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Social Services

Report on Adults'
Social Services
Expenditure
2009-2010

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EXECUTIVE SUMMARY

1. This is the executive summary of a report on a survey of local authorities with responsibility for adult social services in England. The survey is designed to provide details of adults' social care expenditure in 2008–09, estimates for 2009–10, and future trends, and examines the resources available to deliver social care services to vulnerable adults. The questionnaire was sent to all 152 Directors of Adults Social Services in England, by email. 130 questionnaires were received, a response rate of 86%. This compares well with the response rates for the survey in 2008–09 (75%), 2007–08 (79%), 2006–07 (68%), 2005–06 (80%), and 2004–05 (88%).

Budgeted and Actual Expenditure, 2008–09 and 2009–10

2. In 2008–09 local authorities overspent their outturn Personal Social Services (PSS) budget by £46.094m, or 0.4%, an average of £0.303m per authority. This is after a downward adjustment of £52.126m (0.4%) between original and outturn budgets in the financial year. Budgets will often reduce between original and outturn. This reflects a number of factors including, for example, grants being less than expected, amounts being carried forward from the previous year not being as much as anticipated, and a loss of income – particularly from charging.
3. Overspend was the highest for older people (£38.414m). Overspends were recorded in all areas except mental health and asylum seekers where there were underspends of £6.845m and £1.289m respectively.
4. For 2009–10, authorities are currently projecting an average overspend of £0.988m, or 1.1%, although it is important to note that these are only estimates at the time the data were collected. The data are also not inclusive of grant income.
5. Overspending authorities were asked to indicate how they anticipated treating the 2009–10 overspend. 30% of overspending authorities expected the overspend to be entirely written off and met from balances, 10%

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intended to deliver efficiency savings to meet the entirety of the overspend, 6% expected to carry forward all their overspend to be met from future budgets, 4% intended to deploy a combination of all three methods, while 50% did not specify.

Budgetary Pressures

6. Data on the level at which Fair Access to Care Services (FACS) bands are being set show little change between 2008–09 and 2009–10 across the substantial band (remaining at 72% of authorities), and the moderate band (remaining at 24%).
7. Almost all respondents (95%) had not made a decision to change the band in 2010–11.
8. Local authorities spent £325.768m in 2008–09 on adult social care that people can access without a formal assessment, or without meeting eligibility criteria. This equates to around £2.143m per authority. This is an increase of 10% on 2007–08 (at which stage authorities had estimated that the total would rise to £312.4m in 2008–09). The overall spend by authorities is expected to rise further, by around 4%, to an estimated £339.891m in 2009–10, around £2.236m per authority.
9. On average in 2008–09, authorities raised fees across all adult/older people sectors by between 2.0% and 2.5%, lower than the original estimated range of 2.4% to 3.2%. The figure for 2009–10 is increases across all fees within the range 1.5% to 1.9%.
10. The most significant area presenting cost pressures is care home placements for people with learning disabilities, which is a pressure in terms of demand/volume for 61% of authorities, and in terms of cost/complexity for 67%. Also 67% of authorities cited domiciliary care as a cost pressure in terms of demand/volume.

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11. Average net unit costs across all authorities have risen on average by 7.4% between 2007–08 and 2008–09. The steepest increases have come in the provision of external independent nursing care for people with physical disabilities and external independent nursing care for people with learning disabilities, where costs have risen by 16.7% and 15.6% respectively.
12. A large majority of authorities (87%) indicated facing additional costs (in 2010–11) as a result of demographic change, equating to an average of £1.006m per authority.
13. Respondents were asked to indicate to what extent those costs were likely to be funded by the authority. Around three-quarters indicated that they were likely to fund either all or most of these costs.
14. As a result of introducing safeguarding measures local authorities have incurred a total cost of £24.496m, an average of £0.161m per authority. County councils and London boroughs had higher than average costs, at £0.277m and £0.294m respectively.
15. Across all authorities, it is estimated that £324.307m (2.5% of total spending) had been saved in 2009–10 through increased efficiency in these identified areas, with by far the largest savings generated in the area improved efficiency (£235.735m). This is 73% of the total savings.
16. In terms of services the greatest saving in 2009–10 was in relation to older people (£170.436m), with the next highest being learning disabilities (£63.451m).
17. Authorities estimated that they could save £430.530m (3.3% of total spending) in 2010–11, an average of £2.832m per authority. Again, the area of greatest saving is anticipated to be in relation to older people (49% of the total).

