

Social care funding

House of Commons

Tuesday 1 October 2019



Key Messages

- Adult social care and support is a vital service in its own right. It helps people of all ages to live the life they want to lead. It binds our communities, helps sustain the NHS and provides essential economic value to our country.
- Social care helps people maintain their own health, wellbeing and independence and reduces the need for NHS services, in particular primary and secondary care. This is evidenced by councils' work with partners to reduce the number of delayed transfer of care days attributable to social care.
- From 2010 to 2018/19, councils were able to protect social care relative to other services, however from this year data suggests the ASC budget could fall slightly as a proportion of the overall council budgets. They have found efficiencies and innovated to deliver public services in the most cost-effective way but as adult social care is a significant proportion of a council's budget, sizable savings and reductions still had to be found. Extra funding is needed, however, simply to keep on providing existing support at current levels.
- Unless significant new money is invested into the system, it will not be possible to meet demographic, inflationary and National Living Wage pressures, and stabilise the provider market. Neither will the care sector be able to tackle under met and unmet need and fully realise all the aims of the Care Act.
- We are pleased that in the recent Spending Round, the Government has responded to our calls and provided desperately needed new money, including £1 billion for social care (children's and adults), as well as confirming the continuation of existing grants.
- The issue of relatively low pay in the social care sector is highlighted regularly and the settlement in the Spending Round provides resources to begin to address this challenge. In the long term the low pay needs to be addressed as part of the arrangements for the future funding of both adult and children's social care.
- With people living longer and demand growing, pressures will continue to rise as people live with more multiple and/or complex needs. The underfunding of adult social care and support sector is impacting on the quality of life of people who have care and support needs. It is also creating a fragile provider market, putting workforce and unpaid family carers under further strain, and impacting on social care's ability to help mitigate demand pressures on the NHS.
- The Government should use the Queen's Speech to publish its proposals for the future of adult social care as soon as possible to spark a truly nationwide public debate about the value of social care and how, as a nation, we will pay for it in the years ahead.

Briefing

Background

Funding

Adult social care is a crucial service that transforms peoples' quality of life. Years of significant underfunding coupled with rising demand and costs for care and support, have combined to push adult social care services to breaking point. From 2010 to 2018/19, councils were able to protect social care relative to other services, however from this year data suggests the ASC budget could fall slightly as a proportion of the overall council budgets, and the service continues to face significant pressures. This includes demographic, inflationary and National Living Wage pressures'; and the provider market pressure (for example, the difference between what providers say they need and what councils pay). Spend on adult social care accounts for a growing total of councils' overall budgets and the latest figures show that councils in England receive 1.8 million new requests for adult social care each year – the equivalent of nearly 5,000 a day¹.

Government responses to the challenge of adult social care funding in recent years has been short-term and incremental in nature. One-off grants, the council tax precept for social care and increases in improved Better Care Fund funding have been helpful. But each mechanism has its limitations and they have not been sufficient to deal with all short-term pressures, let alone address the issue of longer-term sustainability. We were pleased to see the Government commit to continue these various funding streams in 2020/21 but clarity beyond this date is required. Without it, even short and medium-term planning is extremely difficult. It is vital that the Government brings forward its proposals to deliver sustainable funding for social care for the long-term. Whilst we welcome the announcement at the Spending Round of extra money for social care, it is now essential that the Government sets out a long-term funding solution for adult social care and support.

Impact on care providers

Providers of social care are an absolutely vital part of the social care landscape, delivering practical care services with an essential human touch both to self-funders who pay for their own care and those who are funded by their council. But the financial challenges facing providers is putting them under significant pressure. In more than 100 council areas, residential care homes and home care providers have ceased trading, or handed back their contracts to councils, affecting more than 7,000 people in the last six months².

The lives we want to lead

Adult social care is a vital service, supporting people's independence and wellbeing. It strengthens our communities, helps sustain our NHS and adds essential economic value to our country. Following the Government's repeated delays to its green paper, we published our own last summer. [*The lives we want to lead: The LGA green paper for adult social care and wellbeing*](#) was a starting point for a public debate about how to fund care and how the care and health system can better support and improve people's wellbeing.

