver high quality care for those who need it.
11. CCN's research has consistently shown that successful reform will need to be comprehensive; focus on prevention and community-based care; provide more appropriate and timely housing options; modernise the system using technology; and raise the parity of esteem of the care system particularly in relation to the NHS. Most importantly it needs to be funded appropriately according to an agreed compact between the public and delivery services that neither over-promises or under-delivers. It is therefore realistic that the government has indicated it sees such reform as a ten-year project – but with six months nearly gone of this parliament, there is no time to waste.

## **System Pressures**

12. It is recognised by all political parties that adult social care requires both investment and reform, and the landmark Care Act (2014) and White Paper, *People At The Heart of Care* published by the previous government, have contained proposals that have been widely welcomed across the sector. However, the reality is that the ambitions of these reforms have never been fully realised.

13. The necessary and fundamental shift towards community-based, preventative services envisaged within the Care Act has been limited by funding constraints and hospital discharge policies. At the same time, reforms aimed at tackling the workforce crisis have failed to address low pay, poor working conditions, and an over-reliance on overseas recruitment, which continues to restrict the capacity of the system.
14. This proportion of spending on social care by councils has been rising steadily for the past decade. The causes of this are manifold, but ultimately boil down to a dramatic increase in demand at a time where the resources devoted to local government have declined at a vastly disproportionate rate compared to other public services such as the NHS or the school system.
15. Per-person spend on adult social care in county areas has increased by 50% over the past decade: going from £237 per person in 2013/14 to £357 per person in 2023/24. The number of requests for services is at an all-time high, with 955,000 requests for services in counties last year. Underpinning this has been a persistent workforce challenge, with an estimated 65,000 vacancies in the sector within county areas.<sup>1</sup>
16. Even despite this the impact of adult social care spending need is predicted to increase even more sharply over the remainder of the decade. In an autumn 2024 report commissioned by CCN, PwC estimated that spending need on adult social care in England could increase by £11.8bn over the period from 2022/23 to 2029/30, representing an increase of 58.1%. CCN authorities could face a £5.6bn increase in spending need over the same period, representing growth of 58.4%.<sup>2</sup>
17. Over recent years, there have been significant injections of additional funding. However, while this funding has helped stabilise services, it has been short-term, fragmented, and come at a time of an acute rise in post-pandemic demand and historically high inflation – limiting the ability of councils to expand the availability of care packages and invest in services for the long-term.
18. In particular, due to the need to prioritise statutory services, recent reductions to budgets mean councils are unable to spend as much as they would wish on offering services that can help prevent health and social care needs in the first place.
19. CCN welcomes the new Government's commitment to moving from sickness to prevention as part of its three priorities for reforming the health and social care system – but it must address the restraints that current budget pressures place on councils to achieving this. The costs of not addressing prevention are not only felt by councils, but by the NHS and a far wider dichotomy of public services including the benefits system, the justice system, as well as overall economic growth.
20. It is also important to note that prevention is not only about a focus on adult services. The inability of councils to invest in preventative children's social care further compounds the challenge. Problems in childhood such as emotional and behavioural conditions or issues related to mental health are likely to become more significant or exacerbated concerns in later life, further contributing to the burden on adult services and the wider health and social care system more generally.

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<sup>1</sup> <https://www.manifestoforcounties.co.uk/adult-services-health>

<sup>2</sup> *The Outlook for Council Finances This Parliament* (CCN/PwC, 2024)  
<https://www.countycouncilsnetwork.org.uk/download/5462/?tmstv=1733414904>



