

# Budget Survey 2017

Margaret Willcox, President

Iain MacBeath, Resources Co-Lead

Association of Directors of Adults Social Services



# 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.

# About the survey

- Many of the questions are common with previous years for continuity.
- There was a 95% response rate and not all respondents answered all questions. The report clearly states the number of responses to each question and where these have been extrapolated to national levels.
- The Better Care Fund is funding transferred through the NHS, first announced in the 2010 Spending review and added to in 2014/15 for NHS Care Act responsibilities and then for Disabled Facilities grants.
- Planning Guidance for the Better Care Fund is not yet agreed and published by NHSE so responses related to it are more tenuous and should be treated with caution.
- The Improved Better Care Fund is the £2bn over 3 years announced in the Spring Budget for spending on Adult Social Care.

# Context

## Changes to funding for 2017/18

- ASC precept profile (3%/3%/ 0% or 2%/2%/2%)
- ASC grant in LGFS (£241m)
- IBCF in Spring budget (£2bn including £1bn for 2017/18)

## Local Government context

- £366m overspend in ASC in 2016/17
- £3.05bn savings overall, £824m ASC
- Protection of ASC: now 36.9% (35.6% last year)

## Additional need and costs

- 2.8% pressures: increasing numbers of older and disabled people
- NLW etc costs £378.5m
- NHS support and pressures – CHC, fines, planning

# Overview

- Fieldwork completed in May/ June
- 95% return rate (excludes Jersey, Guernsey, Isle of Man and Isles of Scilly)

Adult Social Care  
Budgets 2015/16:

Adult Social Care  
Budgets 2016/17:

Adult Social Care  
Budgets 2017/18:

ASC Gross Budget 15/16	£19.6bn	ASC Gross Budget 16/17	£19.7bn	ASC Gross Budget 17/18	£20.8bn
ASC Net Budget 15/16	£13.65bn	ASC Net Budget 16/17	£13.82bn	ASC Net Budget 17/18	£14.2bn
ASC Net Budget 15/16 Outturn	£13.82bn	ASC Net Budget 2016/17 Outturn	£14.91bn		
Variance/ overspend	£168m over	Variance/ overspend	£366m		

# The increasing needs of younger adults are as important as those of older people

- Demographic pressures for older people: 1.1%  
Demographic pressures for people with learning disabilities: 1.2%
- Demographic pressures for people with mental health needs: 0.2%
- Demographic pressures for physically disabled people: 0.3%

# Savings

- Adult Social Care overspends in 2016/17 amounted to £366m. Pressure will roll forward.
- Planned savings for 2017/18 are £824m (5% of the net Adult Social Care budget and 27% of total council savings).
- Directors' confidence in making these savings is falling: in 2015 45% of directors were fully confident planned savings would be met. Last year it was 31%. This year it remains at 31% despite the additional funding and reduces further to 8% for 2018/19.

# Breakdown of savings for 2017/18

Response	Total	Proportion of total savings
Efficiency - doing more for less <i>(125 responses)</i>	£388m	55.6%
Reducing services/personal budgets <i>(74 responses)</i>	£136m	19.5%
Income from charges increased above inflation <i>(51 responses)</i>	£31m	4.4%
Provider fees increased by less than inflation <i>(19 responses)</i>	£13m	1.9%
Pay increased by less than inflation <i>(4 responses)</i>	£3m	0.4%
Other <i>(64 responses)</i>	£127m	18.2%

# Ways of making savings

- Directors see increased prevention as the most important way in which savings could be made over the next three years.

		2017/18
		£890m
% spend on prevention as % of budget	7.1%	6.3%
Difference in spend from 2016/17 to 2017/18		-6.7%

- Integration of health and social care appears to be less important than in previous years
- Better procurement and shifting activity to cheaper settings assumes more importance.
- Controlling wage increases was seen as not applicable or not important by 44%

# Increased charges

	Community-based services		Residential care services	
	2016/17 (134 responses)	2017/18 (134 responses)	2016/17 (136 responses)	2017/18 (137 responses)
<b>Total estimated income</b>	£640m	£678m	£1.67bn	£1.69bn

# Impact of savings

- Experience to date
  - 77% agreed providers are facing financial difficulty
  - 75% agreed that the NHS is under increased pressure
  - 74% agreed that more providers face quality challenges
- 2017/18
  - 79% agreed providers are facing financial difficulty
  - 76% agreed that more providers face quality challenges
  - 75% agreed that the NHS is under increased pressure
- 2018-2020
  - 84% agreed providers are facing financial difficulty
  - 83% face quality challenges
  - 80% agreed that the NHS is under increased pressure

# Planned spend of the Improved Better Care Fund

- To meet adult social care needs (including counteracting previously planned savings): 48.1%
- To reduce pressures on the NHS, including supporting more people to be discharged from hospital when they are ready: 32.3%
- To ensure that the local social care provider market is supported: 25.9%

## Better Care Fund 2016/17

- In 2016/17, £1.27bn was spent on protection of adult social care (comprising additional services, avoiding cuts and funding demographic pressures but excluding Disabled Facilities Grants and Care Act duties).
- This is effectively the same as the NHS transfer to local government in 2014/15.
- Of this 79% has been spent on avoiding cuts to services so has not paid for any additional activity.

# Better Care Fund estimated provisional plans 2017-18

	Estimated national total
Capital spending (Disabled Facilities Grant)	£448m
Care Act Duties (including carers spending)	£250m
<b>Subtotal</b>	£698m
<b>Protection of social care</b>	
For new or additional adult social care services	£332m
To avoid cuts in existing adult social services	£1,100m
To cover adult social care demographic pressure	£355m
<b>Subtotal</b>	<b>£1,787</b>
<b>TOTAL PROTECTION</b>	<b>£2.48bn</b>

# Experiences of extra support for or pressure from the NHS

	Average
Discussions about reductions to Continuing Healthcare or health contributions to s117	78.1%
Increased input to short or long term planning	75.2%
Increased demand from people with very high needs not being admitted to hospital	61.3%
Increased input to NHS commissioning	56.9%
Increased demand for healthcare activity to be undertaken by social care staff	54.7%
Discussions about Better Care Fund reductions	39.4%
Other (please specify)	29.2%

15% of councils have been fined by the NHS for Delayed Transfers of Care

# Care market

- Provider fee increases continued but the average rate per hour of home care was £15.39 (the desired UKHCA benchmark was £16.70)
- 79% of Directors report that providers in their area are facing financial difficulties now.
- Providers are continuing to sell up, close homes or hand back the contract for the care they deliver affecting thousands of people.

	Closed or ceased trading within the last 6 months		“Handed back” contracts within the last 6 months	
	Number of councils (123 responses)	Predicted number of people affected (117 responses)	Number of councils (117 responses)	Predicted number of people affected (117 responses)
Home care	48 (39%)	5,670	43 (36.8%)	3,135
Residential/Nursing care	54 (43.9%)	1,793	11 (9.3%)	331

“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. More people work in adult social care than in the NHS and they make a positive difference every minute of every day”.

The social care system “will collapse if we do nothing about it, as there will be two million more people over the age of 75 within 10 years”, the prime minister has said.

We need a serious debate across the public and politicians about the best balance of taxation, individual contribution, priorities, insurance for the longer term.