The consultation considered adult social care provision in the context of the role councils' play in shaping people's lives and communities. It posed a series of 30 questions covering issues including: the importance of care and support and wellbeing, the consequences of underfunding, how to make the system better and the options for implementing those changes, the role of public health and the relationship between care and health. The consultation was a real success and we received over 500 responses from members of the public, professionals, voluntary organisations and charities.

Our [*response to this consultation*](#) was published in November 2018 and sets out key findings, implications and recommendations, including on how to fund social care. It recommended that in consulting on the shape of, and sustainable funding for, social care through its green

paper, the Government should make the case for increases in Income Tax and/or National Insurance and/or a social care premium.

In July this year, and to mark one year on from the launch of our own green paper, we produced a further report. Through a series of articles from people who use services, care workers, providers and other sector experts, the publication set out the consequences of another year of delay and inaction.

Social care workforce

It is essential that the high turnover and vacancy rates across the social care workforce are addressed as this can impact on the care and support that people receive. In 2016-17, the annual turnover of all care staff was 27.8 per cent. The proportion of vacancies in care rose from 5.5 per cent in 2012-13 to a peak of 7.0 per cent in 2015-16, falling slightly to 6.6 per cent in 2016-17. Two roles in particular – care workers and registered nurses – have high vacancy and turnover rates compared with other roles within social care. High vacancy rates and turnover can disrupt the continuity and quality of care for service users, and also mean providers incur regular recruitment and induction costs.

There is a national drive towards better integration of health and social care in the UK, and greater recognition of the interdependencies between the two systems. The NHS Long Term Plan rightly recognises the health and care workforce as a key part of this integration process. Councils are best-placed to understand the needs of their residents and local economies and the importance of skills training and employment support in their area.

The NHS Long Term Plan

We welcome many aspects of the NHS Long Term Plan (LTP), in particular the focus on expanding community care, support and prevention to ensure that more people receive timely care, treatment, support and advice as close to their homes as possible. This is however, a plan for the NHS rather than a comprehensive plan for the wider health and care system so, inevitably, it offers only part of the solution to the health, social care and wellbeing challenges facing our communities.

The LTP recognises that partners, in particular local government, have a leading role in promoting health, wellbeing and independence but the measures it outlines focus primarily on the NHS. Much will depend on the local implementation of the national objectives. There must be genuine collaboration between the NHS and social care, including ensuring that any spending decisions are made locally on a devolved basis. There can be no real integration if we continue with existing siloed structures and we will therefore continue to lose opportunities to develop a true community based care system. It will be important that local leaders across the NHS and local government take a wider approach to ill-health and prevention, building on existing place-based plans for improving health and wellbeing to create new models of care and support.

Public Health

Councils have statutory responsibilities around public health, and as such have a stake in the future arrangements around these areas. There needs to be a greater shift away from health and care investment in treatment and towards prevention. We are pleased that the recent NHS Long Term Plan recognises this. By joining up care, health, planning, housing, transport, welfare and education, councils have made positive strides in tackling the social determinants of health and wellbeing from early childhood and throughout life.

We must place an emphasis on prevention, rather than cure, as this is better for people and the public purse. Prevention involves tackling the wide range of determinants that contribute to poor health amongst 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.

Good public health has the potential to make a real and large-scale difference to our society. 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 older 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.

Since the transfer of public health to local government, councils across England have seized new opportunities to make health everybody's business. They have done this despite reductions to their grants. The ability for local authorities to innovate and increase efficiency is nearing its end. Investment in public health must be increased. Reductions to public health budgets must be reversed and public health needs to be put on a sustainable footing.

¹ Adult Social Care Activity and Finance Report, 2017-18,

<https://files.digital.nhs.uk/35/6A192B/Activity%20and%20Finance%20Report%20201718.pdf>

² ADASS budget survey, https://www.adass.org.uk/media/7295/adass-budget-survey-report-2019_final.pdf