ADASS welcomes the opportunity to make this representation on the Autumn Statement.

Social care provides care, support, and safeguards for those people in our communities who have the highest level of need and for their carers. The depth of shared concerns about the quality, safety and sufficiency of social care services has bound together national organisations from across the public, private and voluntary sectors over the last year. Nearly two million people rely on these essential services and around 6.5 million carers support people alongside and beyond the formal social care sector.

However, successive governments have failed to sufficiently address what is an overwhelming issue: the recognition of and funding for these vital services and supports. This is now widely acknowledged.

HM Treasury will be aware of concerns across the sector about the funding of adult social care. Successive years of cuts took £4.6bn out of council social care budgets between 2010 and 2015 whilst need grew significantly (see appendix 1). In 2016 further savings of £941m are being made: a cumulative total of £5.5bn. Last year the second part of the Care Act was deferred. We supported this on the clear understanding that the £6bn that would have been needed to fund the changes was used instead to support the crisis in core social care funding.

There are no perfect formulae for identifying the precise funding that is required. Providers, commissioners, academics and independent think tanks all arrive at slightly different figures, dependent upon the variables incorporated and what they are trying to address. The table below sets out a range of estimates based on the gap between costs, needs and funding moving forward and is based on the same assumptions as in the Local Government Finance Settlement 2015 (for example, that all councils will raise the precept, etc). Please note that this is on top of the prior reductions identified above of £5.5bn and it does not take full account of what the price of care would be, were it to be priced at the level providers say is necessary for their sustainability and non-exit of the market. It is also important to appreciate that the apparent improvement in the later years is entirely dependent on all of the money attached to the improved Better Care Fund coming, without conditions, and cannot compensate for the crisis conditions in the early years for some of the councils who raise least from the precept.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Source</th>
<th>Shortfall in SR 2015 (excluding prior reductions but including the DoLS pressure)</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>16/17</td>
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<tr>
<td>ADASS</td>
<td>Budget Survey 2016 and written Health Committee Inquiry evidence 2015</td>
<td>£1.4bn</td>
</tr>
<tr>
<td>Nuffield Trust, King’s Fund, Health Foundation</td>
<td>Written Health Committee Inquiry evidence: Impact of the 2015 Spending Review on health and social care</td>
<td>£1bn</td>
</tr>
<tr>
<td>RANGE</td>
<td></td>
<td>£1 to £2bn</td>
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</table>
In July this year, ADASS published its annual Budget Survey. Key messages from the survey are as follows:

1. Funding doesn’t match increased needs for, and costs of, care for older and disabled people

There are ever greater numbers of older and disabled people needing essential care and support, their needs are increasingly complex and the costs of care have increased.

To maintain care at the same level as last year would require more than an extra £1.1bn. This year budgets for social care have increased slightly although there is very wide variation between individual councils (70 councils, in fact, reported a fall in budget). This is because:

- The new social care precept flexibility (used by 93% of councils) raised a total of £380m. This does, however, raise much more in some areas than others and raises least in areas with the greatest need for social care.

- Local Government continues to try to protect adult social care despite competing pressures on other services and cuts in central grants. This year adult social care accounts for 35% of total council spending, the same as the last two years. Many councils had to cover overspends on adult social care last year by drawing on reserves (62 councils) and by cutting other services (52).

But the social care precept this year raises less than two-thirds of the calculated costs of the National Living Wage. So this year Directors of Adult Social Services (Directors) have to find more savings of £941m (7% of the total net budget).

2. More people’s lives are affected by reductions in social care funding

Directors report that:

- In spite of the population of older people increasing by 3%, we saw no increase in the numbers of older people actually receiving services in 2015/16

- At least 24% of this year’s savings will come from cutting services or reducing the personal budgets of people who receive care and support

- The quality of care is compromised: 82% of Directors report that more providers already face quality challenges as a result of the savings being made. As of June 2016, CQC inspections under the new regime show that 27% of adult social care services “require improvement” and 2% are “inadequate”.

3. Directors are increasingly unclear where the funding needed will come from

Financial risks are rapidly increasing for local authorities. In 2015/16 the majority of social care departments overspent on their budgets, and as a result, Directors’ confidence in the ability to both make continued savings and at the same time meet increased duties is diminishing.

Last year 45% of Directors were fully confident planned savings would be met. This year it is just 31%. Confidence falls to only 6% when thinking about making savings in 2017/18.
These savings are required at a time when the number of applications for Deprivation of Liberty Safeguards has risen more than tenfold in the last two years and 2015/16 saw the first full year of the implementation of the Care Act 2014. Faced with this pressure, only 36% of Directors could say that they are fully confident of being able to deliver all of their statutory duties this year, falling rapidly to just 8% who are sure they can do so next year.