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Impact of the Economic Slowdown

18. The economic slowdown has resulted in authorities experiencing or anticipating experiencing a range of issues. The most common issue for authorities over the last twelve months was increased demand for welfare advice services (cited by 45.8% of authorities), closely followed by a reduction in the supply of services as independent care homes closed. Looking forward, reductions in the supply of services as agency providers of social care staff (85.7%) and home care agencies (80.0%) close were the most widely anticipated issues.
19. Authorities were invited to note what actions they had taken over the last twelve months in an attempt to mitigate the impact of the economic downturn. A wide variety of actions had been taken, including:
- a) the acceleration of payments to suppliers in order to improve cash flows;
 - b) additional support and training to welfare, debt counselling and employment services;
 - c) reviewing budgets and resources for particular services, for example, mental health services;
 - d) developing social inclusion strategies and ‘recession funds’.

Budget Infrastructure

20. In 2009–10 local authorities contributed £2,072.462m to Section 31 and 28a pooled budgets for adults and older people (of which 63% was in learning disabilities), an average of £13.628m per authority. This shows little change in contributions since 2008–09, which totalled £2,074.2m.
21. Spending for 2008–09 on other recent migrants or people without access to funds (including unfunded costs for asylum seekers) was £38.352m across all authorities, an average of £0.252m. The estimated spend for 2009–10 was £36.281m, an average of £0.239m.
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22. The estimated value of the transfer of learning disability service commissioning from primary care trusts to authorities' budgets in 2009–10 was £997.824m, an average per authority of £6.565m, compared with £893.9m in 2008–09.
23. The average discount factor being applied by authorities with finalised Resource Allocation Systems is 18.6%.
24. Around one in nine respondent local authorities (11%) reported that grants previously specific to adult care, but which were now included in Area Based Grant, are not being used for their original purposes.
25. Among respondent authorities, an average of 43.0% of the Social Care Reform Grant is being used to fund permanent or ongoing expenditure.

1 INTRODUCTION

- 1.1 In January 2010, the Local Government Association (LGA), in partnership with the Association of Directors of Adult Social Services (ADASS), commissioned York Consulting LLP (YCL) to carry out a survey of local authorities with responsibility for adult social services in England.

Background

- 1.2 For some time, the ADASS and the LGA have conducted an annual survey of local authorities with the aim of identifying expenditure trends and estimates, and any areas of financial pressure for adult social care at an early stage. The results are used primarily in discussions with the Department of Health, as evidence to support the claims of the commissioning organisations; they are also used by local authorities, to allow them to benchmark themselves against the national picture.
- 1.3 YCL has been involved in the design, delivery and analysis of this survey for the previous five financial years (2004–05 to 2008–09).
- 1.4 From 2004–05 to 2006–07, the survey also addressed social services expenditure on children and young people. With the separation of adult social services and children’s services, since 2007–08 the survey has covered only adult social services expenditure. The 2008–09 and 2009–10 surveys asked about the impact of the economic downturn on authorities. The 2009–10 survey also asked new questions about Resource Allocation Systems (RAS), Area Based Grant (ABG) and the Social Care Reform Grant (SCRG).

Research Objectives

- 1.5 The commissioning partners specified that the survey should provide details of adults' social care expenditure in 2008–09, estimates for 2009–10, future trends, and examine the resources available to deliver social care services to vulnerable adults. The objectives of the study were to:
- identify 2009–10 budgets and expenditure estimates;
 - examine in more detail the elements of expenditure and pressures on budgets;
 - produce a table of key financial information to allow authorities to benchmark themselves against the national picture, and possibly against other authorities of the same type; and
 - produce a report on the information gathered as part of the research.

Methodology Notes – 2009–10 Survey

- 1.6 This survey has been aligned with the definitions used in the PSSEX1 local authority return in order to reduce the burden of completing the survey on authorities. In 2008–09, PSSEX1 was changed slightly (to exclude FRS17 costs), and because this survey followed suit, caution should be exercised when comparing the data in Tables 2.1–2.4 with previous years.

Report Structure

- 1.7 The structure of this report is as follows:
- **Section Two** details planned and actual expenditure in 2008–09, and budgeted expenditure for 2009–10;
 - **Section Three** covers pressures on budgets and expenditure, including access to care; fee increases for adults/older people; efficiencies; and, the impact of the economic downturn;

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- **Section Four** covers findings on budget infrastructure – pooled budgets, and joint investments through health;
- **Section Five** covers the methodology, sampling and analysis techniques used in the survey.

Acknowledgements

- 1.8 We would like to thank all those authorities who submitted questionnaires, and to members of the Project Steering Group for their help in responding to technical queries. The responsibility for the contents of this report rests solely with YCL.

2 BUDGETED AND ACTUAL EXPENDITURE

- 2.1 This section details budgeted and actual expenditure in 2008–09, and budgeted expenditure for 2009–10.

