

Local Government Association Adult Social Care Green Paper – Submission By The Association Of Directors Of Adult Social Services

September 2018

Introduction & Summary

1. The Association of Directors of Adults Social Services (ADASS) welcomes the opportunity to submit this response to the Local Government Association's (LGA) Adult Social Care and Wellbeing Green Paper – The Lives We Want to Lead. We would like to place on record our thanks to the LGA for providing a platform by which views from those within the sector and who use adult social care can share their opinions about what reform could look like.
2. We are of the opinion that the government's Adult Social Care Green Paper should not just be about older people, there are many people requiring support from social care of a working age alongside young people with profound disabilities moving into adulthood. We need something that works for all generations.
3. The 2014 Care Act provided a sound basis for change, with very little disagreement across the sector about the principles contained within it. However, its introduction came at a time when there was insufficient public funding available to implement it in full.
4. ADASS has repeatedly warned government that funding reductions in social care would lead to fewer people getting less care, provider failure, and would impact on the NHS. It is equally the case that much needed investment in prevention, digital technology and wellbeing services is being hindered by ongoing reductions to adult social care and wider council services.
5. We must have ambition. Social care has been broken for too long. It's not good enough for our parents, our families, us, to have inadequate care to enable us to lead good lives and die good deaths. It's not good enough that care work compares to work in supermarkets. It's not good enough that care staff are paid so poorly AND don't have enough time to relate with the person they are providing support to - the latter is what gives them as much reward.
6. We would ideally like to see proposals for reform that are supported by cross-party consensus to ensure that any future changes in government do not derail long-awaited and much needed reforms to the funding and delivery of adult social care.
7. This submission provides a high level overview of key ADASS policy positions relating to a number of thematic areas contained within the consultation document, these are Funding Sustainable Adult Social Care, Diverse, Vibrant and Stable Local Care Markets, A Valued and Skilled Workforce, Locally-Led Integration and Person-Centred Care and Governance.

Context

8. It is now well understood that adult social care, and local government as a whole, is in an extremely challenging financial position. Some local authorities have reported that they are in a perilous situation whereby they are faced with having to strip back services to a core offer.¹
9. As predicted in our 2017 Budget Survey, this situation could have been significantly worse without the introduction of the Adult Social Care Precept and the additional funding channelled through the improved Better Care Fund (iBCF). Without access to this additional funding, significantly more councils' finances would have come close to collapse and the impact on older and disabled people, on the care market and on the NHS, would have been even more significant.
10. This funding, whilst welcome, has only served to temporarily relieve, rather than resolve, the long-term funding requirement for Adult Social Care. In fact, analysis of the 2018 ADASS Budget Survey shows that just over half of all councils overspent against their adult social care budgets in 2017/18, and nearly 50 per cent of these councils financed the overspend from reserves. This approach is unsustainable, in particular as reserves can only be used for one-off expenditure. This is a situation that without additional Government funding is likely to be repeated in 2018/19.
11. In addition to this, Directors of Adult Social Services (DASSs) are still faced with having to find significant levels of savings in order to support their local authority to meet their legal requirement to deliver a balanced budget. In the current financial year adult social care is planning to deliver £700m of savings from local authority budgets, however, only 28% of directors are fully confident that these planned savings will be fully met. Cumulatively since 2010 savings to adult social care budgets have amounted to approximately £7bn per year.

Funding Sustainable Adult Social Care

i) Options for Change

12. We believe that there should be clarity and certainty for all. People – regardless of age – as to what we can expect from the state in terms of care, support and safeguards. In turn it must be clear to individuals and their families what they are responsible for and what, if anything, they might be expected to pay.
13. As a society we need to decide how we pay for adult social care in the longer term, whether through taxation, changing benefits, savings and insurance or through the value of people's houses. We advocate a greater pooling of risk across society and believe the state should extend its role in securing sufficient resources.
14. Funding should cover the range of needs, be fair and based on the best balance of taxation, potential re-prioritisation of other benefits (pensions and non-means tested benefits), an individual's contribution and private insurance. There should be fairness between and within generations (noting that the nature of home ownership is continuing to change and such capital sums as are currently available to some of the older generation may not be in years to come). Government in developing reforms should also recognise that the areas of England have different geographies, rurality,

¹ [East Sussex council set to cut services to bare legal minimum, Guardian, 3 August 2018](#)

demographic and socio-economic influences. Funding solutions should be long-term and capable of being adjusted at periodic intervals.

