

KEY MESSAGES- ADASS Budget Survey 2019

Last year's Budget Survey concluded on an optimistic note. Despite reporting on the impact on councils and the people they serve of a 5% real terms reduction in spending on adult social care since 2010/11, directors were hopeful that a long-term, sustainable funding strategy for adult social care would soon be agreed, alongside a new settlement for the NHS, through the Green Paper and to replace Part 2 of the Care Act which was abandoned. This has not happened and instead the problems councils and providers face have got progressively worse. The system is not only failing financially, it is failing people.

Directors of Adult Social Services in England report starkly on the escalating crisis in social care. Older and disabled people and their families are not getting the support they need and deserve. Care agencies, who are responsible for home care and residential services, are finding it hard to recruit and keep good staff and services running.

Directors and their teams have had to exercise astonishing levels of ingenuity and fortitude to carry on meeting people's needs in circumstances of almost unparalleled difficulty. Government action is needed urgently to ensure that people who need care and their families receive the care and support they need. Our survey highlights the financial and human consequences of under-resourcing and a failure on the part of successive governments to reform the funding system.

Key messages from this year's Budget Survey are:

The failure of any government to address social care is having severe impacts on people needing care, their families and the people who work in arranging and delivery of care.

In the last few years there has been a failure in central government to fulfil a commitment to produce proposals and solutions despite promises to do so. What funding there has been from central government has been too little too late. The former Secretary of State, Jeremy Hunt, acknowledged in the Conservative Party leadership debate that the cuts have gone too far and without action there is more to come. Local government is struggling to balance the books and Directors know that adults of all ages with disabilities are not getting all the care they need. Directors are increasingly saying they can't meet their legal responsibilities to the public. The NHS is under pressure; after prolonged reductions social care is struggling to cope with increased need.

Social care and the NHS are interdependent. Without a settlement for social care the NHS will not be able to deliver on the commitments of the Long Term Plan.

The focus of injections of cash has been on shoring up the acute health sector as the public care deeply about hospitals. But because this again has been short term (and there have been significant reductions in primary, community services and Continuing Health Care alongside reductions in social care) this has arguably made the situation worse not better. Insufficient social

care, together with reductions in primary and community health services, mean that many people end up in hospital as a last resort.

Alongside the £7bn reduction in adult social care funding since 2010, resulting in less spending on those with all levels of care needs and on services that prevent further care need, there has been a reduction in the levels of primary and community health care and the prevention of ill health, with fewer GPs, a 45% reduction in district nurses since 2010¹ and a 10% reduction in the Government grant for public health since 2015/16. This has resulted in a vicious spiral for social care. Significant increases in hospital attendances and admissions, leading to increased need for social care on discharge, have been experienced by 87% of councils as a pressure. 71% of directors report that these pressures have been further exacerbated by insufficient capacity in primary care, community health care or mental health services.

Directors are of the opinion that reductions to Continuing Health Care (CHC), shared care or health contributions to S117 are one of the most significant NHS related pressures on adult social care. 79% of directors said that their local authority has been subject to additional costs as a result of the NHS reviewing the application of CHC, with only 14% stating that their local authority had not experienced additional pressure.

According to the NHS Confederation, health leaders are not confident of their ability to deliver on the commitments of the NHS Long Term Plan unless funding for adult social care is resolved:

Nine in ten health leaders (90%) responding to our survey were not confident that the NHS would be able to deliver the package of health reforms set out in the long-term plan without a long-term financial settlement for adult social care. Social care is in crisis and the day to day impact on the health service is of serious concern. The impact on some of the most vulnerable people in our society is hard to overstate and it will continue to have significant knock-on effects on primary, community and hospital services until better funding and a more sustainable social care system is developed.²

There needs to be a long-term, sustainable solution for funding adult social care.

Only 10% of the 150 directors who responded felt optimistic about the financial state of the wider health and social care economy in their area over the next 12 months. 74% directors said they felt fairly or very pessimistic. This is a higher proportion than last year and reflects directors' disappointment at the failure to publish a Green Paper. The Care Act is perceived as a good piece of legislation across the sector and by people needing support but many aspects of it cannot be fully implemented. Overall, directors are not optimistic about their ability to manage within expected resources in the near future, let alone the longer term, with just a third of respondents fully confident that planned savings for 2019/20 will be met. It is imperative, therefore, that a long-term funding solution is found urgently for adult social care. The Health Foundation and others have recently made a strong and evidenced case for significant investment in adult social care alongside the funding increase already announced for the NHS³.

¹ The UK nursing labour market review 2017 (Royal College of Nursing).

<https://www.rcn.org.uk/professional-development/publications/pub-006625>

² <https://www.nhsconfed.org/resources/2019/06/unfinished-business-the-need-to-invest-in-the-whole-health-and-care-system> [accessed 19th June 2019]

³ The Health Foundation (2019), Investing in the NHS Long Term Plan: Job done?

