

The value of investing in social care

What are the benefits of further funding for reform to adult social care in England?

Briefing: October 2021

Last month, the government announced some important reforms to adult social care, including a 'cap' on the total an individual has to pay towards their care costs over their lifetime and an extension of the means test. But social care isn't 'fixed' yet. These reforms and promised funding are not enough to provide care to everyone who needs it, ensure staff are fairly rewarded, and make other vital improvements to our social care system: big challenges remain.

Here, the Health Foundation, The King's Fund and the Nuffield Trust have come together to set out the potential benefits of tackling these challenges. We outline seven benefits of social care in England where there are opportunities offered by additional funding for further reform.

1. Social care can enable people to live independent and fulfilling lives, but too few people have access to it

Many equate social care with a narrow set of personal care services for older people: helping someone to get dressed, washed, to the toilet, out of bed, and fed. These are vital, but are just some of the array of forms of support that fall under the umbrella of adult social care.

Social care supports adults of all ages with a range of disabilities or conditions – from dementia and frailty to physical and learning disability, mental illness and acquired brain injury. People may use social care on an ongoing basis, or for a short period (after a hospital stay, for example). Good social care support should help people to lead as independent and fulfilling lives as possible, whether they live in a care home, supported housing or their own home. It could, for instance, be support for a disabled person to live at home, meet up with friends, or stay in work. [Around 840,000](#) people received publicly funded long-term care in 2019/20, and there are an [estimated 168,000](#) self-funders in care homes alone. A third of people supported by local authorities are [younger adults \(aged 18–64\)](#).

But while 120,000 new requests for support were made between 2015/16 and 2019/20, the total number of people actually *receiving* publicly funded long-term care over that period [fell by 3,000](#). Councils have not had enough funding to keep pace with growing demand. This suggests that more people are not getting the care they need, are relying on family or friends, or are going without entirely.

And while there has been a slight increase in the number of people [accessing short-term support](#) that can prolong people's ability to live at home and remove or reduce the need for care, it is likely that far fewer people are getting this type of support than could benefit. In 2012, it was identified that capacity for intermediate care [would need to double](#) to meet demand, but there is no evidence to suggest that this has happened.

Improving access to publicly funded social care through investment and additional reform would help **prevent more frail older people from deteriorating** and help them **maintain their independence**. It would also support more disabled people to improve their wellbeing and **live the lives they want to lead**.

2. Social care plays a significant role in local economies, but the sector urgently needs stability and the market needs further reform

The increased wellbeing that the social care sector generates, for both publicly funded and self-funded individuals, is created by more than [14,000](#) different (mostly private sector) organisations. There are more than [450,000 beds](#) in residential care (nursing and care homes); that's more than three times the number of [hospital beds in England](#). And local authorities alone fund [over 100 million hours](#) of [home care](#) a year.

The scale of social care means services are vital to their local economies and offer a diverse range of employment opportunities. The sector employs [1.54 million staff](#) in 1.19 million FTE jobs to care and support people – around the same number who work in the NHS. It is estimated that the sector also indirectly creates [a further 600,000](#) jobs.

A decade of cuts to social care funding (particularly [affecting the most deprived](#) areas), rising costs, and the pandemic have affected the financial viability of many care providers. Increasing proportions of local authority leaders report care homes and home care providers [closing](#), ceasing trading, or handing back contracts. As a result of cuts to their budgets, local authorities often pay care providers fees that are at, or below, what it costs them to deliver the care. To remain viable, providers typically [charge self-funders more](#) for their care than those receiving publicly funded services.

The [Competition and Markets Authority](#) identified a range of issues with the care home market and there are [continuing questions](#) about whether the range and type of services that the market provides effectively meet the principles of personalisation and wellbeing at the heart of the [Care Act 2014](#).

A well-funded and effective care market could address these failings and could strengthen communities by creating more jobs in care and related sectors. Increased spending and reform to the way local authorities commission care would **make social care more financially sustainable**. The government's recent [proposals](#) to encourage councils to pay fair fees and to enable self-funders to access council rates has the potential to **balance costs more evenly** between local authorities and self-funders. But they **must be fully funded and carefully implemented** to ensure the care market is not destabilised.

3. Social care provides skilled and fulfilling work for a large number of people, but they are currently not properly rewarded or developed

A breadth of skills and experience is needed to deliver high-quality care. [Care workers](#) make up most of the social care workforce but it incorporates a variety of other roles too, including registered nurses, [registered managers](#), social workers, and housing and employment support officers.

Care workers increasingly undertake complex activities, including [installing catheters and giving insulin](#). During the pandemic, many have stepped up to take on additional duties usually held by other professions – such as [dressing wounds](#), using digital technology to [enable remote healthcare](#), and providing verification of deaths.

