

Adult Social Care Reform: The Cost of Inaction Inquiry

TUC written evidence, December 2024

1. Introduction

The Trades Union Congress (TUC) brings together almost 5.5 million working people who belong to our 48 member unions. We support trade unions to grow and thrive, and we stand up for everyone who works for a living. We campaign for more and better jobs, and a more equal, more prosperous country. Our affiliated trade unions represent social care workers in public, private and voluntary care settings and play a key role in supporting them and ensuring their rights are represented and recognised.

The social care sector has long been the UK's Cinderella service and often appears to be a low political priority compared to other public services. There is no national workforce strategy, and no sector-specific standards for commissioning. Social care services are under extreme pressure, with the creaking system experiencing persistent difficulties in balancing an increasing ageing population with complex and long-term care and a persistently high vacancy rate across the sector.¹

Fixing the social care workforce crisis is essential to address huge challenges in the NHS. Patients' unmet or under-met needs for quality social care and support services have negative consequences not only their independence and quality of life, but also on family members acting as unpaid carers to meet their needs in the absence of comprehensive, accessible and affordable social care.

We welcome the Health and Social Care committee's recognition that longstanding inaction to tackle deep-rooted problems in the social care sector has a cost to workers, care and support service users and their families, the NHS and the economy. We hope this Inquiry will help to further build the case for reform in the sector and support the government in its work to implement its important commitments.

The TUC welcomes the Labour Government's work to introduce a sector-wide, collectively bargained Fair Pay Agreement in social care, which will stop the race to the bottom in pay and conditions and help deliver the transformation our social care services – and social care workers - so desperately need. A sector-wide Fair Pay Agreement will improve pay and conditions, thereby helping to recruit and retain staff. And it would lay the foundations for a National Care Service in the future. We also welcome the government's commitments to take action towards improved and joined-up health and social care workforce planning.

This evidence is to inform the Health and Social Care Committee' inquiry on *adult social care reform: the cost of inaction*². Our evidence responds to the Committee's call for evidence by focusing on the workforce crisis and its causes, the chronic underfunding in social care and by highlighting the impact to individuals, to the NHS and to local authorities.

¹ Data published by [Skills for Care](#) shows that there are 131,000 vacancies in the social care sector

² Health and social care committee (2024). [Adult social care reform: the cost of inaction](#)

We also make the positive case for investing in social care worker and for a Fair Pay Agreement in social care.

2. TUC response

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?

Chronic underfunding in adult social care under the last government meant that few meaningful improvements to the social care sector have been possible in recent years. Last-minute, short-term and insufficient Government funding pots becoming the norm has contributed to persistently low pay and poor employment conditions among the care workforce and left many smaller providers on the brink of collapse.

Since 2010, cuts to local authority budgets – the main source of funding for social care – have severely restricted funds available for social care. TUC analysis revealed that between 2010/2011 and 2018/19, social care spending fell by nearly £600m in England, representing an average reduction of £37 per head, despite the increases in demand from an ageing population with increasingly complex care needs.³

The newly elected Labour government has acknowledged the pressure that has been put on local government has aimed a new recovery grant worth £600 million at England's most deprived towns and cities - mainly in the north and Midlands - to support social care. This comes with an additional £680 million via the Social Care Grant.⁴ But a lot still needs to be done. Recent analysis by the Institute for Government shows that in 2025/26, core spending power will be 9% lower in real terms than in 2010/11.⁵

The Autumn 2024 Association of Directors of Adult Social Services (ADASS) survey revealed that 81% of councils are on course to overspend their adult social care budget in the current financial year, up from 72% in 2023/24.⁶ Furthermore, more councils (35% up from 19% in 2022) are being required to make savings despite growing levels and complexity of need and escalating costs.

This approach has meant that local authority social care contracts have not kept pace with inflation, and contracts are often short-term with frequent provider changes. Aside from driving down pay and employment standards, frequent contract transfers contribute to short-termism and a lack of consistency in employer-level workforce planning which curtails investment in workforce support, training and development.

