

Adult Social Care Funding

Purpose

For discussion and direction.

Summary

As a result of wider cuts to local government funding adult social care is under considerable financial strain. Additional pressures posed by the Care Act and changes to Deprivation of Liberty Safeguards are exacerbating the situation. The LGA is working to keep the issue of adult social care funding firmly in the national spotlight in the run up to the General Election and beyond to the next Comprehensive Spending Review (CSR). The LGA is therefore re-launching its 'Show Us You Care' campaign (pre-General Election) and will need to consider next steps for the Better Care Fund (as part of its CSR work).

Recommendations

Members of the Community Wellbeing Board are asked to:

- Note the report
- Provide a steer on the issues raised at paragraphs 9.1 to 9.5
- Provide initial thoughts on what a next iteration of the BCF should look like

Action

As directed by Board Members.

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Adult social care funding

Background

1. Local government has faced unprecedented cuts over the last four years that have impacted dramatically on adult social care and its capacity to deliver. LGA analysis shows that during the life of this Parliament core funding for local government will have reduced by 40 per cent in real terms.
2. As a result of these cuts adult social care is under extreme financial pressure. Over the last four years spending has been kept under control through a mix of: departmental budget savings of 26 per cent (the equivalent of £3.53 billion); the NHS transfer and at least £900 million savings at the expense of other council services in 2014/15. This figure is expected to increase by a further £1.1 billion in 2015/16.
3. Councils have protected adult social care during this time. The service now accounts for an increasing proportion of council spending; 35 per cent in 2014/15 compared to 30 per cent in 2010/11.
4. The short-term will be extremely difficult. The scope for further savings is now much reduced and at the same time there are real concerns about the financial implications of both the Care Act and changes to Deprivation of Liberty Safeguards (DoLS).
5. We believe the Care Act may be underfunded by as much as £50 million in 2015/16 alone and latest findings from the third and final 'Care Act stocktake' show that total implementation costs for 2016/17 and the uncertainty posed by additional demand from both carers and self-funders remain the biggest key risks for councils.
6. The current lack of commitment to fund the impact of the DoLS judgement sends signals about the Government's commitment to meeting other funding pressures. The LGA and ADASS have had [ongoing communication](#) with government requesting an urgent response to mitigate the impact of wider responsibilities brought in by the [Supreme Court judgement](#) in March 2014. The LGA estimate that the additional cost to councils is £98 million this year at a minimum. Cllr Izzi Seccombe, Cllr Katie Hall and President of ADASS, David Pearson met the Minister on 25 February to discuss the need for Government to avoid the impact on vulnerable individuals and already overstretched budgets.
7. The LGA estimates that the overall funding gap for local government will add up to £12.4 billion by the end of 2019/20. By the end of the decade LGA projections show a funding gap of £4.3 billion for adult social care, or 29.4 per cent of net adult social care budgets in 2013/14. This is a higher proportion than the estimated funding gap for health of £30 billion (28 per cent).

Issues

8. In the run up to the General Election, and thinking beyond that to the next Comprehensive Spending Review, Members have been clear that a clear priority is to make sure that the financial pressures facing adult social care are firmly in the national spotlight.

9. To help achieve this the LGA's 'Show Us You Care' campaign is being refreshed and will focus predominantly on funding for adult social care. It is proposed that, through the campaign, the LGA will call on an incoming government to:
 - 9.1. Close the current £4.3 billion funding gap facing adult social care and provide sufficient funding to ensure demand is met over the coming years.
 - 9.2. Secure a more sustainable health and social care system that has adequate funding for prevention, by establishing a bigger Better Care Fund over five years with additional transformation funding and maximum local flexibility.
 - 9.3. Protect adult social care funding alongside health funding.
 - 9.4. Fully fund the costs of the Care Act in 2015/16 and beyond, including compensation for any council that is spending over and above its Care Act funding allocation.
 - 9.5. Fully fund the costs of the changes to Deprivation of Liberty Safeguards.
10. Much of the LGA's media work since the turn of the year has linked to these messages (particularly in the context of winter pressures) and has enjoyed considerable national coverage. **See Annex 1.**
11. Getting councils and partners to sign up to these 'key asks' will aid their prominence and credibility. We therefore propose to work with partners to call jointly for adequate and sustainable funding.
12. In 'Investing in our nation's future: the first 100 days of the next government' the LGA has also called for the funding for commissioning of adult social care and health to be fully integrated as a step towards a single point of commissioning. The LGA has argued that a separate transformation fund is also needed for this, to ease the initial impact of the changes.
13. Exactly what a 'next steps' BCF should look like will therefore require careful thought, particularly given the links between this and our above funding 'asks'. Members will be consulted separately and confidentially on proposals for how the BCF should be taken forward.

Next steps

14. Members are asked to:
 - 14.1. Comment on the proposed campaign 'key asks' at paragraphs 9.1 to 9.5
 - 14.2. Provide initial thoughts on what a next iteration of the BCF should look like.

