



General Comment

The Association of Directors of Social Services (ADSS) Cymru is the professional and strategic leadership organisation for social services in Wales and is composed of statutory directors of social services, the heads of service and tier three managers who support them in delivering statutory responsibilities: a group which consists of over 300 social services leaders across the 22 Local Authorities in Wales.

The role of ADSS Cymru is to represent the collective, authoritative voice of senior social care leaders who support vulnerable adults and children, their families, and communities, on a range of national and regional issues in relation to social care policy, practice, and resourcing. It is the only national body that articulates the view of those professionals who lead our social care services.

As a member-led organisation, ADSS Cymru is committed to using the wealth of its members' experience and expertise. We work in partnership with a wide range of partners and stakeholders to influence the important strategic decisions around the development of health, social care, and public service delivery. Ultimately our aim is to benefit the people our services support and the people who work within those services.

We welcome this opportunity to respond to the invitation extended by the Senedd's Finance Committee regarding its inquiry to scrutinise the Welsh Government's Draft Budget for 2022-23 and its potential impact on social care services in Wales.

Policy Context

The impact of the pandemic has inevitably affected local priorities and council finances. However, the Hardship Fund coupled with sound local financial management has assisted the position. Even so, demand led services in the social care sector have been particularly badly affected and real concern about service continuity and the on-going impact on finances will continue indefinitely.

It is widely accepted that key areas of social service functions are facing challenges in a system that is facing unprecedented levels of complexity and demand. This, combined with fundamental workforce shortages, has exposed an already fragile situation. The reasons for this include:

- Pent up demand suppressed during the COVID-19 pandemic and periods of Lockdown
- Increased complexity and frailty in older people from reduced prevention, medical care, increased waiting lists and a greater level of community isolation
- A vicious cycle of delay and deconditioning/decompensation in hospital because of delays and shortages in key healthcare roles to ensure timely discharge
- Exhaustion across health and social care workforces with more frequent early retirements and people leaving the sector to pursue other careers
- Increased wages and competition from sectors such as retail and hospitality
- The impact of immigration controls across sectors post Brexit
- A growing mental health crisis in young people and in family instability post pandemic
- Difficulty in recruiting and retaining social workers in sufficient numbers across the sector, particularly in frontline children services.

Whilst not an exhaustive list, these pressures have led to a crisis of delivery in health and social care. It is our view that the current pressures are now more profound and wide ranging than at any time during the management of this COVID-19 pandemic. This situation is starting to limit our ability to support some of our most vulnerable people in the community. This is equally attributable to both Adult and Children's Services.

The social services safety net that all children and adults living in Wales assumed was there when they needed it, is in danger of collapsing without immediate action. Failure to address these issues will inevitably cost lives of the most vulnerable in society and further exacerbate the critical position acute hospitals find themselves in.

We believe that Local Government Social Care must have a strong revenue and capital settlement, not just this next financial year but at least the next 3 financial years to allow it the fiscal autonomy and flexibility to respond to local needs and priorities. Our members are going to be managing the impact of the pandemic for at least the next 3 financial years and they require the resources to do that properly based on permanent uplifts rather than bureaucratic short-term grants.

We have set out the medium to long-term funding challenges in our [strategic priorities and positions paper](#). Essentially, we require a sustainable, long-term settlement for Local Authorities to meet the needs of the local population that balances the growing pressures in all parts of the social care service. Ultimately, that investment focus will be around prevention and early intervention and will address the fundamental route of the challenges we face, for example, the causes of why children and families require social services input.

While there has been considerable media attention recently on the plans the UK Government have presented to the UK Parliament in relation to the creation of a UK-wide

health and social care levy, the focus has largely been on the England system, with very little in the way of impact on devolved settings. The devolved nature of social care in Wales, means it will be a matter for the Welsh Government to implement the proposed changes.

