

Local Government Association Briefing

Opposition Day Debate: Social Care Funding

House of Commons
17 October 2018



Key Messages

- The adult social care and support sector is at breaking point and this is having a series of negative impacts. First and foremost, it is impacting on the quality of life of people who have care needs. It is also creating a fragile provider market, putting workforce and unpaid family carers under further strain, and impacting on social care's ability to help mitigate demand pressures on the NHS.
- A sustainable NHS is not possible without a sustainable social care sector. If the NHS is going to thrive over the next 70 years, we need to make sure our social care services are properly funded and sustainable. To do this we need cross-party consensus or cooperation on the future of adult social care.
- Councils have worked hard to find efficiencies and be innovative in order to deliver public services in the most cost-effective way. Despite this, councils still face an overall funding gap of £7.8 billion by 2025.
- Councils have protected social care relative to other services. But the service still faces a shortfall of £3.56 billion by 2025. This is needed simply to keep on providing existing support at current levels and would not meet the cost of changing the current model of provision, or include the funding needed to tackle under met and unmet need.
- Our latest ComRes polling shows that the overwhelming majority of MPs (84 per cent) and peers (76 per cent) agree that funding for adult social care should increase.¹
- Whilst we welcome the Government's recent injection of an additional £240 million for social care to help tackle winter pressures, we are clear that pressures are year-round, short term bailouts are not the answer. The Government needs to find a long-term funding solution for adult social care and support.
- The delayed publication of the Government's social care green paper until autumn 2018 is disappointing. In the absence of the Government's green paper, the LGA produced its own. This was intended to stimulate a nationwide debate about how best to fund the care we want to see in all our communities for adults of all ages and how our wider care and health system can be better geared towards supporting and improving people's wellbeing. [*'The lives we want to lead: the LGA green paper for adult social care and wellbeing'*](#) was published in July 2018 and posed a series of thirty questions covering social care, public health, health and wider wellbeing. The consultation closed on 26 September.
- There were over 2000 downloads of our green paper, 33,000 webpage views and over 500 responses from members of the public, professionals, voluntary organisations and charities.

Briefing

Background

Funding

Adult social care is a crucial service in its own right that transform peoples' quality of life. However, years of significant underfunding coupled with rising demand and costs for care and support, have combined to push adult social care services to breaking point. Councils have protected adult social care in comparison with other services. Despite this, councils still face an overall funding gap of £7.8 billion by 2025,² the shortfall in adult social care makes up £3.56 billion of this gap and comprises two main elements: first, 'core pressures' posed by demography, inflation and National Living Wage; and second, the provider market pressure (i.e. the difference between what providers say they need and what councils pay).

Spend on adult social care accounts for a growing total of councils' overall budgets, up from 36.9 per cent in 2017/18 to 37.8 per cent in 2018/19. As a result, by 2019/20, 38p of every £1 of council tax will go towards funding adult social care.³ Councils' budgeted expenditure on adult social care for 2018/19 stands at £16.1 billion.⁴

Latest figures show that councils in England receive 1.8 million new requests for adult social care each year – the equivalent of nearly 5,000 a day.

Whilst we welcome the Government's recent injection of an additional £240 million for social care to help tackle winter pressures, we are clear that pressures are year-round, short term bailouts are not the answer, and the Government must find a long-term funding solution for adult social care and support. The short-term funding gap must be closed as an urgent priority and as an initial step in securing the sustainability of care and support. Government responses to the challenge of adult social care funding in recent years has been short-term and incremental in nature. One-off grants, the council tax precept for social care and increases in improved Better Care Fund funding have been helpful. But each mechanism has its limitations and they have not been sufficient to deal with all short-term pressures, let alone address the issue of longer-term sustainability. They also cease in 2019/20 with no clarity from 2020 onwards, which makes even short and medium-term planning extremely difficult.

Current pressures on social care

The politics of social care funding reform has, at least in part, been responsible for the failure of previous attempts at delivering long-term funding solutions. Government proposals for reform have often not secured cross party support and consensus. However, we know that the overwhelming majority of parliamentarians (84 per cent of MPs) and (76 per cent of peers) agree that additional funding should be allocated to adult social care budgets, according to polling of MPs and Peers we recently commissioned.⁵

We must place an emphasis on prevention, rather than cure, as this is better for people and the public purse. Prevention involves tackling the wide range of determinants that contribute to poor health amongst individuals and populations, with the aim of promoting health and wellbeing, and reducing health inequalities. Prevention has become increasingly important in recent years as the cornerstone of the drive to reduce people's need for high cost health treatments and care services. However, funding for preventative services – including those that are preventative in the widest sense (such as leisure, transport and housing) – are under significant pressure and resources are inevitably targeted at immediate needs. As councils spend more on social care, less money is available to keep other valued local services running, such as libraries, community centres, parks and playgrounds.