Expenditure in 2008–09

- 2.2 **Table 2.1** shows that local authorities overspent their outturn Personal Social Services (PSS) budget by £46.094m, or 0.4%, an average of £0.303m per authority. This is after a downward adjustment of £52.126m (0.4%) between original and outturn budgets in the financial year. Budgets will often reduce between original and outturn. This reflects a number of factors including, for example, grants being less than expected, amounts being carried forward from the previous year, not being as much as anticipated, and a loss of income – particularly from charging.
- 2.3 The overspend was highest for older people (£38.414m). An overspend was recorded in all areas except mental health and asylum seekers where there were underspends of £6.845m and £1.289m respectively.
- 2.4 By way of comparison, the data for 2007–08 showed that local authorities, on average, underspent their outturn Personal Social Services (PSS) budget by £0.100m¹ (0.1%).

¹ Please note the important Methodology Notes information in Section 1 and 5 regarding the inclusion of FRS17 costs in the 2009–10 survey data.

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Table 2.1: Budgeted and Actual Expenditure 2008-9

	Original PSS Budget		Outturn Budget		Actual Expenditure		Variance (to outturn)		
	Total (£m)	Average (£m)	Total (£m)	Average (£m)	Total (£m)	Average (£m)	Total (£m)	Average (£m)	%
Social services strategy	£70.718	£0.465	£70.659	£0.465	£70.690	£0.465	£0.032	£0.000	0.0
Older people	£7,414.000	£48.776	£7,339.308	£48.285	£7,377.722	£48.538	£38.414	£0.253	0.5
Physical & sensory disabilities	£1,487.413	£9.786	£1,474.362	£9.700	£1,498.079	£9.856	£23.716	£0.156	1.6
Learning disabilities	£3,557.000	£23.401	£3,636.785	£23.926	£3,659.981	£24.079	£23.196	£0.153	0.6
Mental health	£1,125.358	£7.404	£1,136.083	£7.474	£1,129.238	£7.429	-£6.845	-£0.045	-0.6
Asylum seekers	£28.584	£0.188	£29.581	£0.195	£28.291	£0.186	-£1.289	-£0.008	-4.4
Other	£316.491	£2.082	£272.241	£1.791	£279.951	£1.842	£7.711	£0.051	2.8
Total	£13,999.564	£92.102	£13,959.018	£91.836	£14,043.953	£92.394	£84.935	£0.559	0.6
Less grant income	£965.400	£6.351	£976.980	£6.427	£1,015.821	£6.683	£38.841	£0.256	4.0
Net budget/expenditure	£13,034.164	£85.751	£12,982.038	£85.408	£13,028.132	£85.711	£46.094	£0.303	0.4

Note: the figures above may differ slightly from published RA budget figures due to grossing.

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- 2.5 The majority of the overspend was by counties and metropolitan authorities. London boroughs and unitaries underspent against their outturn budgets. **Table 2.2** shows the variations.

Table 2.2: Budget Variances 2008–9 (by authority type)			
Authority Type	Total overspend (£m)	Average overspend (£m)	Average overspend as % of Outturn
Counties	£44.238	£1.638	0.8%
Metropolitan districts	£13.620	£0.378	0.5%
London boroughs	£0.696	£0.021	0.0%
Unitaries	-£12.460	-£0.222	-0.5%
Total	£46.094	£0.303	0.4%

- 2.6 Although, in total, authorities overspent in 2008–09, 52% of respondent authorities underspent against their outturn budgets, a similar proportion to 2007–08 (49%).
- 2.7 Of those, 39% were expecting to sustain this underspend in 2009–10, and of those, only 7% were expecting to sustain the underspend in 2010–11 (equivalent to two authorities).

Budgeted Expenditure for 2009–10

- 2.8 Authorities were asked to indicate their original PSS budget for 2009–10, their projected outturn, and projected underspend or overspend. **Table 2.3** shows the collated data, and **Table 2.4** shows the type-of-authority breakdown.

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Table 2.3: Budgeted Expenditure 2009–10							
	Original PSS Budget		Projected Outturn		Projected Under/Over Spend		
	Total (£m)	Average (£m)	Total (£m)	Average (£m)	Total (£m)	Average (£m)	Average % (as a % of Projected Outturn)
Social services strategy	£75.154	£0.494	£70.492	£0.464	-£4.662	-£0.031	-6.6
Older people	£7,266.370	£47.805	£7,301.505	£48.036	£35.135	£0.231	0.5
Physical & sensory disabilities	£1,511.715	£9.945	£1,556.241	£10.238	£44.527	£0.293	2.9
Learning disabilities	£3,716.285	£24.449	£3,789.371	£24.930	£73.086	£0.481	1.9
Mental health	£1,135.673	£7.472	£1,154.189	£7.593	£18.516	£0.122	1.6
Asylum seekers	£26.300	£0.173	£23.970	£0.158	-£2.330	-£0.015	-9.7
Other	£258.950	£1.704	£245.344	£1.614	-£13.606	-£0.090	-5.5
Supported employment	£37.547	£0.247	£37.051	£0.244	-£0.497	-£0.003	-1.3
Total	£14,027.993	£92.289	£14,178.162	£93.277	£150.170	£0.988	1.1

Note: the figures above may differ slightly from published RA budget figures due to grossing.

