

Adult Social Care Next steps: 'Creating a Better Care System'

Purpose of report

For information and discussion.

Summary

This report provides some background information to the attached Ernst and Young (EY) report which closely mirrors the LGA's position on the future of integration of health and social care as set out in 'A Shared Commitment: Local Government and the Spending Review'.

Recommendation

That the Board note the content of the attached report.

Action

LGA Officers to proceed as directed.

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Adult Social Care Next steps: ‘Creating a Better Care System’

Background

1. Adult social care funding and integration with health has been, and continues to be, one of the main areas of local government policy developments. The government’s priority is to protect the NHS while upper tier councils are facing the challenge of increasing demand for social care, within a context of a 40 per cent real terms reduction to core grants over the last Parliament.
2. Within this backdrop, the Community Wellbeing Board commissioned an independent report which provides an overview of positions of various parts of the public sector with regard to the future of the health and care system and suggests a way forward. The members of Resources Board have also expressed an interest in this policy area.
3. The report, title ‘Creating a Better Care System’, is attached as **Appendix A**.

Overview of the paper

4. Figures show that 30 per cent of health and care service users use almost 70 per cent of the health and social care budget and the LGA has long warned that the adult social care system is under immense and growing pressure.
5. As a result, the report recommends a pooled health and social care budget of at least £6.6 billion in 2016/17, eventually leading to the pooling of all money for health and social care.
6. However, the central proposition of the report is that a bigger pooled budget needs to be supported by a £1.3 billion a transformation fund each year until 2019/20, equalling a fund of £5.2 billion by the end of the decade. This is a condition for development of a new health and social care system and would enable some double running of new investment in preventative services alongside ‘business as usual’ in the current system, until savings can be realised.
7. EY suggests this transformation fund should focus on preventative measures and aim to prevent complex and long-term conditions, which can cost the system almost £88 billion each year - a cost that is growing with the ageing population.
8. It identifies the significant contribution that preventative measures can make. For example, spending just £1 on local friendship networks can save almost four times that amount on mental health services whilst £1 spent on school-based smoking and bullying prevention can save as much as £15.

The LGA’s response

9. The LGA has accepted the general principles that underpin the proposals contained within the report.

10. This is reflected in 'A Shared Commitment: Local Government and the Spending Review', a report which was launched as a headline publication in the annual LGA conference. The report calls for:
 - 10.1. A bigger and improved Better Care Fund which could become as large as £55bn on a proportionate contribution basis;
 - 10.2. A £1bn annual transformation fund which would underpin the transition from reactive to preventative behaviours in the health and care system;
 - 10.3. As a precondition for the above, the funding gap that faces adult social care services, estimated to be growing by at least £700m a year, should be met in full.
11. As part of her opening remarks in a health and social care plenary session at the LGA annual conferences, Chair of the Community Wellbeing Board Cllr Izzi Seccombe mentioned that filling the adult social care funding gap should be prioritised, even if it means a delay in implementing Phase 2 of the Care Act reforms. This has since been followed up with letters to Jeremy Hunt MP, George Osborne MP, Greg Clark MP and Alistair Burt MP.
12. LGA officers continue to discuss these proposals with officers from the Department of Health, the Department for Communities and Local Government and HM Treasury.

Next steps

13. LGA officers will continue the discussions with government departments ahead of the upcoming Spending Review.
14. The Show Us You Care campaign and the Future Funding campaign will continue to highlight these messages through various follow-up activity, including arranging meetings with Ministers.
15. This approach allows the LGA to stay flexible and sensitive to changes in circumstances during the course of the summer, up until the formal government deadline for input into the Spending Review process.