Short-term funding needs to continue until whatever is in the promised Green Paper can be implemented.

The survey reflects the impact of additional time-limited funding for adult social care, to counter-balance savings of £699m in 2019/20, the adult social care element of overall council savings. The additional funding has undoubtedly avoided a far worse situation, although the short-term funding provided has not given confidence in the ability to meet future legislative requirements – particularly with estimates of 1.2m people aged 65 and over with unmet needs.⁴ Without a short term injection of funding via the time-limited social care grant, many councils would have been forced to reduce services or over spend on their adult social care budgets. The social care grant is just one source of funding that is due to end in March 2020. The uncertainty over the future of the social care grant, the Improved Better Care Fund and other funding streams after 2019/20 makes it difficult for councils to commit funding to longer-term solutions needed to prevent people from needing care in the future. This situation, at worst, places the sustainability of adult social care at severe and immediate risk.

Adequate funding is required to meet an increasing number of people's needs in effective ways.

Councils are spending an increasing proportion of their total budgets on social care: 34% in 2010/11, rising to 38% in 2019/20. This also means that councils have less money to spend on universal services that can help people to remain independent and add quality to their lives. Key drivers of rising pressures are demography and increased and more complex needs of more older and disabled people, together with the National Living Wage and the need to provide fee uplifts to try to sustain the care market. The area of greatest concern to councils is the increasing cost of care packages for growing numbers of people, both older and younger adults with complex needs, and their families. Whilst more directors expect fewer people to be in receipt of state-funded care in the next two years, demographic changes are expected to cost an additional £484m (3.3% of budget) in 2019/20.

Councils, individuals employing personal assistants and providers must be able to recruit and retain a caring, skilled and valued workforce.

86% of directors believe the National Living Wage will be the biggest driver of increases in unit costs for residential, nursing and home care. It will cost councils in the region of a further £448m. Overwhelmingly, respondents to the survey believe that increasing salaries is the change most needed to ensure the sufficiency of care workers in their local area. For example, social care is competing against the retail and hospitality sectors to recruit staff, and there needs to be a clear pay differential to attract people to work in social care.

There is a strong argument for greater parity of pay between health and social care, making it easier and more attractive for people to transfer between the two. Evidence from this survey about the fragility of the care market suggests that low pay in the social care sector is a false economy.

⁴ Briefing: Health and Care of Older People in England 2017, Age UK, February 2017
https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/care-support/the_health_and_care_of_older_people_in_england_2017.pdf

We need to be able to fund a vibrant care market that gives people choice and control over their lives.

ADASS is fully committed to the ambition of personalised care that we all want. There is a great deal of excellent care and support from a whole range of people: care staff, personal assistants, family members, communities, social workers. That is tribute to the immense commitment and going over the odds by those involved. But the market is fragile and failing in some parts of the country. 72 directors say they have seen home care providers closing or ceasing to trade in the last six months (impacting on 7,019 people – more than double the number affected last year) and 38 directors had contracts handed back by home care providers (impacting on 3,464 people) in the same period. In this year the company that was Allied ceased trading and care for over 9,000 people was transitioned to new providers, a proportion of which were run by a new company called Allied; other care went to alternative providers and some was transitioned to Local Authority Trading Companies. Despite raising fees to providers, fees do not match what providers say they need to be sustainable. Directors' biggest concern about the impact of savings made or planned is the prospect of providers facing financial difficulty and quality challenges. 79% of directors are concerned about their ability to meet the statutory duty to ensure market sustainability within existing budgets.

Aspirations to invest in asset-based approaches and prevention must be able to be realised.

As in the previous three years, moving towards prevention and early intervention and engaging people with their communities is one of the most important savings areas identified in 2019/20, enabling a reduction in demand for long-term health and social care. Asset-based approaches, which build on people's strengths and the resources in their families and communities, are also now deemed to be important in delivering savings. As budgets reduce, however, it becomes harder for councils to manage the tension between prioritising statutory duties towards those with the greatest needs and investing in services that will prevent and reduce future needs. It is also harder for family carers to hold down employment and provide care and support for their older and disabled relatives⁵. This impacts on carers' health, financial, social and psychological wellbeing. The outcomes from time-limited funding initiatives prove that if adult social care has the funding it needs it delivers. For example, delayed transfers of care attributable to adult social care are now their lowest level since September 2014. The inability to invest in prevention and early intervention only stores up more problems for the future.

Older and disabled people need dignified, high quality care and support. When properly resourced it works. As a nation we must make this an immediate priority. A thriving economy and a caring nation requires it.

⁵ Carers UK, *The state of caring 2018*