Announcement of additional funding will potentially benefit local government, but only if its role is acknowledged and an appropriate amount is passported to councils. It is estimated that over the next three years £36 billion will be raised, from which the NHS will receive around £25 billion, social care £5.4 billion and approximately £6 billion will go to devolved administrations.

It has been stated that after three years the increased sums for the NHS will be redirected to social care because the Covid backlog will have been dealt with. Clearly this will depend on the willingness to transfer this funding from the NHS to the care system at a time when more demand for health services is likely.

We need to understand what the full consequential spend for Wales would be, what additional Welsh legislation is required and what the Welsh Government intends to do with the money to support the sustainability of the whole social care system (both children's and adults) over the medium to long-term.

Comments on the Draft Budget and areas of concern

The Welsh Government have taken note of some of the pressures that we have set out in discussions with them. Whilst we welcome the initial allocation and the headline percentage increase, we must reserve some caution because as a sector, we cannot in one year address all the challenges we face. Therefore, it is helpful in that context to have some forward indicative allocation of the funding to follow to provide some confidence to progress some initiatives and service developments that are required. At the present time, we only have broad budgetary envelopes for Main Expenditure Groups, which will be revisited in subsequent budget rounds. While certain budgetary assumptions can be made, greater clarity would be welcome.

As we digest the detail of the Draft Budget 2022-23, we are also cautious about certain budgetary elements that will be inherited, for example certain grants will incorporated into the RSG but others will be hypothecated. There is also likely to be a hidden inflationary cost in the independent commissioned social care sector, related in part to COVID but also increased wage costs and energy costs, which will feed through into fee levels and significantly erode the uplift gains provided.

It is also noticeable that capital funding may initially be reduced but could increase in future. This is significant because if the Welsh Government is looking to rebalance the care sector in a bid to make it more sustainable, Local Authorities must be given the confidence to actively

position themselves as trusted and confident providers of quality care and support services both now and in the future. This will require additional capital investment to support a rebalancing of public provided service models that enable stability for all parts of the social care sector.

For example, in Children's Services, there has been a significant shift in the provision and ownership of residential care placements, with Local Authorities less likely to own and operate children's homes. It is clear the current market model is not delivering sufficiency. There is more that can be done to re-balance and re-shape the care placement market, so that there is a mixed economy of service provision and placements, which actually meet the real and present needs of children who are currently looked after. This will require investment to allow Local Authorities to purchase, enhance or remodel assets in a phased way and the Welsh Government will need to think through the resource mechanisms to facilitate this.

In Adult Services, we know that there will be a requirement to provide additional support to informal, unpaid carers who would have experienced significant pressure during the various lockdowns. We also know there needs to be a re-evaluation about the viability of day care services provided in the community. These services along with respite care relieve pressure on families to allow them to continue look after their family members in the best way possible. However, we must embark on this change in a thoughtful and co-produced manner. Developing the right kind of local service and getting the right type of respite beds, including high-end residential and for adults developing dementia, is going to be crucial. Therefore, Welsh Government must work with the sector to understand the capital and revenue cost implications of increasing capacity and implementing new care models.

Workforce:

The workforce is the priority for ADSS Cymru at the moment. While some sectors have moved to a recovery model, social care is still operating at a response level and the pandemic continues to impact and affect the delivery of some services in different ways.

Workforce capacity and the significant challenges in recruitment and retention (for both in-house and commissioned service) are issues that cut across all of the issues highlighted, and are the main reasons for the lack of capacity to provide packages of care needed to undertake assessments or provide reablement support; with the loss of existing staff and challenges in recruitment as significant concerns. This lack of capacity has seen a resultant increase in agency related costs, which has added further financial pressure to local authority budgets.

Despite the impact, the sector has maintained a constant recruitment programme across Wales which has seen some success, but the market remains very volatile, particularly in relation to domiciliary care/care at home workforce. We of course welcome the support Welsh Government have given to fund further national media drives around the '*We Care Wales*' campaign, which has been matched by Local Authorities within their localities. However, Local Authorities and independent providers are both struggling to retain and recruit carers. This has always been a challenge but over recent months it has become significantly more difficult.