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Table 2.4: Budgeted Expenditure 2009–10 by authority type

	Original PSS Budget		Projected Outturn		Projected Under/Over Spend		
	Total (£m)	Average (£m)	Total (£m)	Average (£m)	Total (£m)	Average (£m)	Average %
Counties	£5,852.814	£216.771	£5,907.598	£218.800	£54.784	£2.029	0.9
Metropolitan districts	£2,965.246	£82.368	£3,024.647	£84.018	£59.401	£1.650	2.0
Unitaries	£2,725.869	£48.676	£2,747.903	£49.070	£22.034	£0.393	0.8
London boroughs	£2,484.063	£75.275	£2,498.014	£75.697	£13.951	£0.423	0.6
Total	£14,027.993	£92.289	£14,178.162	£93.277	£150.170	£0.988	1.1

Note: the figures above may differ slightly from published RA budget figures due to grossing.

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2.9 Authorities are currently projecting an average overspend in 2009–10 of £0.988m, or 1.1%, although it is important to note that these are only projections at the time the data were collected. The data are also not inclusive of grant income.

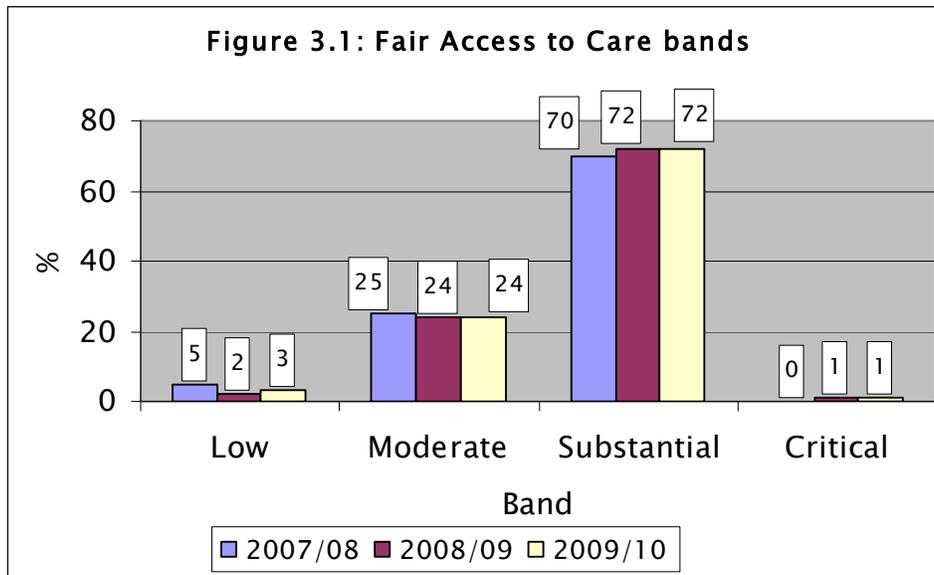
2.10 Overspending authorities were asked to indicate how they anticipated treating the 2009–10 overspend. 30% of overspending authorities expected the overspend to be entirely written off and met from balances, 10% intended to deliver efficiency savings to meet the entirety of the overspend, 6% expected to carry forward all their overspend to be met from future budgets, 4% expected to deploy a combination of all three methods, while 50% did not specify.

3 BUDGETARY PRESSURES

3.1 **Section Three** covers pressures on budgets and expenditure, including fair access to care; fee increases for adults/older people; efficiencies; and, the impact of the economic slowdown on adult social care.

Fair Access to Care Services (FACS)

3.2 FACS bands are set at low, moderate, substantial or critical. **Figure 3.1** sets out the findings, which show the trends in bands across the last three financial years. In 2009–10, 72% of respondent authorities set access to care at the substantial level (the same as 2008–09), with most of the remainder at moderate level. Very low numbers of respondent authorities set their bands at low or critical.



3.3 As in the last financial year, at the time of the survey, almost all respondents (95%) had not made a decision to change the band in 2010–11; 68% of respondents provided an estimate: 5% low, 19% moderate, 75% substantial and 1% critical.

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3.4 Local authorities spent £325.768m in 2008–09 on adult social care that people can access without a formal assessment, or without meeting eligibility criteria. This equates to around £2.143m per authority. This is an increase of 10% on 2007–08 (at which stage authorities had estimated that the total would rise to £312.4m in 2008–09). The overall spend by authorities is expected to rise further, by around 4%, to an estimated £339.891m in 2009–10, around £2.236m per authority.

