

*Austerity and Social Care:
The Scottish Experience*

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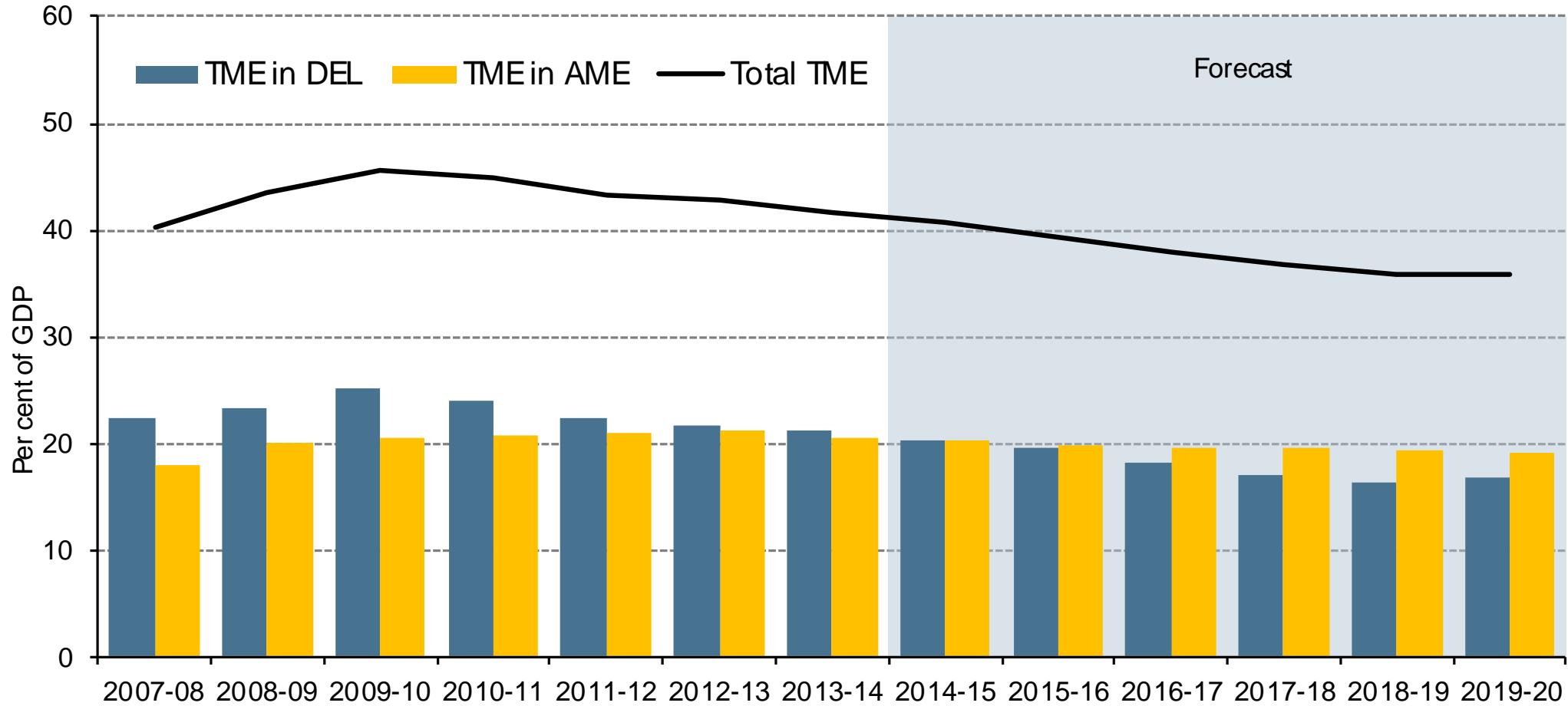
Scotland: Long-Term Care Policy Framework

- Scotland: Broadly similar (but not the same) institutional arrangements for long-term care as in rest of UK
- Key role played by local authorities
 - Service delivery through care homes and care at home
 - Providers - local authorities, voluntary and private sector
- Local authorities have little financial independence since around 80 per cent of their funding comes from UK Government or Scottish Government
- Scottish Government funding comes almost entirely from UK Government
- Scottish government determines health funding in Scotland
- UK government does the same for England
 - In Scotland and England, health care delivered by NHS, but internal organisation significantly different

Scotland: The Budgetary Environment 2009-2015

- Scotland's budget determined by UK government. Therefore it experienced similar (not identical) cuts to UK as a whole
- Two forms of government expenditure:
 - Annually Managed Expenditure (year-to-year spending, largely demand driven)
 - Departmental Expenditure Limits (main government departments – more discretion – influenced by “spending reviews”)
- Cuts focussed on DEL – but selective between departments – health, overseas aid and schools protected. **Not** local government, which is responsible for long-term care.
- Scotland has (coincidentally) experienced less severe cuts than those in England due to its spending being more concentrated in protected areas.
- UK Government chose to protect spending on health: Scotland (broadly) did the same.