However, addressing the current pressures needs a multi-pronged approach. ADSS Cymru, is working with the Welsh Government, Social Care Wales, the NHS and the WLGA to examine workforce action planning by examining a range of measures. However, these are likely to include additional financial commitments that will need to be funded. It is evidenced that there is a need to attract people to work in social care to deal with the current and future demand, but this will take time and will not immediately resolve acute pressures in the system. The pandemic has exposed the fragility of care markets, and this has a clear and direct link to the financial pressures faced by all Local Authorities.

We believe that there is a need for a clear and sustainable offer to stabilise the domiciliary care and care home workforce and to provide proper and fair renumeration for the workforce. ADSS Cymru is fully supportive of the Welsh Government's intention to increase pay for social care workers to the Real Living Wage (RLW) and we have been working with them to provide workforce data and intelligence. However, it is becoming increasingly clear that our ambition must go beyond this if we really want to be able to offer 'fair pay' for those who are undertaking some of the most important roles in society. There is also a need to take immediate action – the workforce challenges are already with us, and so there is a need to do all we can to increase social care workers pay now, there is simply no room to delay.

As sector leaders, we continue to call for an urgent focus on parity of esteem with health in relation to pay, terms and conditions and career progression and this requires additional investment now and over the next 3 years. We believe we need a national pay and grading system for care workers, which will ensure that conditions of pay, holiday entitlement, job security and opportunities for career development and growth are as equally ambitious as the healthcare workforce.

This is even more acutely felt in relation to professional social workers, as we know that there is a shortage of experienced qualified social workers across the sector but within children's services in particular. Rebalancing the workforce so that capacity mirrors demand will take time.

We welcome the work that Social Care Wales are undertaking to increase student training commissions, enhance bursaries and increase access to them. It is also positive to note the creation of post-graduate professional development pathways linked to improving pay and career progression. However, this work needs to be expedited, as sufficient supply at all levels of practice, including the leadership capacity, is a very present barrier.

We are concerned about the competition for such scarce social worker resource between public bodies – not just between Local Authorities but between Local Authorities and Health Boards, Care Inspectorate Wales, CAFCASS Cymru and the offices of Wales’ Police and Crime Commissioners. We feel it would be beneficial for the Welsh Government to co-produce a national pay and grading system for social workers to dampen competitive drivers. The fact there are national bandings for teachers, youth workers and health professionals mean that movement based solely on pay incentivisation is significantly reduced. We think this is a fundamental issue that must be addressed within the next 3 years.

We also need to see the restoration of workforce grant funding and inflationary uplifts to the Social Care Workforce Development Programme (SCWDP), all of which ensures we promote the effective development of the current and future social care workforce to enhance skills and capacity.

At the present time we are trying to compete with other sectors including health, retail and hospitality and we are falling behind the competition in the employment market. We need additional investment in the workforce because within current financial arrangements, Local Government cannot fund the step change required.

The Model of Domiciliary care:

The principal model of domiciliary care as support for older and disabled people in the community is fundamentally flawed. The current model was developed to maximise ‘efficiency’ and reduce costs. In this model, the task is prescribed with routes for frontline workers set by algorithm to maximise the number of runs and visits a single person can do in a shift. It is widely accepted that the UK moved from a predominantly public sector provision 30 years ago to a point where most services were outsourced with costs saved through reduced terms and conditions of staff. Tenders have been difficult to win without the use of zero or low hour contracts for staff. Providers report that giving guaranteed hour contracts of 28-37 hours a week would make the largest single difference in retention. However, many contracts, as they stand, make this financially impossible for providers and unaffordable for commissioners.

Even when it is in the public sector, the pressure of visits and routes are increasingly unsustainable. People cared for by frontline workers are getting progressively frailer and the needs of individuals on each visit are becoming increasingly unpredictable.