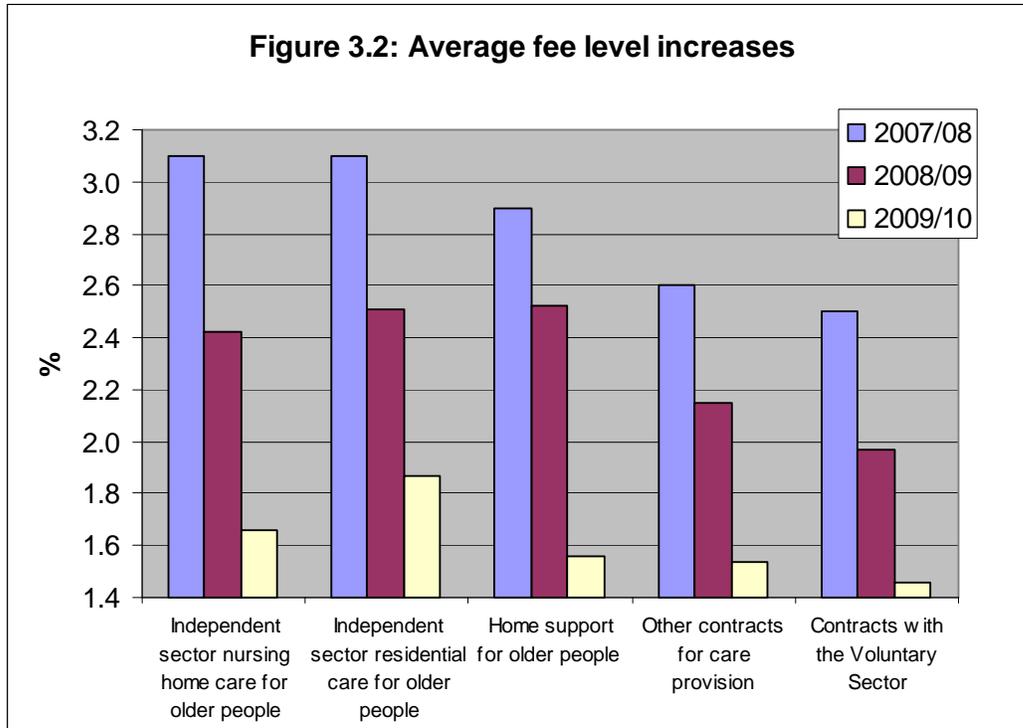
Fee Levels for Adults/Older People

3.5 Respondents were asked to indicate their average percentage weekly fee increase (or decrease) in 2008–09 and 2009–10 for:

- independent sector nursing home care for older people;
- independent sector residential care for older people;
- home support for older people;
- other contracts for care provision; and
- contracts with the voluntary sector.

3.6 In 2008–09, authorities raised fees across all the above sectors by between 2.0% and 2.5%, lower than the original estimated range of 2.4% to 3.2%. Only two authorities indicated a decrease in rates. The figure for 2009–10 is increases across all fees within the range 1.5% to 1.9%. **Figure 3.2** shows the levels of increase by sector and year.

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3.7 There is some variation between types of authority. London boroughs sit well below the overall average increase for 2008-09 and 2009-10 for all categories, for example, independent sector nursing home care for older people (1.6% and 1.5% respectively) and independent sector residential care for older people (1.6% and 1.5%).

3.8 Authorities last year estimated that fee levels would increase in 2008-09 for all categories at a higher percentage than this survey shows they actually did.

Cost Pressures and Net Unit Costs

3.9 Respondents were asked which of the following issues were presenting significant cost pressures, in both demand/volume and unit cost/complexity, over their original budgets for 2009–10:

- care home placements for older people;
- care home placements for people with learning disabilities;
- care home placements for people with physical disabilities;
- care home placements for people with mental health problems;
- domiciliary care;
- adult asylum seekers;
- support for other recent migrants;
- support for people without access to funds; and
- staffing.

3.10 The most significant area in terms of both demand/volume and unit cost/complexity is care home placements for people with learning disabilities, which is a pressure on demand/volume for 61% of authorities, and cost/complexity for 67%. Also, 67% of authorities cited domiciliary care as a cost pressure in terms of demand/volume.

3.11 Care home placements for people with physical disabilities appear to have dropped away in terms of pressures by demand/volume (now only 4% of authorities) and by unit cost/complexity (now only 6% of authorities).

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3.12 There are minimal variations by type of authority. However in relation to care home placements for people with learning disabilities, only 25% of London boroughs identified significant cost pressures on demand/volume which is below the average of all councils (61%). County councils also highlighted that they have significant cost pressure on domiciliary care – demand/volume for 81% of them. Furthermore, 51% of metropolitan districts identified significant cost pressures on demand/volume (overall 41%) and unit cost/complexity (34%) for care home placements for people with mental health problems.

3.13 **Table 3.1** sets out the data in full.