Financial Implications

15. Any costs associated with the campaign will be met through existing budgets.

Annex 1

Summary of LGA media work on winter pressures and adult social care funding since January 2015

Winter pressures: proactive media releases	
Households urged by councils to show vigilance as the cold snap bites (15 January)	Release urging people to be extra vigilant to ensure vulnerable relatives, neighbours and friends are safe during freezing weather. Highlights the 'chronic underfunding' of adult social care and what councils are doing to help mitigate demand pressures.
Underfunding of social care will continue to impact on NHS (7 January)	Release setting out the importance of investing in adult social care to help alleviate pressures on health. Argues that investment in health and not in social care is a false economy.
Winter pressures: reactive comment	
Mental health failings cost £3 billion (18 January, Sunday Times)	The LGA's response to £25 million being handed to councils to help ensure more elderly and vulnerable "bed blockers" in A&E wards can be treated in the community was reported in the Sunday Times. The LGA said the extra money was "plastering over the cracks."
A&E crisis: fire engines and police cars used as makeshift ambulances (8 January, Telegraph)	Cllr Izzi Seccombe, Chairman of the LGA's Community Wellbeing Board, was quoted in a Telegraph Online report about the crisis in A&E departments this winter. Cllr Seccombe said: "The LGA has long warned that the health and social care system is chronically underfunded. Investing extra money in the NHS whilst forcing councils to cut their social care budgets is simply a false economy and will not solve this ever-growing problem."
NHS set for a bumpy start to 2015 (5 January, BBC)	A BBC Online feature about key issues for the NHS in 2015 said the LGA is leading a "vociferous campaign" for councils to get more money. It forecasted a political battle over council-run social care and said that care reforms do not bring extra money into the system, while the numbers getting help have fallen by more than a quarter in the past five years.
Adult social care funding: proactive media releases	
£650 million care reduction risks elderly having to sell homes (7 February)	Response to launch of DH consultation and impact assessment on the 2016/17 Care Act reforms and the government's cost estimate of the reforms being £650 million less than its 2013 estimate.
Care crisis will require councils to divert £1 billion from other services (28 January)	Release highlighting the impact that adult social care funding pressures will have on other council services. This was widely reported with LGA Chairman Cllr David Sparks interviewed on BBC Radio 4's Today programme and the BBC News channel. The release was also reported on BBC Radio 2, BBC Radio 4 and BBC Radio 5 Live news bulletins, ITV Online, Guardian Online and the Express. Cllr Izzi Seccombe was also interviewed on BBC Radio 5 Live about the story. Cllr Sparks said: "Government's failure to properly fund the ever-growing

	cost of care is short-changing not just those who need it. It is taking a toll on everyone who relies on councils to fix the roads, provide buses and keep our parks, libraries and leisure centres open.”
Spending cuts have left the NHS and social care in crisis (25 January)	As part of the LGA's Show Us You Care Campaign a letter co-signed by LGA Chairman Cllr David Sparks and the Royal College of Nursing, NHS Confederation, British Medical Association and Care and Support Alliance was the focus of a front page story in the Observer. It warned about the impact of spending cuts on NHS and social care and said: “It is an inescapable truth that reduced funding for social care has had a knock-on impact on NHS services. Without adequate funding for care, the NHS will continue to be forced to pick up the pieces from a social care system that is not resourced to meet demands.” This led to significant Twitter activity.
Adult social care funding: reactive comment	
Care spend 'cut by fifth in decade' (29 January, BBC Online)	The LGA said councils have done their best to protect social care spending, in a BBC Online article about how spending on care for people aged 65 and over has fallen by a fifth in England over the last ten years. The LGA said a 40 per cent cut to budgets across this Parliament meant "difficult decisions" have had to be made.
Care for elderly in state of 'calamitous decline' amid £1bn of austerity cuts (21 January, various media)	Cllr Izzi Seccombe appeared on BBC Radio 4's You and Yours to discuss the LGA's response to an Age UK report on the impact of spending cuts on adult social care and the rising demand for services. The LGA lines, in keeping with our Show Us You Care campaign, were also referenced on BBC Radio Five Live and featured in The Independent , Express and BBC Online . Cllr Seccombe, Chairman of the LGA's Community Wellbeing Board, said “Councils have protected our most vulnerable people as far as possible, often at the expense of other services, and we will continue to prioritise those most in need. However, the combined pressures of insufficient funding, growing demand, escalating costs and a 40 per cent cut to local government budgets across parliament mean that, despite councils' best efforts, they are having to make tough decisions about the care services they provide.”
Care worker quits because she only had 15 minutes to spend with frail pensioners (18 January, Sunday Mirror)	The LGA's Cllr Izzi Seccombe was quoted in a Sunday Mirror report about a care worker who quit her job because she was only allowed to spend 15 minutes at a time with her frail, elderly patients. Cllr Seccombe, Chairman of the LGA's Community Wellbeing Board, said: “Adult social care funding is in crisis and it is vital for our elderly population that government urgently addresses this. Short visits should never be the sole basis of care, but sadly the rise in 15 minute visits is symptomatic of a system that continues to be chronically

	underfunded.”
Elderly in food fear (3 January, various media)	The Guardian , Sun, Mirror, Mail Online , ITV News and Telegraph Online reported the LGA’s response to a Labour Party survey which claimed that as many as 222,000 old people are being denied meals on wheels because councils are too hard up. Cllr Izzi Seccombe, Chair of the LGA's Community Wellbeing Board, said: "Following the local government finance settlement councils will have to find £2.6 billion savings next year. At the same time, a rapidly growing elderly population is driving up the cost of adult social care by hundreds of millions of pounds each year. The LGA has long been warning that the services that elderly and vulnerable people rely on, including meals on wheels and lunch clubs, are coming under increasing threat."

Note: this summary covers national coverage only and does not include the work we have done with the trade press on issues including the pressures posed by Deprivation of Liberty Safeguards, winter pressures funding, and Care Act funding.