³ TUC (2020). [Fixing Social Care: Better quality services and jobs](#)

⁴ MHCLG (2024). [Local government finance policy statement 2025 to 2026](#)

⁵ Institute for Government (2024). [The impact of Labour's first budget on public services](#)

⁶ ADASS (2024). [Autumn survey](#)

The cost of inaction on adult social care reform is keenly felt in the NHS. The pressure on hospital beds - whereby a large number of people remain in hospital despite being clinically ready to leave - has been a constant feature of the NHS for the last decade. The government estimated that on average, around 24% of patients with delayed discharges are awaiting the start of home-based care, 16% are awaiting residential or nursing home placements and 24% are waiting to begin intermediate care.⁷

Over 410,000 people are waiting for an assessment, care or direct payments to begin or a review of their care plan⁸. And more than 160,000 hours of homecare couldn't be delivered because of staffing capacity⁹. People's unmet or under-met needs have consequences not only on the care they are able to receive but on family members acting as unpaid carers to meet their needs in the interim.

TUC recommendations:

- Develop and implement a comprehensive and fully funded social care workforce strategy, with the cost to be met by the Treasury, rather than local authorities which (i) offsets recent cuts to local authority budgets and (ii) establishes future funding rises at a level that allows local authorities to meet rising demand for care and deliver good pay and conditions.
- Support local authorities to move towards public provision of social care and childcare wherever possible and as soon as possible. Where a decision is made to outsource delivery of care services, public funding must come with conditions to ensure that public contracts deliver decent employment standards and high-quality care.

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

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

There has been a race to the bottom in social care workforce terms and conditions. Despite most care being publicly funded, social care remains primarily provided by independent providers, most of whom are private companies.

Areas of concern for the social care workforce:

- The problem of care workers not being fairly remunerated and treated is pervasive at all levels of the workforce and contributes to staff leaving the social care system. TUC analysis shows that more than three in five (61 per cent) of

⁷ Department for health and social care (2023). [Delivery plan for recovering urgent and emergency care](#) service

⁸ ADASS (2024). [2024 spring survey](#)

⁹ *ibid*

social care workers and senior care workers earn less than the real living wage. Social care workers earn only around 65 per cent of the median salary for all employees (£21,500 per annum compared to £33,000).¹⁰ It also should be noted that between 2016 and 2022, the pay gap for experienced care staff compared to new starters fell from around 30 pence per hour to 7 pence per hour.¹¹

- Many domiciliary care staff are not paid for travel time between care visits.¹² A survey by Unison shows that 75% of care staff who look after people at home are not being paid for the time it takes them to travel between appointments. As a result, staff are hundreds of pounds short each month. As Unison highlights, this is money they can little afford to lose from their already rock-bottom wages and is rightfully theirs.
- Pay for overnight sleep-in shifts is below minimum wage.¹³
- Zero hours contracts are common. Latest analysis by Skills for Care reveals that over a fifth of the adult social care workforce (21%, or 340,000 filled posts) were employed on a zero-hours contract. This compares to 3.4% in the wider economy.¹⁴ The TUC welcomes measures in the Employment Rights Bill to stop the abuse of zero-hours contracts.¹⁵

Occupational sick pay schemes are almost non-existent. A recent poll of GMB members at one of the biggest social care provider shows that one in three care workers cannot afford to take time off sick.¹⁶ A UNISON survey revealed that more than half of care workers employed in the private sector receive under £100 a week if they take time off sick, with many getting nothing at all.¹⁷ The social care workforce is majority female (79%) and more likely to be BME than the rest of the population,¹⁸ with migrant workers and those with caring responsibilities also being overrepresented in the sector.

- There is a distinct lack of meaningful social partnership. Unlike the NHS and local government, social care lacks any form of formal, national partnership working between government, employers and trade unions, despite trade unions having significant membership in the sector.
- Lack of access for trade unions. According to ONS Trade Union Statistics, 36 per cent of employees within '*human health and social work*' activities are members of a trade union. Despite this representation, many employers are hostile to trade unions, often refuse access to the workforce and refuse to recognise trade

¹⁰ TUC (2023). [A strategy for the care workforce](#)

¹¹ Skills for Care (2022) [The state of the adult social care sector and workforce in England 2022](#)

¹² Unison (2023), [Majority of homecare staff are unpaid for travel between visits](#)

¹³ Unison (2021). [Press release](#)

¹⁴ Skills for care (2024). [The state of the adult social care sector and workforce in England](#)

¹⁵ TUC (2024). [Response to consultation on the application of zero hours contracts measures to agency workers](#)

¹⁶ GMB (2023). [One in three car workers can't afford to be off sick](#)

¹⁷ UNISON (2022). [Absence of sick pay for care workers shows system needs reform](#)

¹⁸ Skills for care (2024). [The state of the adult social care sector and workforce in England](#)

unions for the purposes of bargaining. Where unions have national and local recognition agreements with social care employers they advocate for improved working conditions for care sector staff, Issues raised by staff include the non-payment of travel time, under-payment for work carried out, failure to pay sick pay and the widely documented exploitation of migrant care workers.