4. The continuity of the care market is under threat

We expected to see significant increases in fees to providers due to the impact of the National Living Wage. The survey findings suggest that the total cost, including compliance with the existing National Minimum Wage, will total over £600m. 82% of councils increased fees to providers: nearly a quarter by more than 5%. Though the National Living Wage is welcome, in many areas providers will continue to struggle to recruit staff, especially in home care and where employment is high. Maintaining a caring, compassionate and trained workforce in a sustainable provider market is an urgent concern.

80% of Directors reported that providers in their area are facing financial difficulties now. Providers are increasingly selling up, closing homes or handing back the contract for the care they deliver to older or disabled people. This affected thousands of people across the country last year.

5. Investment in prevention is being further squeezed

Directors see increased prevention and the integration of health and social care as the two most important ways in which savings could be made over the next three years. But, as budgets reduce further in real terms, it is becoming harder and 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 future needs. As a result of this tension, this year councils will be spending 4% less on prevention than last year.

6. Reduction in funding for social care has wider impact

Directors feel that negative consequences due to budget cuts have already been felt right across health and social care and agreed particularly strongly with statements regarding issue faced by the wider sector:

- 85% thought that the NHS is under increased pressure
- 84% thought providers are facing financial difficulty
- 85% thought providers face quality challenges

We welcomed the additional funding for future years that the Chancellor announced in last year’s Spending Review, but the results of this year’s survey confirm our view that these measures are too little and come too late, with too much variation between councils.

The Social Care Precept, whilst welcome, has exacerbated inequalities without covering increased need and cost, except in a small number of councils. In all regions bar one the Precept raises less than National Living and Minimum Wage requirements. The range of the percentage of these additional costs that are covered per region is 43% - 111%. In two regions it raises less than half. Individual council variations are even greater.

The whole sector, including senior leaders from the NHS, local government and the independent sector, are united in recognising the importance of an adequately funded social care system in promoting the country’s wellbeing and ensuring the right care is available. We are at the tipping point where social care is in real jeopardy and this impacts on the millions of people needing care and support. More people work in adult social care
than in the NHS and they make a positive difference every minute of every day. This therefore also impacts on the economy more widely.

We therefore ask that the Government takes the opportunity for the state to be a power for good and support this country’s older and disabled people and their carers by:

a) Immediately addressing the shortfalls in budgets for this and next year in order to stabilise the sufficiency and quality of the market.

b) Making provision for the gap in funding to 2020, ensuring that social care funding is protected, transparent and sustainable. Whilst not the only answer, recurrent additional funding to local government, based on need for social care is integral to any solution.

c) Helping us to address the workforce recognition, recruitment and retention issues by affording care staff, social workers and social care nurses the same recognition and attention as doctors and other key professionals and by resourcing this. Enhance the status of care workers, address pay issues, review key worker housing, training, and the contribution of DWP/work programme providers, funded apprenticeships, and skill mix. Engage with us on a national recruitment campaign and address our concerns about the uncertainty for non UK EU citizens who are part of our workforce.

d) Addressing the longer term resourcing issues for social care for 2020 and beyond. This will necessitate radical reconsideration of how to incentivise family and other informal carers and revisiting the role of the individual, family, community and the state.

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**About Us**

The Association of Directors of Adult Social Services is a charity. Our objectives include:

- Furthering comprehensive, equitable, social policies and plans which reflect and shape the economic and social environment of the time
- Furthering the interests of those who need social care services regardless of their backgrounds and status and
- Promoting high standards of social care services

Our members are current and former directors of adult care or social services and their senior staff.
Appendix 1: Additional information

Increased need
The over 85 population, which is the group most likely to require care, is rising very quickly and the number of people with a learning disability is also set to increase at a far faster rate than the general population.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2020</th>
<th>2030</th>
<th>15 yr. change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 85 population [ONS]</td>
<td>1,600,000</td>
<td>1,900,000</td>
<td>2,800,000</td>
<td>75%</td>
</tr>
<tr>
<td>Adults with a (severe) learning disability [PSSRU]</td>
<td>240,000</td>
<td>260,000</td>
<td>290,000</td>
<td>21%</td>
</tr>
</tbody>
</table>

Adult Social Care (ASC) spending as a proportion of GDP
ASC spending as a percentage of GDP (UK) in England has fallen in recent years, and will continue to fall from around 1.2% in 2009 to around 0.9% in 2020.
ASC spending as a percentage of GDP (UK) in England is currently around 1% which compares with around 2% in Denmark.