

ADASS Budget Survey 2018

Glen Garrod, President

Iain MacBeath, Resources Co-Lead

About Us



The Association of Directors of Adult Social Services is a charity. Our members are current and former directors of adult care or social services and their senior staff. 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
- There was a 100% response rate to the budget survey but not all respondents answered all questions.

The good news...

Short-term injections of funding from Government have been welcome. This has prevented a crisis in the short term, enabling adult social care nationally to deliver a balanced budget and to deliver improved performance, including a significant reduction in delayed transfers of care.

The not so good news...

Whilst a far worse situation has been avoided, many previous budget survey warnings have been realised, including:

- Fewer older and disabled people with more complex care needs getting less long-term care.
- Market failure in some parts of the country and fragility elsewhere.
- Pressure on and from the NHS, particularly in relation to increased hospital activity and shortages in social, primary and community services.
- Further savings are still required (£700m in 2018/19, £7bn since 2010)

Context

Funding context 2017/18-2019/20

- ASC precept profile (3%/3%/0% or 2%/2%/2%- approx. £1.66bn in 2018/19)
- IBCF 2018 (£1.5bn)

Local Government context

- £2.4bn council savings overall, £700m ASC
- Protection of ASC: now 37.8% (36.9% last year)
- Demographic pressure by age classification- Working age adults 58% (incl 39% LD services), Older people 42%

Additional need and costs

- 3.3% pressures (£448m): increasing numbers of older and disabled people
- NLW etc... costs £585m (now a bigger pressure than demography)
- NHS support and pressures

Overview

- Fieldwork completed in April/May
- 100% return rate (excludes Jersey, Guernsey & Isle of Man)

Adult Social Care Budgets 2016/17:

ASC Gross Budget	£19.7bn
ASC Net Budget	£13.8bn
ASC Net Budget Outturn	£14.9bn
Variance/overspend	£366m

Adult Social Care Budgets 2017/18:

ASC Gross Budget	£20.8bn
ASC Net Budget	£14.5bn
ASC Net Budget Outturn	£14.5bn
Variance/overspend	£0

Adult Social Care Budgets 2018/19:

ASC Gross Budget	£21.4bn
ASC Net Budget	£14.8bn
ASC Net Budget Outturn	
Variance/overspend	

Reducing long-term care

Planned savings for 2018/19 are £700m (4.7% of the net Adult Social Care budget and 27% of total council savings).

Response (<i>number of respondents who provided a figure over 0</i>)	Total	Proportion of total savings
Developing asset based/self-help approaches so as to reduce the numbers of people receiving long term care (89 responses)	£228m	33%
Efficiency - doing more for less (118 responses)	£188m	27%
Reducing services/personal budgets (58 responses)	£83m	12%
Income from charges increased above inflation (33 responses)	£27m	4%
Provider fees increased by less than inflation (14 responses)	£7m	1%
Pay increased by less than inflation (1 response)	£0.2m	-
Other (68 responses)	£166m	23%

Meeting current need vs. preventing future need

- 82% of Directors view the development of asset-based and self-help approaches as the most important approach to delivering savings.
- Prevention was identified as the second most important way in which savings could be made over the next three years.

	2017/18	2018/19
Spend on prevention	£1,201m	£1,187m
% spend on prevention as % of budget	8.3%	8.0%
Difference in spend from 2017/18 to 2018/19		-1%

- However, spend on prevention has decreased both as a proportion of budget and in cash terms since 2017/18.
- As budgets reduce, tension between prioritising statutory duties towards those with the greatest needs and investing in services that will prevent and reduce future needs.

Increased charges 2016/17-2018/19

	Community-based services			Residential care services		
	2016/17 (134 responses)	2017/18 (144 responses)	2018/19 (145 responses)	2016/17 (136 responses)	2017/18 (147 responses)	2018/19 (147 responses)
Total estimated income	£640m	£821m	£843m	£1.67bn	£1.84bn	£1.85bn

- Community-based charges have increased by 32% since 2016, whilst residential charges have increased by 11%.

Care market costs and fragility

- Provider fee increases continued with the average rate per hour for home care rising from £15.39 in 2017 to £15.93 in 2018.
- Of those local authorities that have reported increased fees, 70% have reported an increase of over 3% for home care fees in the last year and over 60% have reported an increase of over 3% for care home fees.
- 83% of Directors identified the National Living Wage as the biggest driver of cost increases in residential and nursing care, followed by other pay pressures (68%) and recruitment and retention (61%).
- 74% of Directors reported that providers in their area are facing financial difficulties now.
- There is continued evidence of failure within the provider market in the last 6 months, affecting at least 66% of councils and thousands of individuals.

Recruiting & Retaining a Caring, Valued & Skilled Workforce



- Directors ranked being able to increase salaries for care workers as the most important factor in the recruitment and retention of care workers.
- The social care workforce is amongst the lowest paid in the economy and unemployment rates are low.
- However, the NHS offer to increase the wages of their lowest paid staff by up to 29% over the next three years has led to understandable concerns about both recruitment and retention of care staff in the social care sector.
- It is estimated that to deliver a similar uplift for social care staff it would cost £3 billion a year.

Overall Prospects for Health and Social Care

- Directors' confidence in making savings is falling, with the rate of those fully confident in achieving planned savings either reducing from 45% in 2015 to 28% in 2018.
- Only 9/148 Directors who responded feel at all optimistic about the future financial state of their local health and care economy, the same as last year.

Response	Percentage 2017/18	Percentage 2018/19
Very optimistic	0.0%	1 council
Fairly optimistic	6.5%	6.0%
Neutral	18.8%	23.0%
Fairly pessimistic	55.8%	58.1%
Very pessimistic	18.8%	12.8%

- However, an increasing proportion report feeling neutral, perhaps reflecting a desire to wait for the outcome of the Green Paper on social care and the parallel workstream on working age adults.

Conclusion

The overall picture is of a sector struggling to meet need and maintain quality in the context of rising costs, increasingly complex care needs, a fragile provider market and pressures from an NHS which itself is in critical need of more funding.

There are concerns in the short-term, with the Improved Better Care Fund due to deliver significantly less funding for social care in 2019/20, and potential workforce issues if the NHS pay rise goes ahead without an equivalent for adult social care.

We, along with others in the sector, are calling for the Government to use the Green Paper and the parallel workstream on working age adults to deliver a long-term, sustainable funding strategy for Adult Social Care, sitting alongside a new settlement for the NHS. This report provides evidence that this is urgently required.

The sector is resilient and staff work tirelessly to ensure that those most in need continue to receive the high quality care and support that they deserve. The evidence shows that investing in adult social care gets results.