

ASSOCIATION OF DIRECTORS OF ADULT SOCIAL SERVICES

Briefing Note for Opposition Day Debate on Social care: Wednesday, October 25, 2017:

Introduction & summary

- Social care provides care, support, and safeguards for those people in our communities who have the highest level of need and for their carers. 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. It makes a contribution of £43bn to the national economy in direct and indirect costs.
- Ageing societies, in which younger people with disabilities are living longer too, normally devote a bigger share of their national wealth to long term care and support. Yet OECD analysis shows that spending on adult social care as a percentage of GDP (UK) continues to fall behind the European average.
- The Spring Budget contained a welcome recognition of the need for immediate additional resources and longer term funding reform. It is essential that the Government builds on these important first steps to develop a sustainable future for adult social care.

A system under continuing pressure

- Total cumulative savings in adult social care since 2010 will amount to over £6bn by the end of 2017/18. In our most recent autumn survey, 53% of Directors expect to over spend their adult social care budget this year.
- All councils bar five are making use of the social care precept. But councils still reported planned savings in 2017/18 of £824m, although some of the additional £1bn available through the improved Better Care Fund may be used to offset these previously planned savings, in some councils.
- Councils are continuing to prioritise adult social care over other Council spending – spending on adult social care is set to increase from 35.6% in 2016/17 to 36.9% this year, despite councils having to make 8% cuts in overall budgets on top of previous year's reductions.
- Directors are finding it increasingly difficult to implement planned savings – only 31% are fully confident that planned savings for 2017/18 will be met and despite the additional funding which has been made available for adult social care, Directors' confidence falls for future years, to a point where only 7% are fully confident that savings targets will be met in 2019/20.
- The need for social care - arising from increasing numbers of older and disabled people - has risen by 2.8% this year. Of particular concern is that working age adults (including people with physical and learning disabilities and people with mental health needs) account for 1.7% of these pressures – 1.2% alone by people with learning disabilities. It follows that long term funding proposals will not be sustainable unless they address the needs of the whole of the population and not just older people.

- the National Living Wage and other requirements creates further costs this year of £378.5m; the HMRC ruling on sleeping-in payments means new additional costs of at least £200m p.a. and a back-pay bill of at least £400m.

The care market remains fragile and is failing in some parts of the country

- The Care Quality Commission has warned, in its most recent annual assessment of the state of health care and adult social care, that overall the system remains close to a tipping point, with demand rising, capacity falling and providers finding it harder to maintain quality improvements.
- Most councils have used some of the additional £1bn available this year to increase the fees paid to independent providers by above the rate of inflation, to reflect increases in the national living wage and other cost pressures. Fees for home care in particular have risen markedly but the average hourly rate paid for home care - reported to be £15.39 in the budget survey – falls short of the £17.19 minimum benchmark cost identified by the United Kingdom Home Care Association.
- There is continued evidence from this year’s budget survey of failure within the provider market –
 - 67% of councils reported provider closures between April and August this year; in the first five months of the financial year
 - 48% of councils reported homecare providers handing back contracts (April to August) – an increase from 37 per cent who said the same over a six-month period in the main ADASS Budget Survey earlier this year there are 4,000 fewer nursing home beds since March 2015;
- Independent industry analyst LaingBuisson’s most recent assessment is that capacity is slowly dropping out of the market at a current rate of loss of about 2,000 beds a year, concentrated in less affluent areas of the country where providers are dependent on local authority contracts.

The NHS is under pressure too

- The failing state of the home care market is having a significant impact on the NHS. Waits for care packages at home is now the single biggest cause of delayed transfers of care, accounting for over a fifth of all delayed days. Delays for this reason have risen by 41% over the last two years. Even where the NHS was responsible for the delay, the increase was 44% over the same period in the previous year, indicating that there are underlying capacity and workforce issues faced by NHS and local authority commissioners alike. This is a system-wide issue.
- Councils continue to prioritise hospital discharge through the Better Care Fund and mainstream budgets. Although just one fifth of new referrals for social care in 2015/16 came from a hospital setting, councils have used one third of the £1bn additional money this year to assist NHS partners in seeking further improvements.

