

# Local Government Association Briefing

## Long term sustainability of the NHS and Social Care

### House of Lords

Thursday 19 April 2018



#### Key messages

- It was positive to see the Government commit to a long-term investment in the NHS last month.<sup>i</sup> The same commitment is needed for adult social care, which should be given parity with the health service. Adult social care is vital in its own right and there cannot be a sustainable NHS without a sustainable adult social care system.
- The commissioning and provision of adult social care and support is a vital council service that cares for and supports adults of all ages including carers year round, throughout their lives, whether in care homes or in their communities. Adult social care also helps to transform those people's quality of life.
- The funding that this Government has made available to adult social care to date is welcome. Despite this new money, adult social care faces a funding gap of £2.2 billion by 2020. This must be addressed as an urgent priority.
- The forthcoming Green Paper is an important opportunity to try and secure a sustainable funding solution for the long-term. To avoid the risk of it suffering the fate of previous attempts at funding reform, there must be cross-party consensus on the way forward.
- The delayed transfer of care (DTC) reduction targets, introduced by this Government, place too much emphasis on just one part of the system and risks preventing the system from working more effectively to ensure that people have the right care and support at the right time to avoid admission to hospital.
- As some areas move ahead with developing integrated care systems, we urge the Government to shift its focus on to investment in prevention, primary care, community services and hospital avoidance schemes, which can often be more effective for alleviating pressure on the NHS. This is a point made by the CQC in their interim report on the 'local area reviews' of the health and care systems.
- We continue to support integration for health and social care services as a way of providing joined up and person-centred care and support. Effective integration requires gaining meaningful involvement of local political and community leadership. This includes ensuring local partnerships with the NHS recognise the vital contribution of adult social care, public health, and other key council functions to achieve improved health outcomes and the sustainability of services.
- Good local public services are the bedrock of good mental and physical health, wellbeing and resilience. Despite the potential benefits of public health services, local authorities face a £331 million reduction to their public health budget, on top of a £200 million reduction announced in 2015.<sup>ii</sup>
- Almost every service provided by councils has an impact on public health. Reducing health inequalities makes sense at a pragmatic as well as a moral level, because it can prevent people becoming and remaining ill and reduce the associated costs to local government, the NHS and the rest of government.<sup>iii</sup>

# Briefing

## **Background information**

### **The role of local government in providing adult social care**

The commissioning and provision of adult social care and support is a vital council service that can transform people's lives. It is a crucial public service that supports working age disabled adults, older people and their carers, as well as promotes their wellbeing and independence. Despite major funding pressures, councils have worked hard to preserve adult social care outcomes:

- In 2016-17, 86.4 per cent of service users in England reported that the services they received helped make them feel safe and secure. This is a statistically significant increase compared to the 84.5 per cent reported in 2014-15.
- The proportion of people who use services who say they have control over their daily lives has remained stable (77.7 per cent in 2016/17 compared to 76.6 per cent in 2015/16).
- Overall satisfaction of people who use services has remained stable (64.7 per cent in 2016/17 compared to 64.4 per cent in 2015/16).<sup>iv</sup>

Adult social care is framed in legal terms by the 2014 Care Act, a landmark piece of legislation that brought together numerous separate laws and policies into a single, modern statute. At the heart of the legislation is a duty on councils to promote people's wellbeing, which is purposefully defined in broad terms. Included in the definition (alongside more 'typical' defining features, such as personal dignity and protection from abuse and neglect) is 'the individual's contribution to society' and 'domestic, family and personal relationships'.

### **Funding adult social care**

It was positive to see the Government commit to a long-term investment in the NHS last month, but the same commitment is needed for adult social care, which deserves to be given parity with the health service. There cannot be a sustainable NHS without a sustainable adult social care system. Adequately funding social care will deliver benefits for local communities and savings for the public purse. For example, funding an expansion in social care capacity would alleviate NHS pressures and therefore enable more people to be discharged quickly and safely from hospital.

