

Communities and Local Government and Health Select Committees
Joint inquiry on the long-term funding of adult social care

**Submission from the Association of Directors of Adult Social Services
(ADASS)**

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.

Contact details:

The Association of Directors of Adult Social Services (ADASS)

18 Smith Square,

London

SW1P 3HZ

Tel: 020 7072 7433

Email: team@adass.org.uk

Website: www.adass.org.uk

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How to fund social care sustainably for the long term (beyond 2020), bearing in mind in particular the interdependence of the health and social care systems

1. How we fund and deliver the essential care and support services that more of us will need at some point in our lives is one of the most pressing domestic policy challenges of our generation. In recent years short term measures, such as the adult social care support grant, the social care precept, Better Care Fund and the additional £2b announced in the 2017 Spring Budget, have helped to ease some of the immediate pressures, they are essentially sticking plasters that do not address the fundamental and widening divergence of needs and resources. So we strongly welcome the focus of the inquiry on identifying long term funding solutions.
2. The need for action is urgent. The number of people aged over 85 will more than double in the next 20 years; more profoundly disabled young people with increasingly complex and costly needs are coming into adulthood every year.
3. It is important to be clear about what is meant by 'sustainability', recognising there are immediate, medium and longer term pressures that may require different solutions. In our view a sustainable long term settlement for social care is one which:
 - (i) adopts a long term approach to funding reform based on regular independent forecasts of needs and funding requirements, set within a workable financial settlement for local government, noting that core funding from central government will have fallen by £16 billion by the end of this decade;
 - (ii) takes account of the care and support needs of working age people as well as those of older people (although the Government is adopting a different process to consider the needs of working age people, this should be aligned with the Green Paper process so that the outcome is a set of proposals that address the needs of the whole adult population, not just older people);
 - (iii) addresses the costs of achieving a sustainable workforce. Good quality social care requires well-trained and committed staff that are valued by their employers and by wider society. We must continue to promote social care, making it more attractive as a career. 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;
 - (iv) seeks to achieve a sustainable and responsive provider market offering quality services that meet regulatory requirements. This will require adequate and stable funding so that local authorities can plan ahead and meet their legal responsibilities under The Care Act and other legislation.
 - (v) seeks a fair balance between the financial contributions of individuals and families and public funding, noting that patterns of income and wealth are changing over time and the settlement will need to be adjusted as each generation's circumstances change.
4. The Committees are right to note the inter-dependence of the health and social care systems. ADASS supports the policy objective of ensuring people receive well-coordinated and joined-up health and social care that reflect their individual needs. However this inter-dependence is not reflected in respective arrangements for governance, accountabilities and funding methods. Whereas

the NHS continues to offer universal care for a wide range of needs, mostly free at the point of use, adult social care is highly means-tested.

5. Although the Care Act 2014 did give councils new duties to provide certain services, such as assessment, advice and information, for the whole population, most direct care and support, such as home care and residential care, is rationed to those with the very highest needs and the very lowest means.. A new funding settlement for social care should recognise these fundamental differences in funding and entitlements.
6. Whereas the NHS is funded largely through general taxation and has a single national funding settlement, the amount of adult social care spending is determined separately through a mixture of government grant, council tax (including the social care precept), user charges and money transferred from the NHS such as the Better Care Fund. There are difficult and challenging issues about how to best align NHS and social care financing. These cannot be seen in isolation from a wider view about local government finance. If future local authority funding is to come increasingly from business rates and council tax, as is planned, these sources will not increase sufficiently to meet higher needs and costs. There is a risk that places with the highest levels of social care need will raise the least through locally raised revenue. The current 'fair funding' review will not increase the quantum of money available
7. The limited success of different governments over the last 19 years in reforming the way social care funding shows that the options and choices are difficult. Choices about where the money comes from are ultimately political and are informed by different values and views about the respective roles of individuals, families and the state both in funding and providing care. In practice virtually all countries use a mixture of public and private funding. Some countries make greater use of social insurance rather than general taxation as the cornerstone of funding, with culture and history playing a major part in determining the particular blend of funding methods used. The Green Paper should set out for consultation a wide range of ideas and options about how social care could be paid for and the balance between private and public funding.
8. The debate about how we fund social care should be informed by a clear and coherent set of principles about the purpose of a modern adult social care system and what it is designed to achieve. These are attached as an appendix to this submission.

The mechanism for reaching political and public consensus on a solution.