## **Council priorities for adult social care reform**

21. Shortly after the General Election, CCN surveyed its member councils asking what reforms to the adult social care system were most pressing and a priority for the new government.<sup>3</sup>
22. Given the need to continue to stabilise the existing system, when asked in our survey which reforms are a high or low priority over the course of this parliament, some 97% of councils said ensuring that there is enough funding to deliver the same or more amount of social care services as delivered presently was a high priority.
23. Equally, recognising the acute workforce challenge and the need to tackle its root causes, over nine in ten (94%) said workforce retention and recruitment, including improved conditions and pay, was a high priority for the incoming government. Other reforms such as more investment in community health services (85%), more extra care and supported housing (91%) and streamlining fragmented funding streams (73%) are also seen as a high priority for councils.
24. Support for policies that tackle these root causes of the challenges in social care are also reflected in the high prioritisation for tackling existing waiting lists and assessment times (80%) and improving delayed discharges and hospital hand over times (57%).
25. But in contrast to this high prioritisation for policies that tackle the immediate challenges, other reforms proposed by the new Labour government and other political parties during the election campaign are either seen as a low priority or lacking in detail.
26. The idea of introducing free personal home care is only seen as a high-priority by 18% of councils, while the previous government's policy of charging reform is seen by as a high priority by only a quarter of councils (24%). Moreover, the introduction of a National Care Service was regarded as a high priority by less than one in ten councils (9%), with 50% saying it was a low priority and 41% neutral.

## **CCN proposals for adult social care reform**

27. This survey result in relation to a National Care Service is reflective in part due to the government having yet to set out the precise details of what the proposal entails. For the policy to be a success, the government must provide urgent clarity on what a national care service means in practice and ensure structural reform does not become an unnecessary distraction.
28. Ahead of the General Election, CCN set out a comprehensive set of reform proposals for adult social care within our *Manifesto for Counties*.<sup>4</sup> Our vision for services is built upon establishing a preventive, people focused service, ensuring individuals are cared for in the home of their choice, enabled to live active lives, and supported by responsive services when they need them. This requires recruiting and retaining a sufficient and appropriately skilled workforce; managing the transition away from traditional forms of residential care towards preventative forms of community-based care; investing in

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<sup>3</sup> CCN Analysis - Adult Social Care Charging Reform (CCN, 2024)  
<https://www.countycouncilsnetwork.org.uk/download/5385/?tmstv=1733840546>

<sup>4</sup> <https://www.manifestoforcounties.co.uk/adult-services-health>

rapidly advancing technologies; and truly integrating services across health, housing, and public health.

29. By giving councils the right powers, while investing in and reforming health and care services, county authorities can work in tandem with government to ensure a sustainable and high-quality system for the long-term. CCN research with Newton has shown that by doing so, some 18% of the 60,000 adults in publicly funded care homes could be better supported independently in the community, while 90,000 more individuals every year could access more effective short-term care.<sup>5</sup> This wouldn't just mean better outcomes but reduced costs and improved productivity right across the health and care system.
30. To achieve this, our *Manifesto for Counties* proposals set out that the government must ensure councils remain at the heart of a locally delivered service, while delivering both investment and reform. All existing funding for services must be retained, with a commitment to meet increased spending need over the course of the parliament and reforming the distribution of funding between councils. Additional investment must be prioritised on expanding the availability of care packages for those most in need and enabling investment in community-based, preventative services, and housing options, rather than unnecessary structural changes.
31. You can read our full range of proposals [here](#).

### **The needs of Working Age Adults**

32. Although the challenges facing the adult social care system have received increasing attention in recent years, this has largely focussed on provision for older people. The growing needs of working-age adults and the life-long disabled requiring care are consistently overlooked. Some 40% of people receiving adult social care support in England are individuals aged 18-64 with a disabled condition such as a learning disability, a physical disability or a mental health condition.
33. In November, CCN and Newton published research showing national expenditure on support for working age and lifelong disabled adults has risen by over a third between 2020 and 2023.<sup>6</sup> Support for working age and lifelong disabled adults has now become the largest area of expenditure in adult social care, making up 63% of all care and support costs in England in the financial year 2022/23 – £10.1bn. This is despite the total volume of individuals with a learning disability supported not having risen over this period. Unless reforms are enacted, Newton projected that the costs of working age adults and lifelong disability services will grow 50% by 2030, reaching £17bn by 2030.
34. Rises in costs above inflation are primarily being driven by the type and complexity of care, with more individuals receiving higher cost and support-level packages. Rising placement costs are also the product of inappropriate and insufficient housing options, including the availability of local authority housing and supported living for those with lower support needs.