As we have highlighted<sup>v</sup>, the continued underfunding of social care is making it increasingly challenging for local authorities to fulfil their legal duties under the Care Act, leaving the ambitions of some aspects of the legislation at risk. More concerning still is that by 2025 there will be another 350,000 people needing high levels of social care from councils.<sup>vi</sup>

Councils also play a fundamental role in investing in preventative services, including telecare or hospital avoidance schemes, such as rapid response teams which mobilise quickly to treat someone in crisis in their own home rather than A&E. However, evidence from the ADASS Budget Survey shows that spend on prevention in 2017/18 forms 6.3 per cent of adult social care budgets, or £890 million. This is a smaller proportion of the budget than last year (7.1 per cent), and a decrease in cash terms from last year (£954 million).<sup>vii</sup>

The situation is now critical and our care and support system is in crisis. This is not just the message from local government, it is the message from across the wider care and support sector.

Councils have worked hard to protect adult social care spending. However, our latest analysis on the funding gap faced by councils show that this approach is not sustainable:

- Since 2010, councils have dealt with a £6 billion funding gap in adult social care services. This has been met through £3.4 billion of savings to adult social care and £2.6 billion taken from additional savings to other services.<sup>viii</sup>
- The LGA estimates that adult social care provider market faces an immediate and annually recurring gap of £1.3 billion, which is the difference between what care providers say they need and what councils currently pay.
- Despite the Government's recent funding commitments, adult social care still faces a funding gap of more than £2 billion by 2020.
- The measures the Government has taken in recent years to tackle the funding crisis facing adult social care have been welcome. However, the Government position that councils have 'access to up to £9.4 billion more dedicated funding for social care over three years' (Government response to Competition and Markets Authority report on care homes) is problematic for several reasons:
  - The council tax precept shifts the burden of tackling a clear national crisis onto councils and their residents.
  - Last year's Adult Social Care Support Grant was not new money and was instead created from savings of equivalent value from the New Homes Bonus; in effect it was simply a redistribution of funding already promised to councils and actually left some councils worse off overall as they lost more in NHB payments than they gained in the ASC grant.
  - Improved Better Care Fund monies give disproportionate dominance to the priority of reducing pressures on the NHS, and within that an extremely narrow focus on delayed transfers of care.

### **Delayed transfers of care**

It is positive that councils have reduced delayed transfers of care (DTOCs) attributable to social care since July 2017, when their targets were set by government, by 27 per cent.<sup>ix</sup> DTOC figures are now at their lowest levels since June 2016. However, we know more needs to be done in close collaboration with NHS partners locally to ensure everyone gets the care they need in their own home wherever possible.

Local authorities remain committed to supporting people to be discharged from hospital safely and effectively. We continue to work with our members and offer a range of practical support services, particularly for challenged systems. This includes resources such as guides, toolkits and emerging best practice studies, as well as peer-led reviews, themed workshops and a full diagnostic assessment of the DTOC system with ongoing support to ensure sustained improvement.

Focusing solely or disproportionately on DTOC is not helpful in enabling local health and care leaders to identify what action needs to be taken within their local system to support people to maintain their independence and wellbeing to avoid them being admitted to hospital in the first place.

The extra £2 billion for adult social care last year came attached with three conditions of use. These are: 'meeting adult social care needs; reducing pressure on the NHS, including supporting more people to be discharged from hospital when they are ready; and ensuring that the local social care provider market is supported'.<sup>x</sup> Further to this, later guidance<sup>xi</sup> introduced an expectation on councils to reduce social care attributable DTOCs and the possibility of a review of a council's share of the £2 billion in 2018/19 for areas performing poorly against the target. This prevents councils from investing this funding according to local social care needs. As such Government cannot consider this additional funding a solution to all of the challenges facing social care.

