

Key Asks for the Recovery of the Adult Social Care Sector in London



Contents

1. Purpose of the report
2. Recommendations
3. Background
4. Councils response to the pandemic
5. Impact of Covid-19 on Adult Social Care finances
6. An urgent need for reforming Adult Social Care
7. Conclusions and recommendations

1. Purpose of the report

The pandemic has seen the health and social care sector facing unprecedented pressures. Councils in particular have struggled as the pandemic started at a time when they were already facing challenges to meet the rising demand for services.

Delivery of the vaccine is now well underway, and with the end of the pandemic now in sight we must begin to consider the support that is needed to help the adult social care sector to recover ensuring that:

- The sector is financially viable enabling it to continue to meet the needs of all those who need services.
- There is stability in the care market with services available to meet the needs and demands of service users and giving service users choice.
- The longstanding issues and challenges facing the workforce that have been exacerbated by the pandemic are addressed.

The pandemic has put a spotlight on the gaps and challenges in the social care sector and this report:

1. Considers the impact that the pandemic has had on the sector and uses this as a foundation to consider the immediate actions

that are required in the short term to enable the sector to effectively continue to deliver services to those that need them.

2. Draws on the experience of the past few years to make recommendations to government that will enable more strategic planning by the sector moving away from annual planning to longer term planning over three to four years.
3. Explores how the pandemic has exacerbated existing weaknesses in the sector – funding, disjointed care, market instability, provider fragility, struggling workforce. While the short term and medium-term recommendations outlined below will help to address these, the report also restates previous recommendations for long term reforms that are required to ensure the sector is better prepared for any future pandemic and demand for services.

This report sets out key recommendations required for the recovery of Adult Social Care in London.



2. Recommendations

The extra funding announced in the Spending Review 2020 and the additional allocations made in response to the pandemic help to address some of the short-term pressures in the sector. However, a clear plan that addresses short-term, medium-term and long-term needs is still necessary to help the sector to recover.

Short-term asks for recovery

To support and enable boroughs to continue to meet the increased demands brought on by the pandemic London Councils calls on the government to:

- 1. Continue to provide immediate support for the short-term Adult Social Care demand pressures arising from Covid-19.** London Councils' analysis of the January 2021 Ministry of Housing, Communities and Local Government (MHCLG) Covid-19 Impact Survey Returns currently estimate the additional Adult Social Care expenditure in London for 2020-21 to be around £400 million. The funding gap in London for 2020-21 was already expected to be in the region of £130 million before Covid-19.
- 2. Take a consistent approach to**

funding social care and the NHS as two parts of an interlinked system, with any future NHS budget increases replicated for social care. Had Adult Social Care expenditure risen in line with Department of Health and Social Care funding increases since 2010/11, London boroughs' Adult Social Care expenditure would have been £3.4 billion in 2020/21 instead of the £2.6 billion budgeted expenditure.

- 3. Increase support to councils so that they are better able to develop and support the different parts of the care market:** residential, nursing and home care services.

Medium-term asks for recovery

- 1. Provide medium-term (3 or 4 year) funding allocations to enable more strategic planning.** Instead, before the pandemic, London Councils was forecasting a funding gap in the region of £600 million by 2024/25, making it challenging to plan.
- 2. An Adult Social Care workforce strategy is needed to help improve and raise the status of the sector, making recruitment and retention easier.**

Long-term asks for recovery

The pandemic has highlighted the need for reforming the Adult Social Care sector. The government must bring forward proposals for the sustainable improvement of the Adult Social Care system. Proposals for reform must include:

1. The social care precept has inherent failings and **long-term sustainable funding cannot rely on the council tax base.**
2. Proposals that offer **greater clarity and certainty on the individual's responsibility** for

Adult Social Care costs.

3. Proposals for a funding model that sees **funding weighted towards services in the community and prevention services.**
4. Long-term reform must put a **focus on investment and response on prevention and strength-based approaches** to help delay the need for social care services.



3. Background

Impact of Covid-19 on Londoners

At the beginning of the pandemic in London, social care teams across the London Boroughs were providing care and support to 150, 000 London residents across a mixture of care settings.

Prior to the onset of the pandemic, Skills for Care reported that the Adult Social Care sector in London had 237, 000 jobs in the sector with a 9.5 per cent vacancy rate and 29 per cent turnover rate. Skills for Care has been tracking monthly vacancy rates during the pandemic, and its most recent publication to November 2020 shows that by November 2020, London’s vacancy rate of 11.8 per cent was nearly three times that of the north east region ¹.

