KEY MESSAGES

Despite short-term injections of funding which avoided an even worse situation (and made a significant impact on Delayed Transfers of Care) many of the warnings that resulted from previous ADASS budget surveys are being realised in the form of:

- Fewer older and disabled people with more complex care and support needs getting less long-term care. This amounts to a redefinition of the relationship between the state and the citizen, with an increasing move towards a highly targeted 'offer' in adult social care.
- 75% of directors reported that reducing the number of people in receipt of care is important or very important for them to achieve necessary savings. This approach risks falling the wrong side of a fine line: if a reduction of those in receipt of care is an outcome of a strategy to develop asset-based, preventive approaches, this is a positive aspiration, but if it is about gatekeeping resources then it risks people in need being left without services, which would be unlawful and financially risky.
- Market failure in some parts of the country and fragility elsewhere, with real challenges in recruiting and retaining staff at the levels required. Unsurprisingly, being able to increase salaries for care workers is ranked as the most important factor in recruitment and retention; as councils are aware, there is only so much that can be achieved by other initiatives when the social care workforce is amongst the lowest paid in the economy and unemployment rates are low.
- Pressure on and from the NHS, particularly in relation to increased attendances at, and admissions, to acute hospitals and resultant increases of people being discharged.

In order for social care to be sustainable:

Short-term funding needs to continue until whatever is in the promised Green Paper can be implemented.
The survey reflects the impact of additional funding for adult social care, which raised £1.5bn from the Improved Better Care Fund and £1.7bn from the social care precept[1], to counter-balance savings of £700m in 2018/19, 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.[2] The uncertainty over the future of the Improved Better Care Fund 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.

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 almost 38% in 2018/19. Key drivers of rising pressures are demography and increased and more complex needs of more older and disabled people. 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 £448m (3% of budget) in 2018/19.

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[1] Core spending power: final local government finance settlement 2018 to 2019, Supporting Information, February 2018
https://www.gov.uk/government/publications/core-spending-power-final-local-government-finance-settlement-2018-to-2019

[2] 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

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

The market is becoming increasingly fragile and failing in some parts of the country. Waiting for care at home is the main reason for adult social care delayed transfers of care from hospitals. 48 directors say they have seen home care providers closing or ceasing to trade in the last six months (impacting on 3,290 people) and 44 directors had contracts handed back by home care providers (impacting on 2,679 people) in the same period. 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 (expected in 2018/19 by three quarters of directors) and quality challenges (expected in 2018/19 by two thirds of directors). 78% of directors are concerned about their ability to meet the statutory duty to ensure market sustainability within existing budgets.

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

83% 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 total of £585m. 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.

Social and health care must be delivered in the right place and at the right time.

Insufficient social care, together with reductions in primary and community health services mean that for more people hospital may be the only option. Alongside the £7bn reduction in adult social care funding since 2010, resulting in less spending on prevention, there has been little meaningful investment in primary and community health care and prevention of ill health, with fewer GPs, a 45% reduction in district nurses since 2010[3] and a 10% reduction in the Government grant for public health since 2015/16. Significant increases in hospital attendances and admissions over the last winter, leading to increased demand for social care on discharge have been experienced by 95% of councils as a pressure. This makes the 36% reduction in adult social care Delayed Transfers of Care over the past 12 months remarkable. 67% of directors report that these pressures have been further exacerbated by insufficient capacity in primary care, community health care (including incontinence support) or mental health services.

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

As in the previous two years, moving towards prevention and early intervention is one of the most important savings areas identified in 2018/19, 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, whilst treading the fine line to ensure they promote independence rather than abandoning people.

The Green Paper needs to find a long-term, sustainable solution for funding adult social care.

Only nine 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. 86 directors (58%) said they felt fairly pessimistic, with a further 19 (13%) who felt very pessimistic. This perhaps reflects the fact that short-term funding is not a long-term solution to the significant cost pressures facing adult social care. Overall, directors are not optimistic about their ability to manage within expected resources in the future, with just 28% of respondents fully confident that planned savings for 2018/19 will be met. It is imperative, therefore, that a long-term funding solution is found urgently for adult social care, together with the realisation of a 20-year forward view for health and social care.

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[3] The UK nursing labour market review 2017 (Royal College of Nursing). https://www.rcn.org.uk/professional-development/publications/pub-006625