- High turnover undermines the quality of care service users receive, with inconsistent staffing limiting providers ability to deliver person-centred care. The turnover rate of directly employed staff working in the adult social care sector was reported in October 2024 to be 24.2%, equivalent to approximately 350,000 leavers over the year. Many of those that leave their roles remain within the sector, as 57% of recruitment is from within adult social care.¹⁹

All these limitations impact negatively on people in need of care, with a workforce that is undervalued and driven out of the sector. There is evidence of a link between the wellbeing of workers and the quality of care that people receive.²⁰ The recruitment and retention crisis in social care is inextricably linked to low pay and poor terms and condition.

The dire state of the social care sector came to the fore following the onset of the Covid pandemic in 2020. This insecure nature of the work profoundly impacted care workers during the pandemic, including their ability to shield and/or isolate, and attempts to reduce the spread of the virus. During the pandemic, taking time off sick might not had been a realistic option for many social care workers as most of them relied on statutory sick pay (SSP) or did not qualify for SSP due to the lower earnings limit. Analysis showed that care homes that used more agency staff or that did not offer sick pay were more likely to have higher levels of Covid-19 infection amongst residents. Care homes using bank or agency nurses or carers were also more likely to have a higher number of cases in residents compared to those care homes who never used bank or agency staff.²¹

A social care worker told the TUC about their experiences²²:

“Care homes were quite frankly forgotten about at the beginning by the Government. We struggled to get PPE as the hospitals were given priority. We were blamed for the pandemic spreading but we were the ones who were sent people who had Covid without being informed. Trying to tell a resident with dementia that they need to stay in their room is impossible as they did not fully understand the risk they posed to others.

We were told we were important skilled workers yet we remain classed as unskilled workers. Every day I sent staff home with symptoms of Covid and we relied on agency

¹⁹ Ibid.

²⁰ Dromey and Hochlaf (2018). [Fair care: a workforce strategy for social care. Institute for Public Policy Research, November 2018](#)

²¹ ONS (2020), [Impact of coronavirus in care homes in England: 26 May to 19 June 2020](#)

²² Survey conducted by TUC on workers’ experiences during the Covid 19 pandemic.

workers. I had domestic and kitchen staff working as carers alongside their usual job role. I received no support from some elements of my management.”

It is clear that inaction and lack of investment in the social care system had tragic consequences during the pandemic – a situation requiring urgent attention to ensure proper planning and protection of care workers and service users in the event of any future crisis.

TUC recommendations:

- Increase attention given to care services in contingency planning exercises, so that the care workforce role, and requirements such as staffing levels, are better understood before any future pandemic or other disaster.
- Implement a collectively-bargained and fully-funded Fair Pay Agreement in social care, which brings together employers and trade unions to agree pay and working conditions which are binding on all employers in the sector.
- Implement a fully-funded National Care Service that delivers world-class, quality care for all who need it and which has national pay, terms and conditions for all care workers.

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

Urgent action to tackle the acute recruitment and retention crisis in adult social care is critical to delivering quality care and support services for all who need them. Fixing the social care workforce crisis is also critical to addressing huge challenges in the NHS and tackling increasing economic inactivity. As the NHS Confederation highlights, adult social care and the NHS are ‘two sides of the same coin’ with social care workforce shortfalls having a significant knock-on effect on the NHS, with a long-term financial settlement critical to give long-overdue clarity and security to both sectors.²³

The Covid-19 pandemic demonstrated the ultimate economic challenge with having less resilient public services, a case which was particularly highlighted in the social care sector. The fragmented nature of the system meant having to create conduits for employers and trade unions to engage with government at speed, costing valuable timeliness of reaching decisions and implementing them. As a consequence it meant additional spend to secure PPE at haste and rushed arrangements to support staff to self-isolate such as the Infection Prevention Control Fund mechanic. Ultimately this led to further spreading of the virus and an increase in the reproduction rate of Covid-19 leading to significant negative economic and human impact.

²³ NHS Confederation (2023). [Adult social care and the NHS: two sides of the same coin](#)

Aside from the crucial mission of addressing poverty pay among care workers and helping ensure quality care service provision, investment in the social care workforce will also generate significant economic returns for the economy.