As in other regions, Londoners have been significantly impacted by the pandemic. As of 14 January 2021, the total number of Covid-19 cases identified in London was 548,116, while in England the total figure was 2,834,341 ². London has had the highest numbers of people who have tested positive for the virus with the second region being the Midlands with 526, 657 cases.

The pandemic has seen the health and social care sector facing the most challenging period in recent years. Hospitals saw demand for service increase. While the majority of patients recover from Covid-19, the number of deaths as of result Covid-19 recently passed the tragic milestone of 10,000 in London.

The table opposite shows the number of deaths of patients who have died in hospitals in England and had either tested positive for Covid-19 at time of death or had Covid-19 on their certificates split by region.

The table opposite shows that the third highest number of Covid-19 related deaths in hospitals were in London at 10,773 deaths.

1. <https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/Topics/COVID-19/Recruitment-and-retention.aspx>

2. <https://coronavirus.data.gov.uk/details/cases?areaType=region&areaName=London>

Covid-19 Deaths in hospitals by region (01 March 2020– 13 January 2021)³

| NHS England Region | Total Covid-19 deaths in hospitals with +ve test at time of death | Total Covid-19 deaths in hospitals where a +ve result was not received but Covid-19 is mentioned on certificate | Total Covid-19 deaths |
|--------------------------|---|---|-----------------------|
| Midlands | 12,082 | 528 | 12,610 |
| North West | 10,426 | 526 | 10,952 |
| London | 10,235 | 538 | 10,773 |
| North East and Yorkshire | 9,702 | 400 | 10,102 |
| South East | 7,190 | 349 | 7,539 |
| East of England | 6,330 | 371 | 6,701 |
| South west | 2747 | 154 | 2,901 |
| England | 58,712 | 2,866 | 61,578 |

In the first wave, care homes in London were significantly impacted by the crisis. Unlike during the second or third wave, the surge in the first wave in London came earlier than in other areas, and the changes in policy, which assisted other areas in protecting care homes more effectively (such as the increased availability of PPE and testing for care homes), came relatively late to London's care homes and care workforce. The result was that deaths in care home residents in London during the first wave were higher than outside London.

Local authorities and care homes have been working in partnership to ensure that care homes are safe to visit and safe not only for the service users but for the workforce and those visiting as well.

In the period 10 April 2020 to 8 January 2021 there have been 20,042 deaths in care homes in England. In the same period London has had 1,225 Covid-19 deaths in care homes .

During the second wave and third wave, London providers were better equipped in handling the crisis and learning has grown, with structures and partnerships in place to better handle both the second and third wave.

However, the pandemic has put the sector under increased pressure and will require further government support to help in its recovery.

With delivery of the vaccine having started, the end of the pandemic is now in sight and we must begin to consider the support that is needed to help the Adult Social Care sector to recover.

3. <https://www.england.nhs.uk/statistics/statistical-work-areas/covid-19-daily-deaths/>

4. <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/numberofdeathsincarehomesnotifiedtothecarequalitycommissionengland>

4. Councils response to the pandemic

Councils and their health partners have faced a turbulent time over the past months. However, councils have successfully come together and worked to meet the demands brought on them by the pandemic.

A key area of success in local responses to the pandemic has been in the way that councils and health partners have pulled together and put in place hospital discharge processes that ensure only those that need to be in hospital are there, so that people are moved out of hospital quickly and put in the most appropriate care setting for them.

Boroughs have put in place a wide range of measures to support their communities, care home providers and the social care workforce.

Care homes have faced a particularly challenging time during the pandemic. The struggles faced by care homes nationally have been well documented in national media particularly during the first weeks of the pandemic.

Care homes in the UK have a bed base that is at least three times that of the acute hospital sector⁵. Many of the residents have a cognitive impairment, multiple health conditions, physical dependency and many are in their last years of life.

Councils have been at the forefront of ensuring that care homes have the support that they need to enable them

to provide services safely to care homes across the capital. Examples of ways that councils have supported care homes include:

Provision of Personal Equipment (PPE)

From the onset of the pandemic, boroughs across London recognised the importance of PPE and worked to help care homes to access the PPE they needed. This was particularly important when supplies were running low during the first weeks of the pandemic. Following the success of individual borough initiatives in accessing PPE and the national PPE programme initially facing challenges, individual borough initiatives across London were scaled up so that there is now a London-wide joint procurement of PPE by boroughs. The scheme runs alongside the continuing national government programme.