Currently, though, the skills of the social care workforce are not adequately recognised or rewarded. Only half of staff directly providing care have a [social care qualification](#). And progression may not be deemed worth it – there are only [small differences](#) in pay between care workers and senior care workers. Pay and employment conditions in social care are unacceptably poor. For example, the mean annual pay for care workers in the independent sector is [£17,900 per year](#); zero-hours contracts are prevalent; and sick pay is not guaranteed (above the legal requirement). Pay and conditions have also [affected support](#) for the workforce during the pandemic. Unsurprisingly, [staff vacancy and turnover rates](#) are exceptionally high.

Funding and reform to improve salaries, employment conditions, and training and progression opportunities would **help attract and retain more social care staff** with the **skills and confidence** to provide good care.

4. Social care supports millions of family carers to improve the quality of their lives, but many still don't have the help they need

Most social care is informal and unpaid, provided by the family and friends of people with care needs. There were [5.8 million](#) unpaid carers recorded at the last census, and that figure is [likely](#) to have increased since. It is estimated that more than [half of us](#) will become carers at some point in our lifetime. Compared to other [OECD](#) countries, the UK has a high level of informal care.

Unpaid carers provide [an estimated £59.5bn](#) worth of care a year – equal to four million paid social care staff working median weekly hours. Many carers are also in paid employment. For example, one third of [NHS staff](#) are carers. Publicly funded social care may be provided alongside unpaid care, helping people balance caring responsibilities with paid work. And social care supports carers directly – with grants, services and advice – to prevent caring from causing or worsening financial difficulties, or physical and mental health problems.

But the number of carers accessing support has decreased by [35% in recent years](#). Social care leaders report that more and more people are [seeking support](#) because of carer breakdown, sickness, or lack of availability. Inadequate support affects carers' health: among those providing more than 50 hours a week of unpaid care, it comes at a cost that is equivalent to [18 fewer days](#) a year in full health. Reduced access to support for carers particularly affects women, who provide most [unpaid care](#).

Increased investment could help local authorities **support more unpaid carers**, enabling them to live **healthy, rewarding lives**, to **balance caring with other responsibilities** and to **access much-needed breaks**.

5. Social care is often rated well by regulators and people accessing care, but there are still too many poor-quality services

People are often cared for well. According to the social care sector's regulator, many providers have maintained and even improved the quality of their services in recent years. The Care Quality Commission (CQC) rated [84% of services](#) 'good' or 'outstanding' in 2020 compared to 68% in 2016. The number of 'outstanding' services has increased more than ten-fold.

Most people using publicly funded social care rate their care services quite highly: 64% of care users say they are [extremely or very satisfied](#) with their care (and 25% are quite satisfied). [A majority](#) also find it easy to find information about services, and say services help the way they spend time and help them have social contact. People's opinions about the quality of their care do not change much year to year.

But some care services remain consistently poor quality or are getting worse. Some [512 care homes](#) have never been rated better than 'requires improvement' by the CQC. While these are a minority (3%) of care homes, they provide nearly 23,000 beds. And people's ratings of their care appear to [vary depending on their care needs](#). The [CQC](#) has called attention to the declining quality of care for people who need mental health, learning disability and autism services in particular. In some cases, quality of care is still unacceptably poor and instances of [abuse and neglect](#) remain.

The high quality of many social care services despite current funding pressures demonstrates that, given the right resources, the sector is **well placed to address the variability** in quality and provide **better care for people**.

6. Social care has developed improved approaches to care through innovation and technology, but funding pressures are limiting their spread

There are many innovative approaches to care that have the potential to help people lead independent and fulfilling lives. For example, [Wellbeing Teams](#) has created small, self-managed teams which offer more person-led care to enable people to live at home, providing an alternative to residential care. [Technology](#) is also playing an increasing part in helping social care providers and staff provide people with high-quality care: improving assessment for home adaptations through [smartphones](#) and [remote health monitoring](#) are just two examples. Direct Payments – which provide people with a budget that can be used to choose some of these more innovative services – can give people [more control](#) over their lives.

Innovative and creative care that is aligned with people's needs and ambitions can have clear benefits. A [growing number of initiatives](#) are showing potential at a small scale for positive impacts on physical and mental health and wellbeing. Community-led services often receive [very high-quality ratings](#). And there is evidence that these models can be cost-effective – for instance, a [Shared Lives](#) carer can [save £26,000](#) per person per year for those with learning disabilities. However, most innovations to date are small scale and there is a need for robust [evaluations](#) to produce evidence around how they can be implemented more widely. The Health Foundation and the Economic and Social Research Council have recently invested [£15m in a body](#) to provide practical support to implement evidence about what works in social care.

