



ADASS Budget Survey 2012

Key Message

As the 4-year funding settlement works through, adult social care is becoming a larger proportion of overall council spend (up 0.8% to 34.2% this year), as councils respond to a 3% increase in demographic pressure whilst having to balance the 28% reduction to the funding settlement and council tax freezes across most councils. The rate of adult social care contribution to these reductions continues at a relatively similar pace, with £890m adult social care reductions planned for 12/13 and when combined with those from 11/12, the cumulative adult social care contribution to council reductions is £1.89bn over the last 2 years.

This balancing between budget reductions and significant growing demographic pressure is not sustainable and reiterates the urgent message calling for a long term funding solution for adult social care. It is noted that the largest demographic pressure is from people with learning disabilities (£168m) and from older people (£166m) and despite being very similar, learning disability pressures is driven by fewer people.

In terms of the broader picture, councils are planning reductions of £2.98bn including £113m on housing related support, whilst also diverting around £330m to adult social care for demographic pressure. This more general reduction in council budgets can impact upon the ability to support people with health and social care needs through broader council services.

In delivering the reductions councils have to make, adult social care has sought to protect front line services with £688m of planned reductions being secured through service re-design and efficiency, £77m provided through increased charging and £113m to be secured through service reductions. Further there has been an average increase in fees to providers of 0.9% (with providers for residential care for older people and people with physical disabilities receiving an average increase of 2%) and councils have limited rises in the eligibility criteria (only 6 councils increased their eligibility in 12/13), with the majority (83%) now operating at substantial.

Adult social care continues to support individuals to use their assets to meet their residential care costs and have made deferred payments available to around 8500 individuals to the total of £197m (average Deferred Payment of £23k).

There has been £622m worth of NHS investment into social care in 12/13, and councils have worked closely with NHS colleagues to maximise effective use of this investment with £284m applied to offset pressure and cuts to services and £148m to invest in new social care services and £149m allocated to working budgets.

Key Numbers:

- **Indicative demographic pressures £403m (£168m is learning disability and £166m is older people demographic pressures).**
- **Indicative demographic pressures represent a 3% growth against the 12/13 adult social care budget.**
- **82% Indicative demographic pressures are funded.**
- **Planned reductions £891m.**
- **Efficiencies of £688m.**
- **£77m increase in charges.**
- **£113m services redesign and reductions.**
- **0.9% average increase in fees (2% increase for older people & physical disability residential care and: 1% increase for learning disability residential care, & older people, physical disability and learning disability homecare).**
- **£284m of NHS transfer (£622m) to offset pressures & cuts to services.**
- **£148m of NHS Transfer (£622m) to fund new Services.**
- **£149m of NHS Transfer (£622m) allocated to working budgets.**
- **1.4% councils at low, 13.4% at Moderate, 83.1% at Substantial and 2.1% at Critical Fair Access to Care Services (FACS) eligibility levels.**
- **£197m worth of Deferred Payments for 8499 individuals (average of £23k).**

Key Analysis:

- Survey analysis based upon a 95% response rate (145 councils).
- Councils are reducing their budgets for adult social care by £891m, representing a 6.8% reduction against a 7.7% reduction in overall spending by councils.
- ASC reductions for 12/13 represent 30% of council planned reductions for 12/13
- Councils are reducing by £110m their spend on Housing Related Support (8.2% reduction from 11/12). These budgets make up 3% of total council spend.
- Only 6 councils (7%) changed their FACS criteria from 11/12 (from moderate to substantial) there are now 83% councils at Substantial in 12/13 compared to 78% in 11/12 and 2% at critical only.
- The average increase in fees in 12/13 was 0.9%, with greatest increases of 2% being afforded to providers of residential services for older people and people with physical disabilities.
- The full amount of the reablement resources has been identified, with 36% transferred across to councils. 54% councils reported that there was agreement on how this money was to be spent.
- The full amount of the Winter Pressure allocation for 11/12 was identified, with 84% of councils reporting agreement on how this allocation was spent.
- Councils allocated £284m of the NHS transfer it received for 12/13 towards demographic pressures (£74m) and to avoid cuts to services (£210m).
- Councils allocated £148m of the NHS Transfer it received towards investment in new services., and a further £149m of the received transfer remains as part of the working budgets to benefit the NHS through social care activity.
- Councils currently hold £197m worth of Deferred Payments, owed by 8499 individuals (with an average deferred payment value of £23k).