Workforce support

Boroughs launched the Proud to Care London campaign to support recruitment, DBS checking and basic training of care staff. The campaign has successfully helped to increase applications to the sector and it is also worth noting that the campaign is also reaching a new profile of carers – with 1/3 of applicants under the age of 30.

5. <https://www.kingsfund.org.uk/publications/nhs-hospital-bed-numbers#hospital-beds-in-england-and-abroad>

Borough response to care homes

1. Establishing and maintaining proactive communications with all care providers, not only those in their boroughs but also those beyond, where a borough has out of borough placements.
2. Borough communications have been focused on working with providers to identify the support they need throughout the pandemic, to ensure that they are able to continue to provide care as required to their service users and to ensure links are available 7 days per week.
3. Boroughs worked with key partners to meet the Covid-19 discharge process and ensure safe, swift and effective transfers of care, while also working with the care market to try and ensure that there is capacity and ensuring financial stability to the sector.
4. There has been greater cooperation of social care departments with primary and community health to provide dedicated health care and support to care homes more quickly.
5. Many boroughs have increased the level of support that they provide to care homes, including:
 - Early infection control training sessions for care homes and home care; then participating in the PHE webinars
 - Public health and public protection advice on Covid-19 and infection control
 - PPE procurement, storage, advice and supply to the care sector
 - Making single accommodations available for health and care staff within decanted sheltered schemes to enable them to live away from home if they needed to
 - Co-produced with providers a package of mental health and wellbeing support for social care provider staff
 - Some boroughs have set up residential facilities for hospital discharges for the unknown cases and commissioned Covid-19 Hot Home Care capacity where hospital discharges are supported by dedicated services before returning to their usual care agency
 - Support to personal assistants, working with people who have direct payments, including accessing PPE, training and mental health and well-being support

5. Impact of Covid-19 on Adult Social Care finances

Short-term pressures

Prior to Covid-19, London boroughs' Adult Social Care expenditure was budgeted to be £2.6 billion in 2020/21. It should be noted that had Adult Social Care expenditure risen in line with Department of Health and Social Care funding increases since 2010/11, London boroughs' Adult Social Care expenditure would have been £3.4 billion in 2020/21.

Covid-19 has created substantial additional spending pressures. London Councils' analysis of the Covid-19 Financial Impact Survey returns for January 2021 suggests that the additional expenditure on Adult Social Care in London as a result of the pandemic is around £403 million in 2020/21.

During the course of the pandemic, the government has announced several funding allocations to aid councils to address the pandemic (see box opposite).

While the government has provided essential additional funding to support authorities, it is essential that this is maintained and enhanced to cover these exceptional pressures. It should be noted that while this additional funding has been essential for tackling the pandemic, it does not address the funding gap that the sector is already facing.

Covid-19 funding for Adult Social Care

1. Infection control fund 1 – £600 million (£50.7 million in London)
2. Infection control fund 2 – £546 million (£56.9 million in London)
3. Discharge funding – £1.3 billion nationally
4. Six weeks free care upon discharge – £588 million nationally
5. Spending Review 2020 confirmed an additional £300 million nationally
6. Lateral flow device (LFD)

As the number of Covid-19 cases continue to rise, the sector will continue to be vulnerable and will struggle to meet the increased demands that are required to ensure that services provided are Covid-19 safe.

Key drivers of costs during the pandemic include those driven by:

- Costs of providing PPE - As part of the Adult Social Care Winter Plan, the government announced that free PPE will be provided to social care providers. Based on analysis by the LGA, the costs of providing PPE to ensure that both those receiving personal care and those providing that care are safe is £4.179 billion up to the end of September 2020 (£3.091 billion in care homes; £802 million in home care; £286 million in supported living)⁶.
- During the first wave, London boroughs worked together and set up a new pan-London partnership to secure emergency supplies of PPE.
- Increased staffing costs – A survey of 211 providers by Skills for Care, carried out during the first wave, found that providers were facing additional costs as a result of having to increase the number of agency staff, covering the high numbers of permanent staff in isolation, shielding or those with child care issues.
- Increased deep cleaning to help with infection control in care homes.

The additional funding made for social care during the pandemic is welcome, particularly during this period when public finances are extremely stretched. However, the on-going, long-term funding crisis in the sector still needs to be addressed.