Table 3.1: Cost Pressures, 2008–09 and 2009–10				
Cost Pressure	By Demand/Volume		By Unit Cost/Complexity	
	2008–09	2009–10	2008–09	2009–10
Care home placements for older people	24%	36%	23%	25%
Care home placements for people with learning disabilities	48%	61%	51%	67%
Care home placements for people with physical disabilities	31%	4%	28%	6%
Care home placements for people with mental health problems	38%	41%	33%	34%
Domiciliary care	49%	67%	28%	28%
Adult asylum seekers	8%	9%	2%	2%
Support for other recent migrants	5%	3%	1%	1%
Support for people without access to funds	19%	16%	3%	4%
Staffing	14%	11%	6%	7%

3.14 In terms of demand/volume cost pressures the data show increases for care home placements for older people, care home placements for people with learning disabilities and domiciliary care. This contrasts with the large decrease for care home placements for people with physical disabilities. Cost pressures related to unit cost/complexity issues increased for care home placements for people with learning disabilities and decreased for care home placements for people with physical disabilities.

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3.15 The 2009–10 survey asked respondents to indicate whether they paid differential rates for services with different star ratings. Just under a fifth, 17%, of authorities did so (higher than the 7% in the 2008–09 survey), the majority of these being metropolitan (38%) and unitary authorities (31%).

3.16 Average net unit costs across all authorities have risen on average by 7.4% between 2007–08 and 2008–09. The steepest increases have come in the provision of external independent nursing care for people with physical disabilities and external independent nursing care for people with learning disabilities, where costs have risen by 16.7% and 15.6% respectively. **Table 3.2** illustrates these findings.

Table 3.2: Net Unit Costs					
Client Group	Cost Type	2007–08 £ per week per authority	2008–09 £ per week per authority	Change between 2007–08 and 2008– 09 (%)	2009–10 £ per week per authority (estimate)
Older people	External independent residential care	£411.39	£441.74	7.4	£445.05
	External independent nursing care	£448.75	£491.17	9.5	£493.98
Physical disabilities	External independent residential care	£750.41	£779.80	3.9	£743.31
	External independent nursing care	£667.86	£779.44	16.7	£757.90
Learning disabilities	External independent residential care	£995.85	£1118.43	12.3	£1138.10
	External independent nursing care	£933.26	£1079.13	15.6	£1052.80
Mental health	External independent residential care	£614.10	£658.72	7.3	£651.43
	External independent nursing care	£700.18	£709.59	1.3	£728.25
Average		£690.23	£741.22	7.4	£714.57

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Demographic Change

3.17 The 2009–10 survey asked authorities to indicate whether they faced any additional costs in 2010–11 as a result of demographic change. 87% of authorities indicated they did, with only 6% indicating they did not, and 7% not answering.

3.18 Those authorities anticipating additional costs were asked to quantify them for the four principal adult user groups. The results are set out in **Table 3.3**. The total stood at an estimated £331.325m, compared with £257.394m for 2009–10.

Table 3.3: Cost Estimates due to Demographic Change, 2010–11		
User Group	Cost to authorities as a whole (£m)	Cost to authorities on average (£m)
Older people	£138.462	£0.911
People with learning disabilities	£137.733	£0.906
People with mental health problems	£16.744	£0.110
People with physical disabilities	£38.387	£0.253
Total	£331.325	£2.180

3.19 County councils represented the biggest deviation from the national average across all four user groups, but particularly for ‘older people’ (on average £3.036m) and ‘people with learning disabilities’ (£2.833m).

3.20 Those respondents anticipating additional costs were asked to indicate the extent to which those costs were likely to be funded by the authority themselves. Across each group, around three-quarters of authorities indicated that they were likely to fund either all or most of these costs. **Table 3.4** shows the estimated breakdown.

Table 3.4: Funding of Demographic Change Cost Estimates					
User Group	All	Most	Some	None	Don't know
Older people	56.4%	20.4%	15.5%	6.7%	1.0%
People with learning disabilities	52.2%	26.4%	16.9%	3.6%	0.9%
People with mental health problems	51.0%	22.5%	16.5%	5.8%	4.2%
People with physical disabilities	58.0%	21.4%	15.2%	4.2%	1.3%

Safeguarding

3.21 As a result of introducing safeguarding measures local authorities have incurred a total cost of £24.496m, an average of £0.161m per authority. County councils and London boroughs had higher than average costs, at £0.277m and £0.294m respectively.

Efficiencies

3.22 Respondents were asked to estimate how much they had saved through cashable efficiencies in 2009–10, and how much more they projected could be saved in 2010–11 through efficiencies, service reduction, income generation; and other means in the following areas:

- Older People;
- Physical and Sensory;
- Learning Disabilities;
- Mental Health;
- Drugs and Alcohol;
- Aids/HIV; and
- Community Equipment.

3.23 Across all authorities, it is estimated that £324.307m (2.5% of total spending) had been saved in 2009–10 through increased efficiency in these identified areas, with by far the largest savings generated in the area improved efficiency (£235.735m). This is 73% of the total savings.