Any government intent to rebalance the mix of public and private provision is currently limited by the disparity in cost and terms and conditions between the sectors. Alongside this, reduced terms and conditions, expectations of registration, regulation of tasks and even the cost to stay on the register are all presenting issues that have fallen increasingly out of step with reward or status. Social care workers are now being asked to meet a health professionals standard of practice and registration, without any of the status or reward afforded by their public sector health colleagues.

Whilst some good attempts have been made through commissioning models and additional spend to reform this, tangible change has only been realised on a very small part of the sector. ADSS Cymru is certain that fundamental change is needed in how we deliver domiciliary care. The Change required:

- a) Contracts that give staff guaranteed hours would cost approximately 20%ⁱ more to deliver. This allows staff to be paid regardless of cancelled visits or changes to runs. It affords them the right to a regular wage and the benefits such as mortgage eligibility that most people accept as standard when they work.
- b) Domiciliary care workers are contracted to deliver high levels of productivity within their work. However, the autonomy to fulfil their role is far more limited than any other health or social care worker. This makes the roles they do unsustainable, and they are voting with their feet. Paid time for training, autonomy of task so they can flex visits to meet real personalised need, allowing time for paid supervision, training and development, and reimbursement of rising travel costs, would afford them what every other community health and social care worker has. Our estimate is that to give them 5.5 hours paid non-contact time would necessitate an increase in costs of 15%. This would also enable a move away from split shift work patterns.

Early calculations indicate that delivering this model will cost in the region of £110 million across Wales. However, we will need to undertake further analysis of workforce data with Social Care Wales and other partners to be sure that this figure will meet future demand. This could be delivered incrementally through mandatory commissioning guidance and subsequently renewed contracts allowing the social care workforce to grow by the required 30% over a period of two years. In conjunction with minimum wages, we are of the view that this is possible to deliver.

Without these changes the pressure on communities and hospitals and associated costs will continue to grow and cost society and the NHS more.

Children's Services:

As need increases in communities, we are seeing corresponding increases in the number of children looked after and children at risk. It is crucial that current growth does not simply meet care and statutory intervention costs. Preventative services must develop and expand to meet need at the earliest possible point. Current statutory service growth has been between 12 and 20%.ⁱⁱ However, meeting this growth simply balances the budgets.

We believe that a significant percentage increase in preventative services for vulnerable children should be made available. For example, for every £1 spent to meet immediate statutory demand an additional £2 should be spent on preventative services to reverse the current position.

Early calculations of this figure is estimated at approximately £40-50 million per annum. This investment could potentially be tapered down in a realistic timeframe as the prevention investment is realised with reduced demand in other parts of the system. This investment will assist us in supporting the removal of profit in the care sector as part of safe Children Looked After reduction strategies.

In terms of children's placements, there is growing concern that placement availability is being further constrained from a position which was already considered to be a crisis. Action must be taken now to avoid a worsening situation. In our view, the principle underpinning the objective of removing profit from the care of children who are looked after is a positive one and it has our resounding commitment.

However, we need a clear transitional pathway to achieving that outcome. We are mindful of the current market situation, the well-known placement crisis and workforce challenges. The steps to removing profit must not de-stabilise either current placements or the work that is underway in developing suitable local supply in the near future. A detailed and informed approach, attuned timing, and compatible messaging is essential to ensure the competent management of the journey to achieving this objective. However, as we have referenced above, the need for additional investment, particularly capital investment, is crucial if we want Local Authorities and social enterprises to be a part of this market.

Conclusion

While we of course welcome the increases earmarked by the Welsh Government in the Draft Budget for 2022-23, we are conscious that this is not going to put social care on a longer-term path to stability and sustainability. It is going to require significant additional investment over the coming years. As leaders in the sector, we continue to work with partners to help develop a medium to long-term plan that will ensure we have a sustainable social care system in the future that delivers high-quality care to meet the needs of all of our citizens that require support.

References

ⁱ This figure is based on modelling in a single region and then extrapolated across Wales.

ⁱⁱ This is evidence taken from a Social Care Director's survey.