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<sup>5</sup> *The Future of Adult Social Care* (CCN/Newton, 2021)  
<https://www.countycouncilsnetwork.org.uk/download/3392/?tmstv=1733840726>

<sup>6</sup> *The Forgotten Story of Social Care* (CCN/Newton, 2024)  
<https://www.countycouncilsnetwork.org.uk/download/5519/?tmstv=1733504942>

35. Moreover, with councils more reliant on limited 24-hour residential and nursing placements, councils are exposed to needing to use more expensive out of area placements to meet local needs, with councils also struggling to contain costs due to providers resistant to changing packages of support and who are seen to prioritise the more financially lucrative market of older adults who pay for their own care.
36. The committee will also be aware of the explosion in demand for support for children with Special Educational Needs and Disabilities (SEND) – a growth of 114% over the past decade.<sup>7</sup> With modelling by Newton for CCN showing that 20% of the SEND population likely to enter adult social care services, there are now concerns that this increase in demand is likely to emerge to some extent as increased demand for adult social care over the coming decade once these children and young people transition into adulthood. As such, Newton forecasts for CCN show a potential net increase in expenditure for support for 18-24-year-olds for adult social care of at least 40% more by 2030.
37. In order to reform these services and reduce long-term costs and improve outcomes, CCN *Manifesto for Counties* proposals<sup>8</sup> outline that the government must place greater focus on working age and lifelong disabled adults in the national conversation around social care reform. This should include a review of the national funding model and operation of the market; the development of new housing solutions to reduce the reliance on supporting living; and implementation of a lifelong strategy for prevention and support, particularly in relation to those transitioning from the SEND system.

## Charging Reform

38. Reforming the way individuals pay for their care needs has been a constant source of national focus. It is widely acknowledged that the charging system in adult social care is unfair, with individuals facing the potential prospect of catastrophic care costs, limited financial support through the means-test, and a care market unsustainability cross-subsidised by private-payer ('self-funder') income.
39. CCN has, and continues to, support the principles underpinning the charging reforms contained in the Care Act. However, the network has reluctantly called for delays to their implementation on two separate occasions due to the scale of financial and operational challenges they pose consistently being underestimated. In November 2022, the government rightly delayed the introduction of charging reforms until October 2025, prioritising existing need and repurposing £2.9bn of earmarked funding over two years for core services.
40. The decision to proceed with the reforms in October 2025 was a key decision inherited by the new government on entering office. To inform the decision, in July 2024, CCN and Newton published updated costing and workforce requirements in relation to charging reforms.<sup>9</sup> The analysis showed that minimum total cumulative cost of charging reform in England, bringing together the means test, cap, fair cost of care and operational costs had risen 18% since the original analysis in 2022, from £25.5bn to £30bn. The total number of new social work staff required to implement the reforms was

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<sup>7</sup> *Towards and effective and financially sustainable SEND system* (CCN/ISOS Partnership, 2024)

<https://www.countycouncilsnetwork.org.uk/download/5402/?tmstv=1733505868>

<sup>8</sup> <https://www.manifestoforcounties.co.uk/adult-services-health>

<sup>9</sup> *CCN Analysis - Adult Social Care Charging Reform* (CCN, 2024)

<https://www.countycouncilsnetwork.org.uk/download/5385/?tmstv=1733840546>

4,443, with councils also requiring an additional 708 financial assessors. This compared to respective figures of 4,304 and 705 in the original 2022 analysis.

41. A survey contained in the same report also showed that the necessary decision by the previous government to delay the reforms, political uncertainty and persistent financial and demand pressures meant the October 2025 implementation timescale were impossible to deliver against. Some 97% of councils said they were 'very concerned' about a shortfall in funding, with no council 'not concerned'. Crucially, eight in ten councils (80%) said a longer inception period beyond October 2025 was an essential condition to make the reforms workable.
42. The Institute for Fiscal Studies has previously concluded that charging reforms were no longer funded within government spending plans,<sup>10</sup> – particularly in light of the Health and Social Care Levy being scrapped in 2022 which the Government had originally identified as the means to fund social care reform. With CCN's research showing councils were not prepared to implement the reforms by October 2025, CCN again reluctantly called for the reforms to be delayed by at least a further year.
43. When the government announced in July 2024 it would not proceed with the reforms, CCN welcomed the decision, outlining that introducing these unfunded changes in October 2025 could have had some catastrophic consequences for council finances, health and care systems and individuals who currently receive services.<sup>11</sup>