It is critical that there is recognition from government that providing adequate, sustainable levels of funding will also help the NHS over the coming challenging months.

6. <https://www.local.gov.uk/covid-19-financial-pressures-adult-social-care>

Medium-term pressures

Prior to the pandemic, the LGA estimated that there was a £810 million funding gap in 2020/21, even after the additional funding announced in Spending Review 2019 is accounted for. They further predicted that this gap could grow to £3.9 billion across England by 2025.

London Councils estimated that London's share of this funding gap before the pandemic was as high as 130 million in 2020/21, potentially reaching £600 million by 2025. Large funding gaps in the sector make strategic longer-term planning difficult, as efforts are focused on meeting current pressures.

Sustainable longer-term funding for the sector is critical to ensure it is able to meet any future needs and demands.

In October 2020, the Health and Social Care Select Committee published its report on funding of social care and the workforce. The Committee found that the ongoing funding shortfalls that the sector has faced have had a serious negative impact on the lives of those who use the social care system, as well as impacting the pay levels of the workforce in the sector and threatening the sustainability of care markets.

Staff have worked tirelessly during the course of the pandemic and it is time that they are given greater recognition. Reform is needed to address issues around the workforce such as the low levels of pay in the sector, provision of training and the creation of better opportunities for career progression. There is need for reform aimed at changing and developing the skills base and immediately change salaries and status to help improve recruitment and retention in the sector.

Impact of Covid-19 on local market sustainability

The long-term funding of social care has always been challenging because it has a combination of service users who rely on the public purse to either fully or partially fund their care needs and those who pay for their own care.

It has been well established in the sector that often self-funders have generally paid higher rates than those paid for by councils. According to the Kings Fund, on average a self-funder's place costs around 40 per cent more than one paid for by the local authority.

Both self-funders and council supported service users therefore play a critical role in ensuring that there is a sustainable care market.

However, there is evidence that Covid-19 has destabilised the market over the past few months. This is particularly challenging as it is coming at a time when market sustainability was already a growing issue due to the funding challenges the sector has been facing. Over the summer, the Care Quality Commission (CQC) published its report and found that admissions to care homes fell by more than a quarter among publicly-funded clients, but by two thirds among self funders⁷.

There is growing concern that if this trend continues, this is likely to put added financial pressures on the care market and result in potential closure of some residential and nursing homes.

A survey carried out by ITV news found that from 61 councils in England, Scotland and Wales the number of vacancies had almost doubled in a year, rising by 88 per cent⁸. Providers have attributed these vacancies to the fact that care homes have suffered tens of thousands of deaths in 2020, above what they would normally expect in an average year, leaving many beds vacant and secondly, fears of the pandemic has meant that families are reluctant to fill those beds with new residents.

Closures are likely to result in a smaller care sector and this will have implications for the NHS. Reduced numbers of providers will not only

impact the care sector but will also have an impact on the NHS's ability to discharge people into care homes when needed.

It should be noted that the reduced demand for care home services has been accompanied by an increase in those receiving care services at home. It is right that people who can do so safely should continue to remain in their homes for as long as possible.

The current system, however, has had resources weighted towards residential and nursing homes. Additional resources are needed to ensure that all those people who remain in their homes are able to access safe, quality services from the care market.

A sustainable care market requires the right balance of both home care service, residential services and nursing homes, while also recognising the important role that informal carers play in the sector.

Therefore, government can help to address some of the instability in the sector by moving away from funding through the one-year or one-off allocations that have been made over the past three years.

There would be greater certainty in the sector, enabling longer-term strategic planning to be made by providers and the sector as a whole, if government moved towards a three to four-year funding allocation model.

7. <https://www.cqc.org.uk/publications/major-report/covid-19-insight-issue-3>

8. <https://www.itv.com/news/2020-10-01/care-homes-facing-closure-crisis-as-empty-beds-double-amid->

Increased Support for Unpaid Carers

The reduction in formal care will also have an impact on the number of people requiring support from informal and often unpaid carers. The 2011 census indicates that over 687,000 were spending at least an hour a week caring for someone. Carers UK have said that there are currently 13.6 million carers, around 4.5 million of whom are new to caring since the pandemic began⁹.

Informal unpaid carers play an important role in the care sector; Carers UK estimates that carers save the UK economy £132 billion per year, an average of £19,336 per carer.

