

# Local Government Association Briefing

## Opposition day debate: social care

### House of Commons

Wednesday 25 April 2018



#### Key messages

- Adult social care should be given parity with the health service. Adult social care is vital in its own right and there cannot be a sustainable NHS without a sustainable adult social care system.
- The commissioning and provision of adult social care and support is a vital council service that cares for and supports adults of all ages including carers year round, throughout their lives, whether in care homes or in their communities. Adult social care also helps to transform those people's quality of life.
- The funding that this Government has made available to adult social care to date is welcome. Despite this new money, adult social care faces a funding gap of £2.2 billion by 2020. This must be addressed as an urgent priority. This figure does not include funding needed to back-pay sleep-in carers the national minimum wage for the past six years.
- This is in the context that councils in England face an overall funding gap that will exceed £5 billion by 2020. The National Audit Office's recent report into the financial sustainability acknowledges that the growing demand for adult social care services means councils are increasingly having to divert scarce resources from other local services on which residents rely. The NAO also found that found that 10.6 per cent councils with social care responsibilities would use up all their reserves in 3 years (or less) if they continue to deplete them at the same rate that they depleted them in 2016/17.
- The forthcoming Green Paper is an important opportunity to try and secure a sustainable funding solution for the long-term. To avoid the risk of it suffering the fate of previous attempts at funding reform, there must be cross-party consensus on the way forward.
- Our recognition of the need to achieve consensus on this agenda is shared by national politicians. 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)<sup>i</sup> agree that additional funding should go to councils' social care budgets to tackle the funding crisis. Further to this, more than 90 MPs from across the political divide wrote to the Government calling for a non-partisan debate to deliver a sustainable settlement. We are seeking talks with key figures from this group of MPs.
- The delayed transfer of care (DTCOC) reduction targets, introduced by this Government, place too much emphasis on just one part of the system and risks preventing the system from working more effectively to ensure that people have the right care and support at the right time to avoid admission to hospital.
- As some areas move ahead with developing integrated care systems, we urge the Government to shift its focus on to investment in prevention, primary care, community services and hospital avoidance schemes, which can often be more effective for alleviating pressure on the NHS. This is a point made by the CQC in their interim report on the 'local area reviews' of the health and care systems.

# Briefing

- We continue to support integration for health and social care services as a way of providing joined up and person-centred care and support. Effective integration requires gaining meaningful involvement of local political and community leadership. This includes ensuring local partnerships with the NHS recognise the vital contribution of adult social care, public health, and other key council functions to achieve improved health outcomes and the sustainability of services.

## **Background information**

### **The role of local government in providing adult social care**

The commissioning and provision of adult social care and support is a vital council service that can transform people's lives. It is a crucial public service that supports working age disabled adults, older people and their carers, as well as promotes their wellbeing and independence. Despite major funding pressures, councils have worked hard to preserve adult social care outcomes:

- In 2016-17, 86.4 per cent of service users in England reported that the services they received helped make them feel safe and secure. This is a statistically significant increase compared to the 84.5 per cent reported in 2014-15.
- The proportion of people who use services who say they have control over their daily lives has remained stable (77.7 per cent in 2016/17 compared to 76.6 per cent in 2015/16).
- Overall satisfaction of people who use services has remained stable (64.7 per cent in 2016/17 compared to 64.4 per cent in 2015/16).<sup>ii</sup>

Adult social care is framed in legal terms by the 2014 Care Act, a landmark piece of legislation that brought together numerous separate laws and policies into a single, modern statute. At the heart of the legislation is a duty on councils to promote people's wellbeing, which is purposefully defined in broad terms. Included in the definition (alongside more 'typical' defining features, such as personal dignity and protection from abuse and neglect) is 'the individual's contribution to society' and 'domestic, family and personal relationships'.

### **Funding adult social care**

Adult social care should be given parity with the health service. Adult social care is vital in its own right and 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<sup>iii</sup>, 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. More concerning still is that by 2025 there will be another 350,000 people needing high levels of social care from councils.<sup>iv</sup> On the ground the consequences of under-funding are well-known and include an ever more fragile provider market, growing unmet need, further strain on informal carers, continued pressure on an already overstretched care workforce, and a decrease in social care's ability to help mitigate demand pressures on the NHS.

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. However, evidence from the ADASS Budget Survey shows that spend on prevention in 2017/18 forms 6.3

per cent of adult social care budgets, or £890 million. This is a smaller proportion of the budget than last year (7.1 per cent), and a decrease in cash terms from last year (£954 million).<sup>v</sup>

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. However, our latest analysis on the funding gap faced by councils show that this approach is not sustainable:

- Since 2010, councils have dealt with a £6 billion funding gap in adult social care services. This has been met through £3.4 billion of savings to adult social care and £2.6 billion taken from additional savings to other services.<sup>vi</sup>
- The LGA estimates that adult social care provider market faces an immediate and annually recurring gap of £1.3 billion, which is the difference between what care providers say they need and what councils currently pay.
- Despite the Government's recent funding commitments, adult social care still faces a funding gap of £2.2 billion by 2020. This figure does not include funding needed to back-pay sleep-in carers the national minimum wage for the past six years. Initial calculations by providers suggest that the cost for the learning disability sector alone could amount to £800 million over the next three years.<sup>vii</sup>
- 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; in effect it was simply 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.
  - Improved Better Care Fund monies give disproportionate dominance to the priority of reducing pressures on the NHS, and within that an extremely narrow focus on delayed transfers of care.

