

Local Government Association Briefing

Estimates debate: spending on health and social care

House of Commons

2 July 2018



KEY MESSAGES

- Adult social care is a vital council service that helps to transform people's quality of life. It supports adults of all ages with a range of different needs and their carers. There cannot be a sustainable NHS without a sustainable adult social care system.
- Almost every service provided by councils has an impact on the public's health and wellbeing. Tackling the determinants of health makes sense at a pragmatic as well as a moral level, because it can prevent people becoming ill and reduce the associated costs to local government, the NHS and the rest of government.ⁱ
- We welcome the joint report by the Health and Social Care and Housing, Communities and Local Government Committees on funding for adult social care. The report reflects the bold and radical decisions needed if we are to solve the crisis facing the care sector, and the political cooperation required to make these.
- A recent ComRes poll commissioned by the LGA found that the vast majority of parliamentarians (84 per cent of MPs and 81 per cent of Peers) agree that additional funding should go to councils' social care budgets to tackle the funding crisis.ⁱⁱ There is clearly agreement among national and local politicians that we need new money for social care. We need to work with the Government to deliver this.
- The care and support Green Paper should be an opportunity to prioritise establishing a long-term funding solution for adult social care. Meaningful public engagement and a cross-party approach will be important to delivering on this priority.
- It is therefore disappointing that the publication of the Green Paper has been delayed following the NHS funding announcement in June. The longer the wait for a funding solution for adult social care, the more pressures grow. This also has an ongoing impact on the lives of people requiring care and support services and the NHS.
- Interim funding is urgently needed to stabilise the system. New money will also be needed until well into the next Spending Review period in order to achieve sustainability and quality. Without such funding, we risk implementing green paper reforms onto a system that is further destabilised by financial pressures.
- Since 2010, councils have made savings worth £6 billion in adult social care. Deeper reductions to other council services and incremental measures by Government to increase the level of funding for social care has enabled the service to stay afloat. There will be a significant funding gap by 2020 if an urgent solution is not found.¹
- Despite budget reductions, councils continue to run early intervention and prevention programmes designed to improve the public's health and reduce the reliance on NHS services. To deliver this vital work and reduce pressures on the NHS, we must reverse the £200 million reductions made to the public health budget in 2015 and stop plans to further reduce the budget by £331 million.

Briefing

¹ The LGA will be updating this figure to establish the funding gap to 2025 imminently.

BACKGROUND INFORMATION

The case for a locally-led health and care system

No two council areas are the same, even at a regional or sub-regional level. Some big cities may have high levels of deprivation and a high number of residents with chronic long term conditions, whilst other more rural areas may be relatively prosperous but have a high number of retired people. In some parts of the country, services relevant to the adult social care agenda are provided by both county councils and district councils. Freedom and discretion to make local decisions on adult care is therefore crucial.

Councils are uniquely placed to build communities that are inclusive, cohesive and promote the life chances of everyone within them. They do this by tailoring more than 800 local services to the needs of their populations, creating bespoke solutions to specific, local challenges. This includes a number of wider council services that contribute to wellbeing, such as transport, parks, and culture and sports activities. They are also the connectors to other related local services, including the voluntary and independent sectors (which includes, for example, social care providers).

With a strong history of engaging with residents, councils have the democratic accountability to make, and implement, the decisions that need to be made to sustain and improve services that support people's wellbeing. Recent LGA [polling on resident satisfaction](#) shows councils are the most trusted form of government to make decisions about services in a local area (71 per cent), particularly in comparison to national government (15 per cent).ⁱⁱⁱ

This is a critical point because as we continue pursuing a more personalised approach to care and support, it is likely that the local offer will cross the boundaries of care, health, public health, housing and a range of other local services. This local offer of bespoke services developing within and between agencies may also include the delicate balance of people's own resources, community support and the invaluable input of informal carers. An interlinked care and support system spanning the public, private and independent sectors and geared towards prevention, wellbeing, and choice and control cannot operate successfully if disturbed by attempts to run it at a national level.

Furthermore, the idea that a more national system would help eradicate unwanted local variation is flawed. The availability of cancer drugs, dental and IVF treatments, and the significant variation in eligibility for Continuing Healthcare, are all evidence that national systems do not always yield a standardised offer.