- Directors throughout the country are very concerned about Pressures on the NHS affect social care too – there are high levels of concern by Directors throughout the country about the impact of pressures in the local NHS. People who are waiting longer for treatment will need social care support longer than anticipated. Under-investment in primary care and community health services makes it more likely that people will end up needing local authority funded long term residential care. Efforts by NHS England to reduce the escalating spend on continuing healthcare is likely to put further pressure on local authority budgets for nursing home care.
- It is essential that future funding settlements for the NHS and social care take account of the inter-dependency of these services and encourage collaboration rather than cost shunting.

Demand and need continue to rise

- 48% of gross council spend on adult social care is on people aged 18-64yrs. The number of learning disabled younger people is set to rise from 220,000 in 2010 to around 290,000 in 2030. For physically and sensorily impaired younger people the projected rise over the same period is from almost 2,900,000 to 3,100,000.
- The future care needs of older people will be greater than previous estimates. A recent assessment published in The Lancet show that current older people are spending more of their remaining life with a range of low and high care needs. In particular men and women studied were living on average an additional 2.4 and 3 years respectively with substantial care needs. As well as the implications for family and friends who supply unpaid care, this will require a substantial increase in funding for community services and residential care.
- A major challenge for local authorities will be how to balance the needs of people across the whole age spectrum in a way that is fair, effective and sustainable. This should be acknowledged and addressed in the forthcoming Green Paper.

Quality and workforce challenges are mounting

- Inspection of social care services by the Care Quality Commission between 2014-2017 show that although 77% of inspected services are assessed as good, there is wide variation across the country. Only 2% of services are rated as outstanding and there is too much poor care. 2% of services are currently rated as inadequate, and 19% of services are rated as requires improvement and are struggling to improve.
- 38% of services were still rated as requiring improvement following reinspection, and 5% of these services had deteriorated. Not all services that were originally rated as good maintain quality, with 26% receiving a lower rating after re-inspection.
- Directors are becoming more concerned about quality - 94% reported that between April and August this year more providers in their area faced quality challenges.

- Many of the quality and capacity challenges experienced by commissioners and providers arise from continuing difficulties in recruiting and retaining staff. The overall staff vacancy rate across the whole of the care sector has increased from 4.5% in 2012/13 to 6.8% in 2015/16. The vacancy rate for home care staff was 11.4%, again underlining the critical condition of this part of the market. Over the same period turnover rates have risen from 22.7% to 27.3% a year.
- These difficulties relate in part to the relatively low level of wages in a sector that is large – over 1.5m jobs – and projected to grow by anything between 21-44% by 2030 as the volume of care needs rise. The average wage of a care worker is £15,007 and the mean hourly rate for care workers in the independent sector in 2016 was £7.72, just £0.52 above the national living wage at the time. In areas of high employment and/or above-average wage levels, local labour markets will not provide the capacity required for social care services. The national living wage will not be a sufficient response to these challenges.
- Another major threat to workforce sustainability arises from Brexit and potential changes to immigration policy. Around 7% of England’s growing social care workforce are non-British European Economic Area nationals – around 95,000 people – although this is differentially felt with one fifth of nurses in nursing homes in the South East coming from the EU.

Conclusion

- We warmly welcomed the decision in the Spring Budget to provide an additional £2bn to councils in England over the next 3 years to spend on adult social care services, £1bn of which has been provided this year. This year’s budget survey demonstrates that this has alleviated further significant reductions and is being used to address social care needs, support the provider market and relieve pressures on the local NHS, in line with the Government’s expectations.
- However whilst an important first step towards addressing financial pressures, it will not close the growing funding gap that according to independent estimates is still set to reach at least £2.1bn by 2020. There is deep concern about the ability of councils to fulfil their statutory duties under the Care Act and other legislation, with only 4% of Directors expressing full confidence in their ability to do so in 2017/18.
- More needs to be done to put the system on a more secure and sustainable long term footing and the proposal to publish a green paper on options for achieving this is a positive step forward. There have been a number of previous commissions and reviews over a number of years, including Sutherland, Wanless, Dilnot and Barker, and the consequences of delay and are now being felt.
- The whole care sector, including senior leaders from the NHS, local government and the independent sector, stands 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 in the right place and at the right time. We reiterate our commitment to work with all

stakeholders and to bring the knowledge and experience of ADASS to achieve lasting reform.

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.