### **Local government funding pressures**

The report from the National Audit Office found that local authorities experienced a 49.1 per cent real terms reduction in central government funding between 2010/11 to 2017/18. The report recognises that local government has done well to manage substantial funding reductions since 2010/11, in line with local government's reputation as the most efficient part of the public sector. Despite this hard work, years of unprecedented funding reductions have had a significant impact on the local services our communities rely on. For example, the NAO found that found that 10.6 per cent councils with social care responsibilities would use up all their reserves in 3 years (or less) if they continue to deplete them at the same rate that they depleted them in 2016/17.

We have repeatedly warned of the serious consequences of funding pressures facing local services from unprecedented funding reductions since 2010 and growing demand for services. Inadequate funding for local government has a knock-on effect on other parts of the public sector.

The funding measures announced in Spring Budget 2017, Autumn Budget 2017 and the 2018/19 Local Government Finance Settlement included welcome additional funding for councils from central government, following the campaigning of the LGA and councils. Despite this injection of new money, councils will still face a funding gap of £5.5 billion by 2019/20, plus £1.3 billion needed to stabilise the adult social care provider market today. This includes a gap of £2.2 billion for adult social care. This is based simply on an assessment of future demand and other cost pressures. Other than the stabilisation of the care market, this projection does not rectify funding reductions since 2010. The Government must urgently secure the financial sustainability of local government and the 1,300 different statutory duties and responsibilities councils provide.

### **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 27 per cent.<sup>viii</sup> DTOC figures are now at their lowest levels since June 2016. However, 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'.<sup>ix</sup> Further to this, later guidance<sup>x</sup> 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. As such Government cannot consider this additional funding a solution to all of the challenges facing social care.

### **Reducing admissions to hospital**

We currently 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. The ADASS Budget Survey shows that local authority spending on prevention work has decreased by £64 million in the past year.<sup>xi</sup>

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.<sup>xii</sup>

## Progress on health and social care integration

The Health and Social Care Act 2012 introduced a statutory duty on all health and wellbeing boards to promote integration between health and social care. Not only are they able to bring greater local democratic accountability to the integration agenda but they are the only statutory body in an area that brings together the political, clinical, professional and community leadership to assess health their citizens health and wellbeing challenges and to agree a joint strategy to address these challenges. As committees of the council they also bring a broader understanding of, and alignment with public health, social care, housing, and wider community services.

Sustainability and Transformation Partnerships have been helpful in encouraging the NHS to adopt a place-based and joined-up approach to care and support that goes beyond individual institutions. However, with a few exceptions, STPs need to be more active in gaining meaningful involvement of local political and community leadership in the development of STPs. This includes, the extent to which they are truly system-wide plans and partnerships encompassing adult social care, public health, and other key council functions that support improved health outcomes and the sustainability of services.

STPs have done little to address the democratic deficit in the NHS. In general there has been little meaningful consideration of adult social care as a vital component of a resilient and sustainable health and care system. For individuals this means that opportunities to strengthen health and wellbeing, maximise independence, and to support family carers may be overlooked. We have been working with the NHS to develop a leadership support offer for STPs to enable them to work more effectively with local political leaders.

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<sup>i</sup> 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.

<sup>ii</sup> For further information please visit: <https://digital.nhs.uk/catalogue/PUB30122>

<sup>iii</sup> For further information please visit:

[https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission\\_06.pdf](https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission_06.pdf)

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

<sup>v</sup> For further information please visit: [www.adass.org.uk/media/5994/adass-budget-surveyreport-2017.pdf](http://www.adass.org.uk/media/5994/adass-budget-surveyreport-2017.pdf)

<sup>vi</sup> For further information please visit:

[https://www.local.gov.uk/sites/default/files/documents/1.69%20Adult%20social%20care%20funding-%202017%20state%20of%20the%20nation\\_07\\_WEB.pdf#page=10](https://www.local.gov.uk/sites/default/files/documents/1.69%20Adult%20social%20care%20funding-%202017%20state%20of%20the%20nation_07_WEB.pdf#page=10)

<sup>vii</sup> For further information please visit: <https://www.mencap.org.uk/blog/reflections-mencap-outcomes-sleep-ins-case>

<sup>viii</sup> For further information please visit: <https://www.england.nhs.uk/statistics/statistical-work-areas/delayed-transfers-of-care/delayed-transfers-of-care-data-2017-18/>

<sup>ix</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/607754/Integration\\_and\\_BCF\\_policy\\_framework\\_2017-19.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607754/Integration_and_BCF_policy_framework_2017-19.pdf)

<sup>x</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/625229/Integration](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/625229/Integration)

<sup>xi</sup> ADASS budget survey 2017, Figure 17: spend on prevention <https://www.adass.org.uk/media/5994/adass-budget-survey-report-2017.pdf#page=20>

<sup>xii</sup> 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](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/679856/A_return_on_investment_tool_for_falls_prevention_programmes.pdf) (page 44)