15. Whatever the mechanism chosen and however much the state is prepared to pay for care, we expect the system to be simple and easy to understand and administer.

ii) The Adult Social Care Funding Gap

16. ADASS' position is that adult social care needs a minimum of £2.358 billion in 2019/20 to support local authority revenue budgets. This is primarily made up of the Local Government Association's £1.5bn calculation to stabilise the care market. The remainder of this includes £108m in recognition of the overspends against adult social care budgets in 2017/18 and £250m of the overall council reserves used to support local authority budgets in the same year, neither of which are sustainable. We also estimate that directors, as a result of ongoing pressures on local authority budgets, will be required to offer up financial savings of approximately £500m from adult social care budgets in 2019/20. For future years the costs from demographic pressures and inflationary increases must also be fully funded by government.
17. In addition to this adult social care will also require an additional £1bn in 2019/20 to match the pay increases already awarded to the lowest paid NHS workers of up to 29 per cent. Another £1bn per annum will also be required in the subsequent two years to match to ensure parity between low-paid social care and NHS staff.
18. ADASS believes that £1bn of one-off capital is required to enable those savings through investment in Telecare, integrated IT systems with the NHS and care providers and the use of shared data to better predict and support vulnerable people.
19. Beyond the end of the existing Spending Review period, clarity on the continuation and levels of funding currently contained within existing funding streams, such as the BCF and iBCF, is required as a minimum. These funding streams currently contribute around £7bn to adult social care, without which the sector would be unsustainable.
20. In the longer term, a significant uplift in funding levels will be required to meet the existing and ongoing funding gap facing adult social care, as well as to implement a reformed social care system post the government's Green Paper. Dependent upon which reforms are identified the cost to the Treasury and local taxpayer could vary significantly, anywhere from upwards of an additional £5bn per year for implementing a cap and asset threshold model or £7bn for free personal care for people that meet the need requirements, regardless of wealth or income.²

Diverse, Vibrant and Stable Local Care Markets

21. There are existing duties placed on councils relating to shaping care markets extending choice, creativity and quality. There is a great desire to be able to support people to make the choices that meet their needs and aspirations, but in many places markets are so fragile and limited that the focus is on preventing collapse, closures and contract handbacks. This is evidenced by successive CQC annual reports - with increasing examples of service failure and underlying financial stress.

² [No Easy Options, Social Market Foundation, September 2018](#)

22. This fragility is further highlighted by findings from the 2018 ADASS Budget Survey, analysis found that this fragility has resulted in providers ceasing trading across home and residential care in more than 100 council areas in the past six months, impacting more than 5,300 people. It has also resulted in providers handing back contracts to more than 60 councils, impacting just under 3,000 people in 2018/19. The fragility of care markets has been further highlighted by the well-publicised financial challenges faced by two of the largest homecare providers nationally, Allied and Four Seasons.
23. Whilst the majority of adult social care is provided by small to medium enterprises there are a number of large providers, some funded or run as part of multi-national businesses. We are concerned that there is a lack of clarity and transparency about some care providers as to who holds the purse strings and makes the decisions about expenditure. It cannot be right that the lives of thousands of vulnerable people hang on the decisions of investors who have bought the debts of parent companies or where proprietors or investors have little connection with the services that support many very vulnerable people who depend on them.