Adult social care is a substantial segment of the UK economy with 1.59 million people working in the sector.²⁴ The economic contribution of adult social care to the economy in 2023/24 was £68.1bn.²⁵

Evidence and modelling show that increasing social care workforce pay will generate positive economic returns such as²⁶:

- i) Economic growth - TUC's analysis demonstrates that a sector-wide £15 per hour minimum wage would boost England's economy by £7.7 billion, with the net cost substantially lower than the upfront investment required given that the Treasury would benefit from higher tax returns and reduced in-work benefits payments, and from the economic impacts of the additional consumer spending.²⁷
- ii) Reduced in-work benefits payments - Skills for Care²⁸ estimates the fiscal benefit to the Department of Work and Pensions and HM Treasury of moving people off benefits and into work to at £19,153 per person
- iii) NHS savings – investing in adult social care by recruiting new social care workers will lead to more people receiving social care, shift people from receiving care from the NHS to adult social care services which are less expensive.
- iv) Investment in retention of experienced staff is crucial to boost productivity and improve overall service delivery.²⁹
- v) A report from the Future Social Care Coalition shows that for every £1 invested in social care, £1.75 is generated in the wider economy.³⁰

At the same time, money desperately needed to improve front-line services and wages is being diverted to shareholders' dividends. Profit extraction from private companies in the adult care sector means that almost all adult care homes now run for profit, with more than 85% of all care homes and 88.7% of registered beds in England operated by

²⁴ Skills for Care (2024). [The state of the adult social care sector and workforce in England](#)

²⁵ Ibid.

²⁶ Skills for Care modelled pay increases for care workers and explored cost-benefit estimates in this report <https://www.skillsforcare.org.uk/Workforce-Strategy/Recommendations-and-commitments/Attract-and-retain.aspx#four>

²⁷ TUC (2023). [£15 minimum wage for care workers would boost England's economy by £7.7 billion](#)

²⁸ Skills for care (2021). [The value of adult social care in England](#)

²⁹ Skills for Care (2017). [Rapid evidence assessment: adult social care and factors impacting on productivity and work performance](#)

³⁰ Future Social Care Coalition (2023), [Carenomics: unlocking the economic power of care](#)

for-profit providers.³¹ Recent research found that six of the 10 biggest adult social care providers for whom data was available saw their underlying profit margins widen between 2019 and 2020, the first year of the pandemic.³² At the same time, public and third-sector providers consistently outperform for-profit providers on quality measures by industry regulators, with higher regulatory inspections ratings, while for-profit operators experience more frequent involuntary closures and cancellations by the Care Quality Commission (CQC).³³

TUC recommendation:

- Reduce the role of private sector providers, phasing out the current fragmented, for-profit model of care to stop public money leaking out into private profit.

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?

Public service spending is vital to the good operation of the economy, and in recent years the economic consequences of spending cuts have been stark. Declining outcomes in social areas including health and social care, education and crime bring with them wider economic impacts. In her pre-election Mais lecture, the Chancellor emphasised the economic costs of deteriorating population health:³⁴ *"And an economy built on contribution of the many means recognising that we don't just need growth to fund strong public services. We need strong public services to support economic growth, including a serious plan to get the long-term sick – let down by ballooning NHS waiting lists, failing mental health support, an inflexible welfare state, and inadequate employment support – back to work."*

3. Summary of recommendations

- Implement a collectively-bargained and fully-funded Fair Pay Agreement in social care, which brings together employers and trade unions to agree pay and working conditions which are binding on all employers in the sector.
- Implement a fully-funded National Care Service that delivers world-class, quality care for all who need it and which has national pay, terms and conditions for all care workers at its heart.

³¹ Nuffield Foundation and University of Oxford (2024). [Evidencing the outsourcing of social care provision in England](#)

³² Unison and CUSP (2022). [Held to ransom](#)

³³ Nuffield Foundation and University of Oxford (2024).

³⁴ <https://labour.org.uk/updates/press-releases/rachel-reeves-mais-lecture/>

- Develop a comprehensive and fully funded social care workforce strategy, with the cost to be met by the Treasury.³⁵
- Reduce the role of private sector providers, phasing out the current fragmented, for-profit model of care to stop public money leaking out into private profit.
- Where a decision is made to outsource delivery of care services, ensure public funding comes with conditions to ensure that public contracts deliver decent employment standards and high-quality care.
- Increase attention given to care services in contingency planning exercises, so that the care workforce role, and requirements such as staffing levels, are better understood before any future pandemic or other disaster.

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³⁵ For more information see TUC (2024) [A strategy for the care workforce](#).