3.24 In terms of services the greatest saving in 2009–10 was in relation to older people (£170.436m), with the next highest being learning disabilities (£63.451m).

3.25 Authorities estimated that they could save £430.530m (3.3% of total spending) in 2010–11, an average of £2.832m per authority. Again, the area of greatest saving is anticipated to be in relation to older people (49% of the total).

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Impact of the Economic Slowdown

3.26 Respondents were asked about the effect of the economic slowdown over the previous twelve months. More authorities reported that the slowdown had had an effect over this period than did so for last year’s survey, and many anticipate significant effects in the future, though generally fewer than did so for last year’s survey.

3.27 The most common effect on authorities over the previous twelve months was increased demand for welfare advice services (45.8% of authorities), closely followed by reductions in the supply of services as independent care homes close (45.2%), and increased demand for a variety of other services (43.8%), such as debt counselling and employment-related services. Looking forward, reductions in the supply of services as agency providers of social care staff (85.7%) and home care agencies (80.0%) closed were the most widely anticipated difficulties.

Table 3.5: Impact of the Economic Slowdown			
	Already experienced (%)	Anticipated (%)	Both (%)
Income reduced as people default on social care charges	37.7	50.6	11.7
Income reduced as CRAG charging levied on fewer people	28.8	66.1	5.1
Income reduced as fairer charging levied on fewer people	27.6	65.5	6.9
More demand for welfare advice services	45.8	31.8	22.4
More demand for mental health services	29.9	50.6	19.5
More demand for drug and alcohol misuse services	35.8	46.3	17.9
More demand for other types of services	43.8	31.3	25.0
Supply of services reduced as independent sector care homes close	45.2	41.9	12.9
Supply of services reduced as agency providers of social care staff close	0.0	85.7	14.3
Supply of services reduced as home care agencies close	6.7	80.0	13.3

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3.28 Other issues already experienced by a minority of respondents included funding to the third sector and difficulties with lower than expected capital receipts.

3.29 Authorities were invited to note what actions they had taken over the previous twelve months in an attempt to mitigate the impact of the economic downturn. A wide variety of actions are being taken, each by small numbers of authorities, including:

- the acceleration of payments to suppliers in order to improve cash flows;
- additional support and training to welfare, debt counselling and employment services;
- reviewing budgets and resources for particular services, for example, mental health services;
- developing social inclusion strategies and 'recession funds'.

4 BUDGET INFRASTRUCTURE

4.1 **Section Four** discusses the findings on budget infrastructure – pooled budgets, investment through health, and client and NHS contributions.

Pooled Budgets

4.2 In 2009–10 local authorities contributed £2,072.462m to Section 31 and 28a pooled budgets for adults and older people (of which 63% was in learning disabilities), an average of £13.628m per authority. This shows little change in contributions since 2008–09, which totalled £2,074.2m, an average of £13.8m per authority.

Table 4.1: LA and NHS Contributions to Section 31 and 28a Pooled Budgets				
Client Group	2009–10 LA contribution (millions)	2009–10 NHS contribution	2010–11 LA contribution	2010–11 NHS contribution
Older people	£378.577	£271.761	£363.581	£245.790
Physical/sensory disabilities	£26.996	£13.473	£22.279	£12.043
Learning disabilities	£1,308.966	£835.515	£1,300.265	£848.681
Mental health	£253.435	£933.280	£222.803	£869.812
Drugs and alcohol	£14.766	£64.282	£12.818	£54.655
HIV/AIDS	£0.222	£1.199	£0.153	£1.199
Community equipment	£77.561	£76.974	£189.459	£240.509
Other	£11.940	£79.137	£14.480	£42.645
Total	£2,072.462	£2,275.622	£2,125.837	£2,315.334

4.3 The average contribution per local authority in 2009–10 amounted to £13.6m, expected to rise to £14.0m in 2010–11. Considering the three largest groups in 2009–10, for learning disabilities local authorities' contributions were 57% higher than those of the NHS, for older people authorities' contributions were 39% higher than those of the NHS, whilst for mental health and drugs and alcohol, NHS contributions were almost four times the level of authorities.

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- 4.4 Spending for 2008–09 on other recent migrants or people without access to funds (including unfunded costs for asylum seekers) was £38.352m across all authorities, an average of £0.252m. The estimated spend for 2009–10 was £36.281m, an average of £0.239m.
- 4.5 The estimated value of the transfer of learning disability service commissioning from primary care trusts to authorities' budgets in 2009–10 was £997.824m, an average per authority of £6.565m. These figures are slightly higher than the previous year of £893.9m and £5.959m respectively.

Resource Allocation System

- 4.6 The average discount factor being applied by authorities with finalised resource allocation systems is 18.6%. In half of respondents the rates are between 20% and 29%, in just over a third they are between 10% and 19%, and in less than a tenth each are they under 10% and over 30%².
- 4.7 By type of authority, this figure is highest for metropolitan authorities (20.4%), and lowest for unitary authorities (17.0%).