9. In the last nineteen years there have been five independent reviews of social care funding – Sutherland (1999), Wanless (2006), Dilnot (2011), Barker (2014) and the House of Lords Inquiry (2017). Over the same period there have been twelve Green Papers, White Papers and consultation documents on various aspects of social care reform. The options for paying for care have been clearly identified and are well researched and costed. The establishment of a Royal Commission, as some have called for, would add further delay and it is difficult to see what value this would add.
10. Long-term reform will take time and is unlikely to be achieved within the lifetime of a single parliament. The Barker Commission recommended a staged approach with a clear timetable for reform.
11. The general elections in 2010 and 2017, and the rows about the so-called 'death' tax and 'dementia tax', illustrated the dangers of raising funding proposals during

the heat of an election campaign and demonstrated the severe political risks of political parties promoting their own specific and competing policies.

12. Whilst it may be unrealistic for all political parties to reach complete agreement on how social care should be funded, there is a need for cross-party co-operation at the very least in agreeing a process that will deliver long term reform, based on responsible and evidence-based debate about the choices and trade-offs between funding options.
13. The forthcoming Green Paper could be used as the foundation of a genuinely open and inclusive approach to reform by drawing on the knowledge, ideas and experience of people who use social care, their families, carers, health and social care professionals, commissioners and providers.
14. An important lesson from previous reform initiatives is that unless the public are aware of their potential liabilities for care costs under the existing system, many might see new proposals as being worse than current arrangements rather than an actual improvement.
15. An essential starting point therefore is a strong process of engagement with the public to raise awareness of their potential need for social care, its costs and how and by whom these should be met; and promoting the widest possible public discussion and debate about these issues. This could draw on the long experience of local government in engaging with local communities on dealing with difficult and contentious issues.
16. The Care Act 2014 offers an example of a change process in which a detailed process of public consultation, engagement and pre-legislative scrutiny resulted in the biggest legislative overhaul of adult social care since 1948 and commanded wide support throughout the sector and across the political spectrum. This illustrates the value of a 'co-production' approach in which the government works alongside partners in the social care sector and wider stakeholders to develop and test ideas.
17. The whole care sector, including senior leaders from the NHS, local government and the independent sector, stands united in recognising the importance of achieving a sustainable long term funding settlement for social care. We reiterate our commitment to work with government and the sector and to bring the knowledge and experience of ADASS to achieve lasting reform.

Principles for funding and delivering Adult Social Care in the longer term

Adult social care provides care and support, and safeguards us when we are most vulnerable: when we are older, disabled, or mentally ill. It supports us to live richer, more fulfilling lives. Social workers safeguard our rights when we are being abused or neglected, when doctors are considering compulsory treatment or admission to hospital or when we may be deprived of our liberty.

The funding of care and support has been the subject of much discussion recently as well as over many years. Current arrangements are such that needs are not met, the care market is extremely fragile and there are impacts on the NHS. Most of all, the impacts are on older and disabled people their families and carers.

In starting to address this we believe that wide discussion should centre on addressing each of these principles:

1. Care and support must be centred on the needs and wishes of the individual concerned and their families and carers. It must embody the principles of the Care Act: wellbeing, choice, quality and safeguarding.
2. People – as adults - have the right to make unwise decisions.
3. People live variously alone, in families and in communities and addressing isolation, supporting carers and developing supportive communities should be integral, recognising our inter-dependence.
4. Prevention, inclusion and healthy lifestyles should be encouraged. An asset based approach will ensure people are encouraged and supported to be independent first.
5. Safeguarding rights are an important principle with respect to Human Rights and addressing specific safeguarding concerns whether through acts of commission or omission.
6. Funding should cover the whole quantum of need, be fair and based on the best balance of taxation, re-prioritisation of other benefits, the individual's contribution and private insurance. Fairness should be between and within generations, between genders and across the country.
7. Funding solutions should be long term and take into account that charges on property may be a solution for one generation only.
8. There should be certainty for citizens about what they can expect in terms of care, support and safeguards and what they are responsible for by way of provision and payment.
9. The system should be as simple and easy to administer and understand as possible.
This will help ensure 'transaction costs' are kept to a minimum.
10. Social care and social work are vital connectors: any review should support sustainable health, care, housing, benefits, policing, justice and other systems. After all people with complex needs will require a range of

support – not just social care.

11. Any review should create a system that good people want to work in and in which care is valued and rewarded.
12. Those who choose to care for family members should be entitled to a basic, living income and their own health and financial wellbeing, including their employment and pension rights should not be compromised. Carers should have a right to paid leave that parallel parental leave.