Good public health has the potential to make a real and large-scale difference to our society. 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.

Adult social care providers are under increasingly severe pressure. In more than 100 council areas, residential care homes and home care providers have ceased trading, or handed back their contracts to councils, affecting more than 5,300 people in the last six months. This is a direct result of funding pressures.

The case for a locally-led health and care system

No two council areas are the same. Some areas have high levels of deprivation and a high number of residents with long term conditions, whilst other areas may be relatively prosperous but have a high number of retired people with additional care needs. Councils are uniquely placed to build communities that are inclusive, cohesive and promote the life chances of everyone within them. They do this by tailoring more than 800 local services to the needs of their populations, creating bespoke solutions to specific, local challenges. This includes a number of wider council services that contribute to wellbeing, such as transport, parks, and culture and sports activities. They are also the connectors to other related local services, including the voluntary and private sectors (which includes, for example, social care providers).

With a track record of engaging with residents, councils have the democratic accountability to make and implement the decisions needed to sustain and improve services that support people's wellbeing. Recent LGA [polling on resident satisfaction](#) shows councils are the most trusted form of government to make decisions about services in a local area (72 per cent), particularly in comparison to 'the government' (17 per cent).⁶

This is a critical point because increasingly local areas are developing a joined up approach to care and support, which puts the person at the centre, and brings together social care, health, public health, housing, community and voluntary support, and a range of other local services. This local offer of bespoke services developing within and between agencies may also include the delicate balance of people's own resources, community support and the invaluable input of informal carers. An interlinked care and support system spanning the public, private and independent sectors and geared towards prevention, wellbeing, and choice and control cannot operate successfully if disturbed by attempts to run it at a national level.

LGA Green Paper

We were disappointed that the Government delayed the publication of its social care green paper until autumn 2018. In the absence of the Government's green paper, the LGA produced its own. This was intended to stimulate a nationwide debate about how best to fund the care we want to see in all our communities for adults of all ages and how our wider care and health system can be better geared towards supporting and improving people's wellbeing. '*The lives we want to lead: the LGA green paper for adult social care and wellbeing*' was published in July 2018 and posed a series of thirty questions covering social care, public health, health and wider wellbeing. The consultation closed on 26 September.

The consultation considered a number of key themes, including: the importance of adult social care and support, the pressures facing the service, how the system could be changed for the better, how those changes could be funded, the importance of wider wellbeing, and the relationship between social care and the NHS.

We undertook a wide-ranging consultation, publishing summary and 'easy read' versions, organising focus groups and online public polling. We also produced a series of communications materials to help raise awareness of the green paper and supported local organisations to hold their own consultative events. As a result, we had over 2000 downloads

of the publication and over 33,000 webpage views. We also received over 500 responses from members of the public, professionals, voluntary organisations and charities.

We are currently analysing the submissions to our consultation and will publish key findings at the National Children and Adults Services Conference in November. We would be happy to share this with Parliamentarians when it becomes available.

¹ ComRes interviewed 150 MPs between 4th June and 11th July 2018 and 101 Peers between 11th June and 9th July. Fieldwork was completed using a combination of paper and online surveys.

² LGA, Moving the conversation on: A sustainable adult social care and support system for the long term, https://www.local.gov.uk/sites/default/files/documents/3_july_22.24%20LGA%20think%20piece%20series%20the%20care%20and%20support%20green%20paper_v03_0.pdf

³ Directors of Adult Social Services budget survey report, <https://www.adass.org.uk/media/6434/adass-budget-survey-report-2018.pdf>

⁴ MHCLG, Local Authority Revenue Expenditure and Financing, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/720336/RA_Budget_2018-19_Statistical_Release.pdf

⁵ ComRes polling commissioned by the LGA, <https://www.local.gov.uk/about/news/more-four-fifths-mps-believe-adult-social-care-funding-needs-be-increased>

⁶ For further information please visit: <https://www.local.gov.uk/lga-resident-satisfaction-polling-june-2018>