A Valued and Skilled Workforce

24. Care work is a highly skilled and values-based occupation. The amount paid to care homes and home care providers is simply not keeping pace with the need to deliver enough well-trained and remunerated care workers. It is only recently that additional investment has occurred as the government has released short-term emergency funding to support social care, including through the BCF and iBCF. This will not provide the necessary stability or levels of investment needed to retain what already exists let alone encourage investment and innovation.
25. After eight years of cut-backs, despite the best endeavours of local Councils, to protect adult social care any increases have been lost, not in new or more services but in seeking to sustain the increased cost associated with such initiatives as the welcome National Living Wage. Councils have also reduced significantly their own staffing in performance management, commissioning and market shaping. Increasingly Directors of Adult Social Services are managing a range of other functions as part of wider Council cut-backs.
26. The introduction National Minimum and Living Wages is viewed by DASSs as the biggest driver of increases in unit costs for residential, nursing and home care, with 83% identifying this in as a key pressure in response to the 2018 ADASS Budget Survey. Analysis of submissions found that the additional pressure is estimated to cost councils in the region of a total of £585m.
27. The recruitment and retention challenges facing the sector are further highlighted by Skills for Care who have estimated that 8.0% of roles in adult social care are vacant, totalling an average of approximately 110,000 vacancies at any given time. It should also be noted that registered nurses had the highest vacancy rate in 2017/18 of 12.3%.³ Recruitment and retention issues have led to some care homes deregistering from nursing care provision, instead refocusing on residential provision. This in turn leads to a shortage of nursing care provision. There is also competition for registered nurses from the NHS, which further exacerbates the situation.

³ [The State of the Adult Social Care Sector and Workforce in England, Skills for Care, September 2018](#)

Governance

28. We support a strong focus on local systems which builds upon local democratic structures with a strengthened role for Health and Wellbeing Boards. This will allow our local political leaders and our councillors to play a vital role in our health and wellbeing interests alongside NHS colleagues: a vital counter-balance. We do not see structural integration with the NHS per se as a solution, preferring to focus on 'integrated care' which focusses on the person who needs our support. This should go beyond health and social care and include housing as this is one of the wider, or social, determinants of health and wellbeing.
29. To enable social care to play its full part alongside the NHS it requires a dedicated and appropriately qualified Director of Adult Social Services operating at a corporate level in each council able to maximize opportunities for cross-council working, advising Council leaders and managing risk.

Locally-Led Integration and Person-Centred Care

30. The BCF and improved BCF have provided essential funding to adult social care, without which the sustainability of the sector would have been called into significant question. However, the bureaucratic nature of plan development, assurance and sign-off, as well as nationally set conditions that may not align with local priorities and needs has limited the effectiveness of what health and social care partnership arrangements could achieve through this route.
31. If the government's Green Paper proposes to extend the BCF into the next Spending Review period, or similar partnership and financial arrangements, it must ensure that legislation is amended to ensure that there is parity between NHSE and councils such as is being trailed in Greater Manchester. However, regular delays in the publication of BCF policy documents at a national level, delays with the the sign-off process for local plans and the resource intensive nature of the assurance process, we would wish to see the uncoupling of the adult social care protection elements of the BCF whilst continuing the value of pooled funding to develop person centred, co-ordinated care and sustainable systems.
32. We support local pooling of budgets, connective IT systems, better coordinated care within primary and community settings and a strong voice for people 'with lived experience' of health and social care services.
33. When we have complex needs a range of professions and services are often necessary, embedded in communities representing social care and NHS primary, community and mental health services. For these services to be truly effective, further transformation is necessary to develop person centered, place based health and care systems.
34. We know there are too many admissions to hospital and unnecessary delays in a return home for a significant number of people; more targets associated with hospitals are not the answer. The investment that is necessary in primary, community and social care services to help address this is long overdue, without which this situation will continue to occur and people will continue to have poorer outcomes.
35. The Institute for Fiscal Studies and Health Foundation found that it is likely that we will need to double acute hospital provision over the next 15 years to meet growing demand

if there is not more care in the community and closer to people's homes.⁴ To counter this, we are of the opinion that the NHS Long-Term Year Plan must focus on shifting care and resources away from acute settings to investing in community-based care, mental health and preventative services.

36. Adult social care has a key role to play in delivering on this agenda. Government must ensure that NHSE develop the NHS Long-Term Plan in partnership with local government, recognising that health and social care are interdependent. The drive for health and social care integration should mean that any realignment of service provision should be done in partnership between health and social care. Consideration should be given to providing local government with greater influence over the commissioning of these services in partnership with the NHS in order to minimise duplication and delivering efficiency savings to local systems.

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.

If you have any questions regarding this submission please do not hesitate to contact Michael Chard, Senior Staff Officer- Policy on 07887491004, or michael.chard1@adass.org.uk

September 2018

⁴ [Securing the future: funding health and social care to the 2030s, Institute for Fiscal Studies and Health Foundation, May 2018](#)