## **Reducing admissions to hospital**

We currently work closely with the NHS to improve self-management of conditions, community support and advice and information. However, due to historic underfunding, the adult social care system is under significant pressure and community based services are being reduced, which is impacting on inpatient services. This reduced central government funding means councils have had to spend less on key prevention work. The ADASS Budget Survey shows that local authority spending on prevention work has decreased by £64 million in the past year.<sup>xii</sup>

We have consistently argued that there needs to be a focus on preventing hospital admissions in the first place rather than focusing disproportionately on delayed discharges of care. A whole-system approach to health and social care is needed in order to reduce hospital admissions. This includes adequately funding community based support and adult social care in order to support people through their patient journey.

As well as improving people's quality of life, early interventions can also help save money further down the line. For example, a recent Public Health England report on falls prevention programmes shows that every £1 spent on home assessment and modification schemes for elderly people has generated savings of £2.17 on primary and secondary care spending. It has also been shown that this investment reduced the number of falls requiring admission to hospital over two years by an estimated 23 per cent, and that the societal (quality of life) return on investment was £7.34 for every £1 spent.<sup>xiii</sup>

## **Progress on health and social care integration**

The Health and Social Care Act 2012 introduced a statutory duty on all health and wellbeing boards to promote integration between health and social care. Not only are they able to bring greater local democratic accountability to the integration agenda but they are the only statutory body in an area that brings together the political, clinical, professional and community leadership to assess health their citizens health and wellbeing challenges and to agree a joint strategy to address these challenges. As committees of the council they also bring a broader understanding of, and alignment with public health, social care, housing, and wider community services.

Sustainability and Transformation Partnerships have been helpful in encouraging the NHS to adopt a place-based and joined-up approach to care and support that goes beyond individual institutions. However, with a few exceptions, STPs need to be more active in gaining meaningful involvement of local political and community leadership in the development of STPs. This includes, the extent to which they are truly system-wide plans and partnerships encompassing adult social care, public health, and other key council functions that support improved health outcomes and the sustainability of services.

STPs have done little to address the democratic deficit in the NHS. In general there has been little meaningful consideration of adult social care as a vital component of a resilient and sustainable health and care system. For individuals this means that opportunities to strengthen health and wellbeing, maximise independence, and to support family carers may be overlooked. We have been working with the NHS to develop a leadership support offer for STPs to enable them to work more effectively with local political leaders.

## **Public health funding**

The transfer of public health from the NHS to local government and Public Health England (PHE) five years ago was one of the most significant extensions of local government powers and duties in a generation. It represents a unique opportunity to change the focus from treating sickness to actively promoting health and wellbeing.

As a country, we have for too long focused on dealing with problems after they arise. We must place an emphasis on prevention rather than cure as this is better for residents and the public purse. The growing number of people living longer with a range of complex long term conditions, along with increasing demand for services, means that councils will find it extremely challenging to maintain services at the current level.

The long term solution to the financial and demographic challenges facing local government and the NHS is to invest in prevention, early intervention, community-based care and support. We also need to address the wider determinants of physical and mental health, with councils and health and wellbeing boards (HWBs) as the vehicles for driving this action forward. Good public health has the potential to make a real and large-scale difference to our society. It prevents the development of physical and mental ill-health later in life, improves people's wellbeing and reduces pressures on other vital services such as social care and the NHS.

Despite the potential benefits of public health services, local authorities face a £331 million reduction to their public health budget, on top of a £200 million reduction announced in 2015.<sup>xiv</sup> Good local public services are the essential bedrock for mental and physical health, wellbeing and resilience.

## **Health inequalities**

Health inequalities exist both between and within local authority areas, with almost 20 extra years of healthy life enjoyed by those in the longest-lived areas compared with those in the shortest-lived areas. In particular, there is a 'North/South divide' that exists in relation to health inequalities: people living in the north of England have persistently poorer health than the rest of the country. There are also significant health differences between men and women, between different ethnic groups, between people with and without different forms of disability and between other discriminated-against groups and the majority.

Health inequalities are highly correlated with general disadvantage, deprivation, poverty and social and economic inequality. Babies born into a poor family can expect to live up to 10 years less than those born into a wealthy family. Health inequalities are not just caused by individuals' lifestyle choices: the choices available to people and the choices they make are affected by broader social factors – the 'causes of the causes' of ill health.