Area Based Grant

- 4.8 Around one in nine respondent local authorities (11%) reported that grants previously specific to adult care, but which were now included in the ABG, are not being used for their original purposes.
- 4.9 In authorities where this was not the case, the main uses of the grants included:
- top-slicing for corporate initiatives;
 - incorporation into the overall 'pot' which funds all council services;
 - offsetting base budget pressures on home care and direct payments;

² Note: the discount factor is applied to, and thus effectively reduces, indicative personal budgets.

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- supporting mainstream care in all client groups.

Social Care Reform Grant

4.10 An average of 43.0% of the SCRG is being used to fund permanent or ongoing expenditure. In around a third of respondents (30%) the proportion is between 25% and 49%, in a fifth each it is between 10% and 24% and between 50% and 74%, in 19% it is between 70% and 100%, and in one in eight (12%) it is less than 10%.

4.11 By type of authority, the average proportion varied between 46.8% in unitary authorities and 29.0% in London boroughs.

5 METHODOLOGY

Design

- 5.1 In keeping with previous years, the content of the survey questionnaire was developed and agreed between the client and YCL. The agreed content was developed into a questionnaire script. As in previous years, the questionnaire was in Microsoft Excel format.
- 5.2 A number of questions are the same as in previous years, contributing to continuity for respondents and analysis. However, crucially there has been one main difference in the way in which the Budget and Outturn figures have been reported. In previous years, as with this year's survey, the PSSEX1 has been used for the actual figures. Previously, however, the PSSEX1 has included a memorandum line that showed costs excluding FRS17 – this has not been the case for 2008/9's PSSEX1 Form. Therefore extracting the figures excluding FRS17 adjustments was felt to have been more work for some authorities, when the survey aims to, wherever possible, source information from pre-existing sources.
- 5.3 Although the FRS17 adjustments are 'accounting book costs', in order to be consistent and reduce as much as possible the workload for those completing the forms for the 2009–10 survey Questions 1 (Budget Variances 2008–09) and 5 (Budget Position 2009–10) have been completed including FRS17.

Delivery, Survey Management and Response Rate

- 5.4 The questionnaire was sent to all 152 Directors of Adults Social Services in England, by email.

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- 5.5 Authorities were invited to contact the YCL Project Manager, or the LGA, for additional copies of the questionnaire (assuming delegation of responsibility by the original recipient), queries about completing the questionnaire, or other questions. In all, less than 5% of authorities made requests for assistance with the content of the questionnaire, a lower rate than in previous years. We received no queries relating to the technical aspect of completing the questionnaire.
- 5.6 Respondents were given five weeks to complete and return the questionnaire. An email reminder was sent to non-responding authorities before the deadline, and two more reminders were sent out, through ADASS, as the deadline was extended by two weeks.
- 5.7 130 questionnaires were received, a response rate of 86%. This is exceptional for any survey of this nature, and compares well with the response rates for the survey in 2008–09 (75%), 2007–08 (79%), 2006–07 (68%), 2005–06 (80%), and 2004–05 (88%). The level of response by type of authority is set out in **Table 5.1**.

Table 5.1: Survey Response (by authority type)			
Type of Authority	Responses	Total Population	%
County	22	27	81%
Metropolitan district	32	36	89%
Unitary	47	56	84%
London borough	29	33	88%
Totals	130	152	86%

Note: the figures for total population do not sum due to rounding resulting from weighting of responses.

- 5.8 The level of response by region is set out in **Table 5.2**.

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Table 5.2: Survey Response (by region)			
Region	Responses	Total Population	%
East Midlands	7	9	78%
East	9	11	82%
London	29	33	88%
North East	10	12	83%
North West	20	23	87%
South East	15	19	79%
South West	14	16	88%
West Midlands	13	14	93%
Yorkshire & the Humber	13	15	87%
Totals	130	152	86%

Note: the figures for total population do not sum due to rounding resulting from weighting of responses.

Checking and Input

- 5.9 All received questionnaires were checked for routing consistency and subjected to a ‘reality check’ before input. Although a handful of surveys contained errors in the data, we were able to clarify these with respondents before input.

Weighting and Analysis

- 5.10 We have controlled for variations in response rates by the use of a weighting factor. Although a response rate of 86% could be regarded as representative of the overall population of authorities (152), in common with previous practice, it was decided to weight the received responses in order to achieve a total population response.
- 5.11 This was achieved by applying a weighting factor dependent on the number of responses received by both type of authority and geography (region).
- 5.12 The data were exported from the original Excel questionnaires to an SPSS database, which was then used to run basic frequencies, including sum, mean, range and standard deviation. The data were also analysed by type of authority.