Funding adult social care

There cannot be a sustainable NHS without a sustainable adult social care system. Adequately funding social care will deliver benefits for local communities and savings for the public purse. For example, funding an expansion in social care capacity would alleviate NHS pressures and therefore enable more people to be discharged quickly and safely from hospital.

As we have highlighted^{iv}, the continued underfunding of social care is making it increasingly challenging for local authorities to fulfil their legal duties under the Care Act, leaving the ambitions of some aspects of the legislation at risk. Equally concerning is that by 2025 there will be another 350,000 people needing high levels of social care from councils.^v

Councils also play a fundamental role in investing in preventative services, including telecare or hospital avoidance schemes, such as rapid response teams which mobilise quickly to treat someone in crisis in their own home rather than A&E. As the ADASS

Budget Survey highlights, moving towards prevention and early intervention is one of the most important savings areas identified by councils, but as budgets reduce, it becomes harder for councils to manage the tension between prioritising statutory duties towards those with the greatest needs and investing in services that will prevent and reduce futures needs.^{vi}

The situation is now critical and our care and support system is in crisis. This is not just the message from local government, it is the message from across the wider care and support sector.

Councils have worked hard to protect adult social care spending. Despite these efforts, our latest analysis on the funding gap faced by councils show that this approach is not sustainable:

- Since 2010, councils have had to deal with a £6 billion funding gap in adult social care services.
- Adult social care still faces a significant gap by 2020.
- The measures the Government has taken in recent years to tackle the funding crisis facing adult social care have been welcome. However, the Government position that councils have 'access to up to £9.4 billion more dedicated funding for social care over three years' (Government response to Competition and Markets Authority report on care homes) is problematic for several reasons:
 - The council tax precept shifts the burden of tackling a clear national crisis onto councils and their residents.
 - Last year's Adult Social Care Support Grant was not new money and was instead created from savings of equivalent value from the New Homes Bonus. It was in effect a redistribution of funding already promised to councils and actually left some councils worse off overall as they lost more in NHB payments than they gained in the ASC grant.
 - The £2 billion Improved Better Care Fund monies from the 2017 Spring Budget give disproportionate dominance to the priority of reducing pressures on the NHS, and within that an extremely narrow focus on delayed transfers of care. This funding also reduces year on year and stops entirely after three years.

Public health, prevention and early intervention services

The transfer of public health from the NHS to local government and Public Health England (PHE) five years ago was one of the most significant extensions of local government powers and duties in a generation. It represents a unique opportunity to change the focus from treating sickness to actively promoting health and wellbeing.

As a country, we have for too long focused on dealing with problems after they arise. We must place an emphasis on prevention rather than cure as this is better for residents and the public purse. The growing number of people living longer with a range of complex long term conditions, along with increasing demand for services, means that councils will find it extremely challenging to maintain services at the current level.

Prevention involves tackling the wide range of determinants that contribute to poor health in individuals and populations, with the aim of promoting health and wellbeing, and reducing health inequalities. Prevention has become increasingly important in recent years as the cornerstone of the drive to reduce people's need for high cost health treatments and care services. But given the current level of economic pressures on councils and the NHS, shifting the health and care system from treatment and high level services to prevention is challenging. The benefits of prevention go far beyond improved health for individuals and reduced pressure on health and social care – the consequences of poor health have an impact on the economic prosperity and social wellbeing of the country.

The long term solution to the financial and demographic challenges facing local government and the NHS is to invest in prevention, early intervention, community-based care and support. We also need to address the wider determinants of physical and mental health, with councils and health and wellbeing boards (HWBs) as the vehicles for driving this action forward. Good public health has the potential to make a real and large-scale difference to our society. It prevents the development of physical and mental ill-health later in life, improves people's wellbeing and reduces pressures on other vital services such as social care and the NHS.

Good local public services are the essential bedrock for mental and physical health, wellbeing and resilience. Despite these benefits, local authorities face a £331 million reduction to their public health budget, on top of a £200 million reduction announced in 2015.^{vii} In addition to this, funding for the Early Intervention Grant, has been cut by almost £500 million since 2013 and is projected to drop by a further £183 million by 2020.