Despite these advances in care services and technology, though, funding pressures risk limiting the development and spread of innovative and creative approaches to care and support. Cash-strapped councils are often [pushed to commission care](#) by the minute – with no space for people's voices or choices. The number of [people using Direct Payments](#) is falling, despite requests rising.

More investment in staffing and resources is needed to **spread innovation** and ensure people who use services **benefit from more personalised approaches** to care.

7. Social care is a vital support to other public services like the NHS, but it must be properly funded for those services to fully benefit

Publicly funded social care is vital in its own right. But it is also an important part of our wider system of public services, working alongside health, housing, welfare, and more. For example, younger adults accessing social care [may also receive](#) a personal independence payment (PIP), a state benefit for adults below state pension age with long-term health conditions and disabilities.

There is a strong relationship between the NHS and social care. It is important that social care is not seen simply as an adjunct to the NHS as it has value in its own right. But, where the NHS and social care work well together, there is potential to keep people well and reduce demand on secondary health services. Evidence of the impact of changes in social care spending on health care use is [mixed](#), but there is evidence that greater availability of nursing and residential care is associated with fewer [hospital admissions](#) and [readmissions, fewer delayed discharges, reduced length of stay, and reduced expenditure on secondary health care services](#). There is also evidence that interventions like re-ablement [have the potential](#) to prolong people's ability to live at home and reduce or even remove the need for care.

But delayed discharges from hospital caused by social care [increased by 84%](#) between 2010 and 2017. The reasons for slow or delayed discharge from hospital can be many and complex. But without a good supply of well-staffed social care (including care homes, home care, supported living, and other services), people cannot easily be discharged from hospital in a timely way. Long stays in hospital can damage people's confidence to live independently as well as their health – risking particularly rapid deterioration among older people who quickly lose muscle tone.

Social care must be properly funded to **enable efforts to join up health and care services**, including through the current legislation on integrated care systems (ICSs). It is essential that social care representatives are **equal partners in ICSs**, working alongside other local services. There is also potential to **strengthen the relationship between social care and housing services**, with scope for [much wider usage](#) of **extra care housing** (or 'retirement communities').

What needs to change

Social care is well placed to contribute more widely to our society and to play a key role in the government's levelling-up agenda. But it needs further reform and more resources to fully realise the benefits of a resilient care system and tackle the challenges in the sector. We are not lacking in analysis of these [challenges](#) or potential policy solutions to them. These have been explored before by the Health Foundation, The King's Fund, the Nuffield Trust and many others, including through five independent commissions.

As the government develops the white paper it has promised for reforming social care, it must work together with people who draw on, deliver and plan social care to create a fair and sustainable system that enables people to live the lives they wish to live. Its priorities must include:

- Increasing access to care and better meeting growing need for care now and in the future, as people live longer and the number of disabled people rises
- Better meeting people's needs and supporting their choice and control by improving the quality and range of care available and ensuring it joins up with other services
- Developing a comprehensive workforce strategy that both tackles urgent problems with current availability of staff and plans effectively for the future, by better rewarding and supporting social care staff and unpaid carers
- Advancing data and analytics to fill gaps in our knowledge about people who need and draw on social care and those who provide support in order to better shape services for the future
- Ensuring the social care market can support a wide range of good-quality innovative providers, with sufficient capacity to meet people's needs and preferences.

To address these priorities, the government must spend more money. Depending on the government's level of ambition for improving care in the sector, [the Health Foundation's REAL Centre projects](#) that it would **need to spend between an extra £2.5bn** (just to meet future demand) **and £9.3bn** (to also improve access to care and pay more for care) **by 2024/25**. The recent funding announcement [covers only some of this](#), providing around £1.5bn a year. It is **vital that additional funding is secure and long term** so that councils, providers and others in the sector can plan for the future, encourage innovation and not just spend more on the same. Beyond the health and social care levy, there are a range of other [options for raising additional funds](#).

Previous governments have promised social care reform but failed to deliver it. This government has made an encouraging start by committing to reform. It must now build on this.

The [Health Foundation](#), [The King's Fund](#) and the [Nuffield Trust](#) are committed to evidence-based reform of adult social care. See our websites for research, opinion and analysis on social care.

The Nuffield Trust is an independent health think tank. We aim to improve the quality of health care in the UK by providing evidence-based research and policy analysis and informing and generating debate.

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The King's Fund is an independent charity working to improve health and care in England. We help to shape policy and practice through research and analysis; develop individuals, teams and organisations; promote understanding of the health and social care system; and bring people together to learn, share knowledge and debate. Our vision is that the best possible care is available to all.

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