Local authorities can play a significant part in addressing and reducing health inequalities, although the role of central government and the rest of the public sector and voluntary and private sectors are also vital. A place-based approach is necessary. This is because people's life chances and their likelihood of living a long and healthy life are determined in their early years, but are affected at all stages throughout their life. We promote a 'lifecourse' approach to reducing health inequalities, influencing for the better the conditions in which people are born, grow, live, work and age.

Within local government, public health is not just part of the remit of the public health team: almost every local government function has an impact on health, including early years services, education, housing, employment and welfare, social care, leisure and public amenities, environmental health and trading standards and partnerships with the

voluntary and community sectors, business and other employers and the NHS.

Councils are taking a strategic, targeted approach to understanding the health impact of all their activities and making a commitment to 'health in all policies'. Reducing health inequalities makes sense at a pragmatic as well as a moral level because it can prevent people becoming and remaining ill and reduce the associated costs to local government, the NHS and the rest of the Government.<sup>xv</sup>

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- <sup>i</sup> <https://www.gov.uk/government/news/nhs-gets-funding-green-light-for-new-buildings-wards-and-beds>
- <sup>ii</sup> For further information please visit:  
[https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission\\_06.pdf](https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission_06.pdf)
- <sup>iii</sup> For further information please visit:  
[https://www.local.gov.uk/sites/default/files/documents/1.42%20public%20health%20inequalities\\_web.pdf](https://www.local.gov.uk/sites/default/files/documents/1.42%20public%20health%20inequalities_web.pdf)
- <sup>iv</sup> For further information please visit: <https://digital.nhs.uk/catalogue/PUB30122>
- <sup>v</sup> For further information please visit:  
[https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission\\_06.pdf](https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission_06.pdf)
- <sup>vi</sup> For further information please visit: <http://www.ncl.ac.uk/press/news/2017/08/cfasresearch/>
- <sup>vii</sup> For further information please visit: [www.adass.org.uk/media/5994/adass-budget-surveyreport-2017.pdf](http://www.adass.org.uk/media/5994/adass-budget-surveyreport-2017.pdf)
- <sup>viii</sup> For further information please visit:  
[https://www.local.gov.uk/sites/default/files/documents/1.69%20Adult%20social%20care%20funding-%202017%20state%20of%20the%20nation\\_07\\_WEB.pdf#page=10](https://www.local.gov.uk/sites/default/files/documents/1.69%20Adult%20social%20care%20funding-%202017%20state%20of%20the%20nation_07_WEB.pdf#page=10)
- <sup>ix</sup> For further information please visit: <https://www.england.nhs.uk/statistics/statistical-work-areas/delayed-transfers-of-care/delayed-transfers-of-care-data-2017-18/>
- <sup>x</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/607754/Integration\\_and\\_BCF\\_policy\\_framework\\_2017-19.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607754/Integration_and_BCF_policy_framework_2017-19.pdf)
- <sup>xi</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/625229/Integration](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/625229/Integration)
- <sup>xii</sup> ADASS budget survey 2017, Figure 17: spend on prevention <https://www.adass.org.uk/media/5994/adass-budget-survey-report-2017.pdf#page=20>
- <sup>xiii</sup> For further information please visit:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/679856/A\\_return\\_on\\_investment\\_tool\\_for\\_falls\\_prevention\\_programmes.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/679856/A_return_on_investment_tool_for_falls_prevention_programmes.pdf) (page 44)
- <sup>xiv</sup> For further information please visit:  
[https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission\\_06.pdf](https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission_06.pdf)
- <sup>xv</sup> For further information please visit:  
[https://www.local.gov.uk/sites/default/files/documents/1.42%20public%20health%20inequalities\\_web.pdf](https://www.local.gov.uk/sites/default/files/documents/1.42%20public%20health%20inequalities_web.pdf)