Increased pressure on unpaid carers can lead to a deterioration in their own health, wellbeing, resilience and ability to cope. With the number of carers increasing during the pandemic, it is critical that more support is provided to support informal carers to ensure that their health and wellbeing does not deteriorate.



9. <https://www.carersuk.org/news-and-campaigns/news/carers-week-4-5-million-become-unpaid-carers-in-a-matter-of-weeks>

6. An urgent need for reforming Adult Social Care

Long-term pressures

Since the onset of the pandemic, the social care sector and the NHS have been at the centre of supporting and tackling the impact of Covid-19. Initially, the ability of the social care sector to respond was particularly put in the spotlight. It was evident that there were existing gaps that needed to be addressed quickly if the sector was to rise to the challenge.

The white paper, *Integration and Innovation: working together to improve health and social care for all*, is a response to the pressures that have been faced by the sector over the past year and moves forward some of the proposals set out in the NHS Long Term Plan. The white paper sets out a helpful foundation for developing collaborative working between health and local government, but does not address the pressing issue of reforming Adult Social Care.

The pandemic has highlighted the need for reforming the sector and government must publish proposals. Any reforms should at least address the following:

- There must be greater clarity regarding how Adult Social Care will be funded in the long term. The social care precept has inherent failings and long-term sustainable funding cannot rely on the council tax base. Different levels of council tax precept are raised across different regions and often the areas with higher demand and need for services raise lower funding through council tax. This puts more deprived areas at a disadvantage and adds extra financial burden on households in need of the greatest support.
- Issues regarding self funders and public sector funded residents: The commitments set out in the Care Act 2014 that offered protections for self funders to be treated as important participants in the care process have been frustrated by the delay in publishing the reforms for the long-term funding of social care. The reforms must set out how it will increase care to people that need it, while reducing the cost of care.
- The co-dependency between the NHS and Adult Social Care can no longer be disputed. To better align the NHS and the Adult Social Care sector, the government must also move to a long-term funding settlement for social care, similar to the NHS ten-year funding allocation.
- Demand management and investment in prevention and strength-based approaches should also form a core part of long-term reform. Prevention services based on a strengths-based approach support an individual's independence, resilience, ability to make choices and wellbeing and help to manage the demand for services.

7. Conclusions and recommendations

The pandemic has put a spotlight on the need for sustainable funding for Adult Social Care and has exacerbated its funding requirements.

To fully address the pressures in the sector, three different approaches are needed; short-term, medium-term and long-term.

Short-term recovery asks

The extra funding announced in the Spending Review 2020 will help to address some of the short-term pressures in the sector. However, a clear plan is still needed on the future of care and support.

To support and enable boroughs to continue to meet the increased demands brought on by the pandemic, London Councils calls on the Government to:

- 1. Continue to provide immediate support for the short-term Adult Social Care demand pressures arising from Covid-19.** London Councils' analysis of the January 2021 MHCLG Covid-19 Impact Survey returns currently estimate the additional Adult Social Care expenditure in London for 2020-21 to be around £400 million. The funding gap in London for 2020-21 was already expected to be in the region of £130 million before Covid-19.

- 2. Take a consistent approach to funding social care and the NHS as two parts of an interlinked system, with any future NHS budget increases replicated for social care.** Had Adult Social Care expenditure risen in line with Department of Health and Social Care funding increases since 2010/11, London boroughs' Adult Social Care expenditure would have been £3.4 billion in 2020/21 instead of the £2.6 billion budgeted expenditure.
- 3. Increase support to councils so that they are better able to develop and support the different parts of the care market:** residential, nursing and home care services.

Medium-term recovery asks

- 1. Provide medium-term (3 or 4 year) funding allocations to enable more strategic planning.** Instead, even before the pandemic, London Councils was forecasting a funding gap in the region of £600 million by 2024/25, making it challenging to plan.
- 2. An Adult Social Care workforce strategy is needed to help improve and raise the status of the sector making recruitment and retention easier.**

Long-term recovery asks

The pandemic has highlighted the need for reforming the Adult Social Care sector. The government must bring forward proposals for the sustainable improvement of the system. Proposals for reform must include:

1. The social care precept has inherent failings and **long term sustainable funding cannot rely on the council tax base.**
2. Proposals that offer **greater clarity and certainty on the individual's responsibility** for Adult Social Care costs.
3. Proposals for a funding model that sees **funding weighted towards services in the community and prevention services.**
4. Long-term reform must put a **focus on investment in prevention and strength-based approaches** to help delay the need for social care services.



