

Finance and Policy Directorate

Manifesto: good adult social care

Resolving the future of adult social care is a key priority for both local government and the LGA. It is important not just for the thousands of people who rely on council commissioned services, but also for the financial sustainability of the local government sector as a whole.

Key requirements

Local government will have five main objectives for social care in the future. These are to:

- Put the care and support system on a sustainable financial basis as a pre-requisite foundation for wider reform.
- Improve the individual's experience of care and support.
- Establish a system that is stable and predictable and encourages individuals to take a longer-term view of (and responsibility for) their own wellbeing.
- Ensure the best use of the totality of local resources.
- Keep local government at the heart of a local care and support system.

Key challenges

- Demography:
 - The system is facing (and is projected to face) significant increased demand as our population ages. We need to consider what the entire health and social care system can do to help ensure that later life is a positive period of life. This will require leadership from Health and Wellbeing Boards and a holistic view of both mental and physical wellbeing that focuses on health promotion and early intervention, rather than crisis response.
 - And this is not simply an issue about a burgeoning population of over-65s – it includes younger adults with a learning disability.
- Funding:
 - We estimate that in 2010-11 a total of £120 billion of public sector funding was spent on supporting people with a health, housing, disability, or social care need. Of this, only approximately £14 billion came from local authority social care budgets. Whilst this is a snapshot it reflects a fairly consistent split in how different parts of the wider support system are funded.
 - On top of this inequitable ratio social care funding has not kept pace with demand. This has inevitably led to a degree of short-termism in

using the limited levers (principally eligibility setting) to manage demand.

- Adult social care has not been immune to the impact of the 28% reduction in council budgets. Adult social care budgets have been reduced by £1.89 billion over the last two years – the majority of which has come from savings and efficiencies which cannot be repeated.
 - Councils have sought to protect frontline services from the impact of this reduction. According to the 2012 ADASS Budget Survey £688m of the planned reductions are secured through service redesign and efficiency, £77m through increased charging, and only £113m through service reductions.
 - The level of savings achieved to date cannot be sustained going forward.
 - Between 2010 and 2030 the population aged over 75 is set to increase by 64%, compared with an increase in the population as a whole of 15.6%. Over the same time period, expenditure on adult social care is expected to increase by 84%, from £14.5 billion to £26.7 billion.
- Navigation:
 - The range of assessments, means and needs tests, charges, eligibility, and interactions with other systems makes the care system incredibly confusing for the individual. Piecemeal legislation since 1948 has also made it confusing for practitioners.
 - Political will:
 - The Government has set out its intention to limit an individual's future contribution to the costs of care and support at £75,000 and extend the asset threshold in the residential care financial means test to £123,000. However, there are still a number of questions that need answering, not least how funding to implement the capped cost model will be distributed to take account of the likely variation in the cost of the system to councils in different parts of the country. As councils have the democratic mandate to determine the allocation of resources locally local government will need to fully understand how the costs of the capped cost model – and, indeed, the costs associated with the wider reform agenda – will play out.

What local government wants to see in the future

- Sustainable funding that is directed to best effect. This means:
 - Councils taking the longer-term view and being supported to invest in prevention and early intervention.
 - Funding to offset the pressures from demographic change and the rising costs of care for those in the system.
 - Funding for the proposals set out in the draft care and support bill and the Dilnot Commission that carry a cost implication for councils.
- We must improve the individual's experience of care and support. This means:

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- Securing a clear system that is easy to navigate and understand, including how the system interacts with health, housing and benefits.
 - Having a range of providers who are responsive to individual and community needs, with a commitment to ongoing market development.
 - Choice and control for the individual in respect of co-producing a care plan and identifying how needs will be met.
 - Quality services founded on dignity and respect and underpinned by a clear framework on safeguarding.
- Putting in place a system that is stable, predictable and encourages a longer-term view of wellbeing. This means:
 - Clarity about the responsibilities of the individual and the state – particularly in respect of contributions to care costs
 - Reducing/removing the risk that individuals have to sell their homes to pay for care, and instead have a range of viable options for funding care in the future.
 - A comprehensive universal offer for citizens focused on prevention and general wellbeing to help keep people out of the care system.
 - Sign-posting to, or the direction provision of, information and advice.
 - A system that gives people the confidence that their needs will be met wherever they live.
- Ensuring the best use of the totality of local resources. This means:
 - A system that best aligns care and support with health, housing and benefits to enhance the individual's experience of public services.
 - Recognition of the contribution made by informal carers and support for them in their caring role.
- Keeping local government at the heart of a future system. This means:
 - Striking the right balance between national inputs (i.e. portable assessments) and local inputs (i.e. local decision-making on services to meet need).
 - Health and Wellbeing Boards taking a “whole system” view in the interests of the individual and influencing wider services effectively [linked to our sector-led improvement offer].
 - Effective relationships between councils and care partners, such as the NHS, regulators, the third sector, and providers.

What do we need to do?

- Articulate a vision for the future.
 - The type of system that is roughly sketched out above could be turned into a more comprehensive think piece on the future of care and

supported. This could include an analysis of how money would flow around the system, linking in to the work the LGA has already commissioned in this area. As part of this we could consider lessons learned from the community budget pilot areas and explore how they might apply to adult social care. This approach might help address the gap in funding and could further cement the importance of taking an integrated approach to social care and health, and focussing more on prevention and early intervention. Establishing the appropriate links with housing could also be a feature of this work.

- The vision could also consider the balance of provision and funding between domiciliary care and residential care. Recent NHS Information Centre statistics show that the number of people receiving services in 2011-12 was 1.5 million. This breaks down as 1.2 million receiving community-based services, 212,000 receiving residential care, and 86,000 receiving nursing care. In expenditure terms the NHS Information Centre reports that expenditure on residential provision stands at £7.5 billion, compared to £7.8 billion for day and domiciliary provision. As the shared policy aspiration between government and the care sector is to support people to live independently at home it would be useful to explore what this means at a practical level.
 - As part of this we may want to explore the impact of bringing housing assets into the domiciliary care means test so there is consistency across care settings. This was an issue Andrew Dilnot raised in his report, suggesting it was a further way to make the system clearer and fairer.
- Evidence, research and analysis will be crucial as we head into Spending Review discussions and make the case for the changes we want to see. This may include, for example:
 - Figures on the ‘funding gap’ in social care.
 - Costings for the implications of the draft care and support bill (such as securing a greater emphasis on prevention and early intervention).
 - Costings for the implications of the Dilnot Commission recommendations (such as the proposal for a universal deferred payment system).
 - Evidence on the impact of ‘that little bit of help’ – low level prevention – both for improved longer-term outcomes for individuals and cost savings for the public purse.

Immediate activity

- Roundtable to discuss Dilnot Commission recommendations with DH and council Chief Executives. (Complete).
- Commissioning research to understand the impact of the Dilnot cap (potentially at £75,000) on councils, including exploring the regional effect of home

ownership levels and house prices. Ideally this will be a joint commission with ADASS and SOLACE. Timings are to be confirmed but would hope to have this within 6-8 weeks.

- Ongoing work as part of the Show Us You Care Campaign (guide to adult social care for the public, ten top tips for the public, funding analysis (referred to above)).
- Commissioning modelling of an integrated system and the benefits in terms of outcomes and savings – this is underway and we expect the work to be completed in 4-6 months.
- Short-term work [subject to agreement of funding by LGA] commissioned by ADASS to estimate spending on preventative measures to estimate volumes and trends in preventative and early intervention work.