### **Impact on other council services**

44. Without reform this will mean significant reductions in other public services provided by councils. As social care largely comprises statutory services, spending on it must be prioritised. This means councils are forced to reduce or abandon resources directed to other non-statutory services in order to keep a balanced budget – which is a legal requirement for local authorities. Crucially, whilst in the past there may have been efficiencies which could be made in some areas, most of these were found many years ago during the period of austerity and more recently savings have had to be found from a much wider group of services. The cost of inaction on social care has already had, and will continue to have, a growing indirect impact on areas as diverse as road maintenance, bin collection, leisure services and anything else delivered by local authorities.

### **Impact on the NHS**

45. As stated above, the failure to invest in reform of the adult social care system presents a clear existential challenge to local authorities over the medium- to long-term and this has been the primary focus of this submission. But it is widely recognised that it will also place substantial additional burdens on the NHS. The committee will no doubt hear many representations from organisations better placed than CCN to estimate the impact of these burdens. However, it is important that it is understood that the issue of hospital discharge is not primarily a social care issue.
46. Research by CCN and Newton in 2023 in the report *Finding A Way Home* found that the single largest group of delayed discharges were for patients on 'Pathway 0' which requires no social care intervention. The report sets out a plan for a more co-ordinated

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<sup>10</sup> Institute for Fiscal Studies - What is the outlook for English council funding (June 2024)

<sup>11</sup> <https://www.countycouncilsnetwork.org.uk/government-not-proceeding-with-social-care-charging-reform-ccn-responds/>

process of hospital discharge involving closer working between health and social care agencies to help reduce the costs to the health system that this issue current places on the NHS.<sup>12</sup>

47. The report, *Finding a Way Home: how health and social care can optimise hospital flow and discharge this winter*, found that:

- around 175,000 fewer older people each year could avoid being admitted to hospital through improved decision-making from frontline health professionals with patients instead supported in the community. This would involve building trust and awareness in such community services. For example, if an over 65 suffered a minor injury, they could instead be treated in the community rather than sent to an acute setting;
- with the NHS facing 1.6m admissions from over 65s each year, this represents one in 10 admissions and could free up thousands of beds and reduce costs by £600m a year.
- 6m bed days could be saved by reducing delayed discharges, including 500,000 from 'simple' discharges. This could be achieved by utilising more criteria-led discharges, and by improving capacity in intermediate care services (such as reablement and rehabilitation at home).
- for those discharged from hospital, over 80,000 elderly people could live more independent lives each year – such as in their own home– if improved decisions are made by professionals and there is more investment into intermediate care and therapy within these settings. This could reduce local authority costs by £1bn a year.

## **Importance of investing in technology**

48. Another potential cost of not investing in social care will be seeing the country's care infrastructure increasingly fall behind successful roll-outs from the rest of the world. Technology is rapidly progressing and offering major transformational capability for adult social care – both in terms of services provided directly to users, as well as ways in which data and predictive AI can be used to help reduce the need for care in the first place (such as falls prevention technology). It is likely that technological innovation will need to be a key element of a National Care Service in order to meet the predicted demand for care in the years ahead. CCN has collaborated with provider Tunstall Healthcare in developing two reports over recent years which have highlighted where local authorities might most usefully invest in such areas which the committee may find of interest to this inquiry.<sup>13</sup>

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<sup>12</sup> *Finding A Way Home* (CCN/Newton, 2023)

<https://www.countycouncilsnetwork.org.uk/download/5102/?tmstv=1733506677>

<sup>13</sup> *Employing Assistive Technology in Adult Social Care* (CCN/Tunstall, 2021)

<https://www.countycouncilsnetwork.org.uk/download/3604/?tmstv=1733504942>

*Adopting the Right Technology to Transform Social Care* (CCN/Tunstall, 2023)

<https://www.countycouncilsnetwork.org.uk/download/4744/?tmstv=1733504942>