Reducing admissions to hospital

We work closely with the NHS to improve self-management of conditions, community support and advice and information. However, due to historic underfunding, the adult social care system is under significant pressure and community based services are being reduced, which is impacting on inpatient services. This reduced central government funding means councils have had to spend less on key prevention work.

We have consistently argued that there needs to be a focus on preventing hospital admissions in the first place rather than focusing disproportionately on delayed discharges of care. A whole-system approach to health and social care is needed in order to reduce hospital admissions. This includes adequately funding community based support and adult social care in order to support people through their patient journey.

As well as improving people's quality of life, early interventions can also help save money further down the line. For example, a recent Public Health England report on falls prevention programmes shows that every £1 spent on home assessment and modification schemes for elderly people has generated savings of £2.17 on primary and secondary care spending. It has also been shown that this investment reduced the number of falls requiring admission to hospital over two years by an estimated 23 per cent, and that the societal (quality of life) return on investment was £7.34 for every £1 spent.^{viii}

Delayed transfers of care

It is positive that councils have reduced delayed transfers of care (DTOCs) attributable to social care since July 2017, when their targets were set by government, by approximately 33 per cent.^{ix} DTOC figures are now at their lowest levels since September 2015. We know more needs to be done in close collaboration with NHS partners locally to ensure everyone gets the care they need in their own home wherever possible.

Local authorities remain committed to supporting people to be discharged from hospital safely and effectively. We continue to work with our members and offer a range of practical support services, particularly for challenged systems. This includes resources such as guides, toolkits and emerging best practice studies, as well as peer-led reviews, themed workshops and a full diagnostic assessment of the DTOC system with ongoing support to ensure sustained improvement.

Focusing solely or disproportionately on DTOC is not helpful in enabling local health and care leaders to identify what action needs to be taken within their local system to support

people to maintain their independence and wellbeing to avoid them being admitted to hospital in the first place.

The extra £2 billion for adult social care last year came attached with three conditions of use. These are: 'meeting adult social care needs; reducing pressure on the NHS, including supporting more people to be discharged from hospital when they are ready; and ensuring that the local social care provider market is supported'.^x Further to this, later guidance^{xi} introduced an expectation on councils to reduce social care attributable DTOCs and the possibility of a review of a council's share of the £2 billion in 2018/19 for areas performing poorly against the target. This prevents councils from investing this funding according to local social care needs. The Government cannot consider this additional funding a solution to all of the challenges our system faces.

ⁱ For further information please visit:

https://www.local.gov.uk/sites/default/files/documents/1.42%20public%20health%20inequalities_web.pdf

ⁱⁱ ComRes surveyed 155 MPs (56 Conservative, 75 Labour, 12 SNP and 12 Other) and 103 Peers (30 Conservative, 40 Labour, 15 Liberal Democrat and 18 Crossbench/other) using a combination of paper and online surveys between 23 October 2017 and 11 December 2017. The key aims of this research were to track advocacy and efficacy against a comparator set of organisations; and measure attitudes towards local government funding and powers.

ⁱⁱⁱ For further information please visit:

<https://www.local.gov.uk/sites/default/files/documents/FINAL%20Resident%20Satisfaction%20Polling%20Round%2019.pdf>

^{iv} For further information please visit:

https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission_06.pdf

^v For further information please visit: <http://www.ncl.ac.uk/press/news/2017/08/cfasresearch/>

^{vi} For further information please visit: <https://www.adass.org.uk/media/6434/adass-budget-survey-report-2018.pdf>

^{vii} For further information please visit:

https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission_06.pdf

^{viii} For further information please visit:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/679856/A_return_on_investment_tool_for_falls_prevention_programmes.pdf (page 44)

^{ix} For further information please visit: <https://www.england.nhs.uk/statistics/statistical-work-areas/delayed-transfers-of-care/statistical-work-areas-delayed-transfers-of-care-delayed-transfers-of-care-data-2018-19/>

^x https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607754/Integration_and_BCF_policy_framework_2017-19.pdf

^{xi} https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/625229/Integration