Past and future evolution of AME and DEL



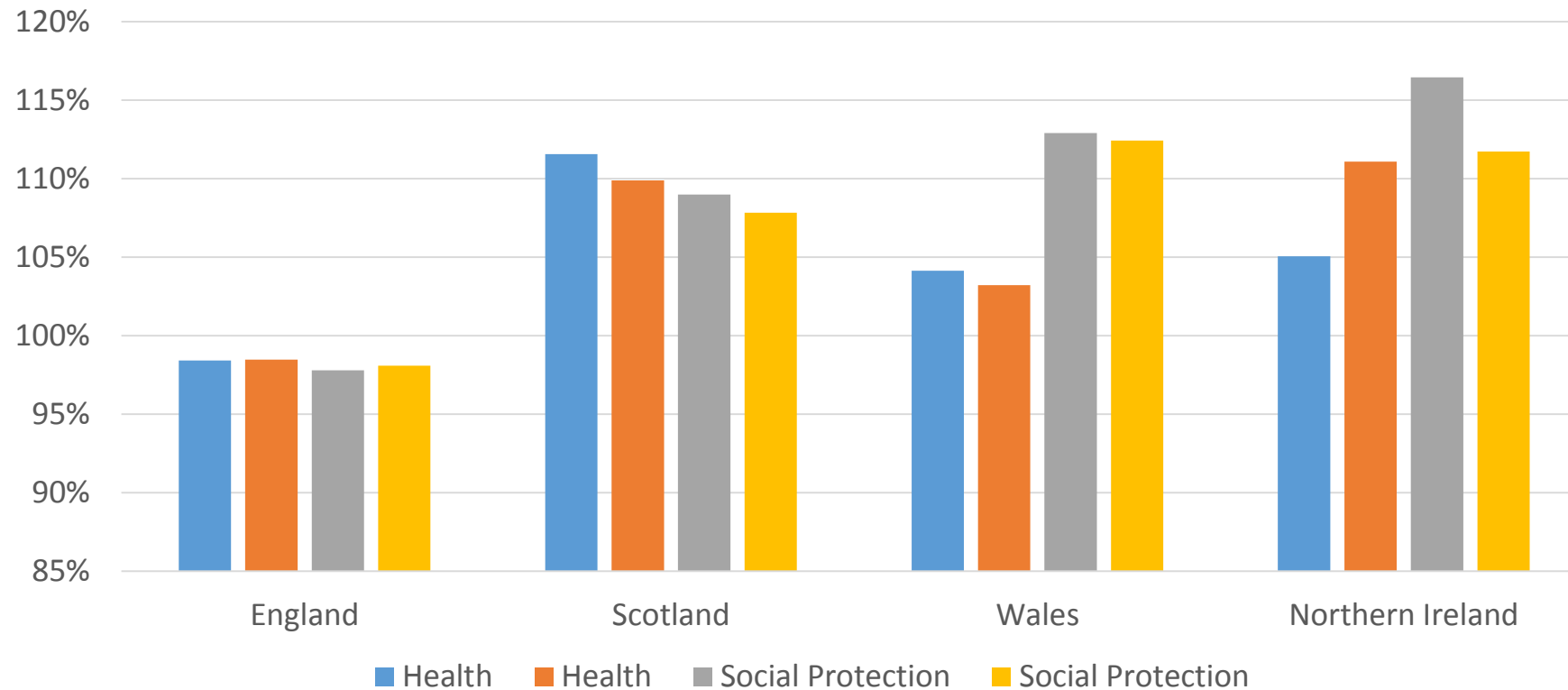
Note: Series adjusted to remove discontinuities. DEL and AME series exclude major historical switches. Forecast figures exclude future classification changes not yet reflected in outturn. Details are available in the supplementary fiscal tables on our website.

Source: ONS, OBR

Source: Office of Budget Responsibility

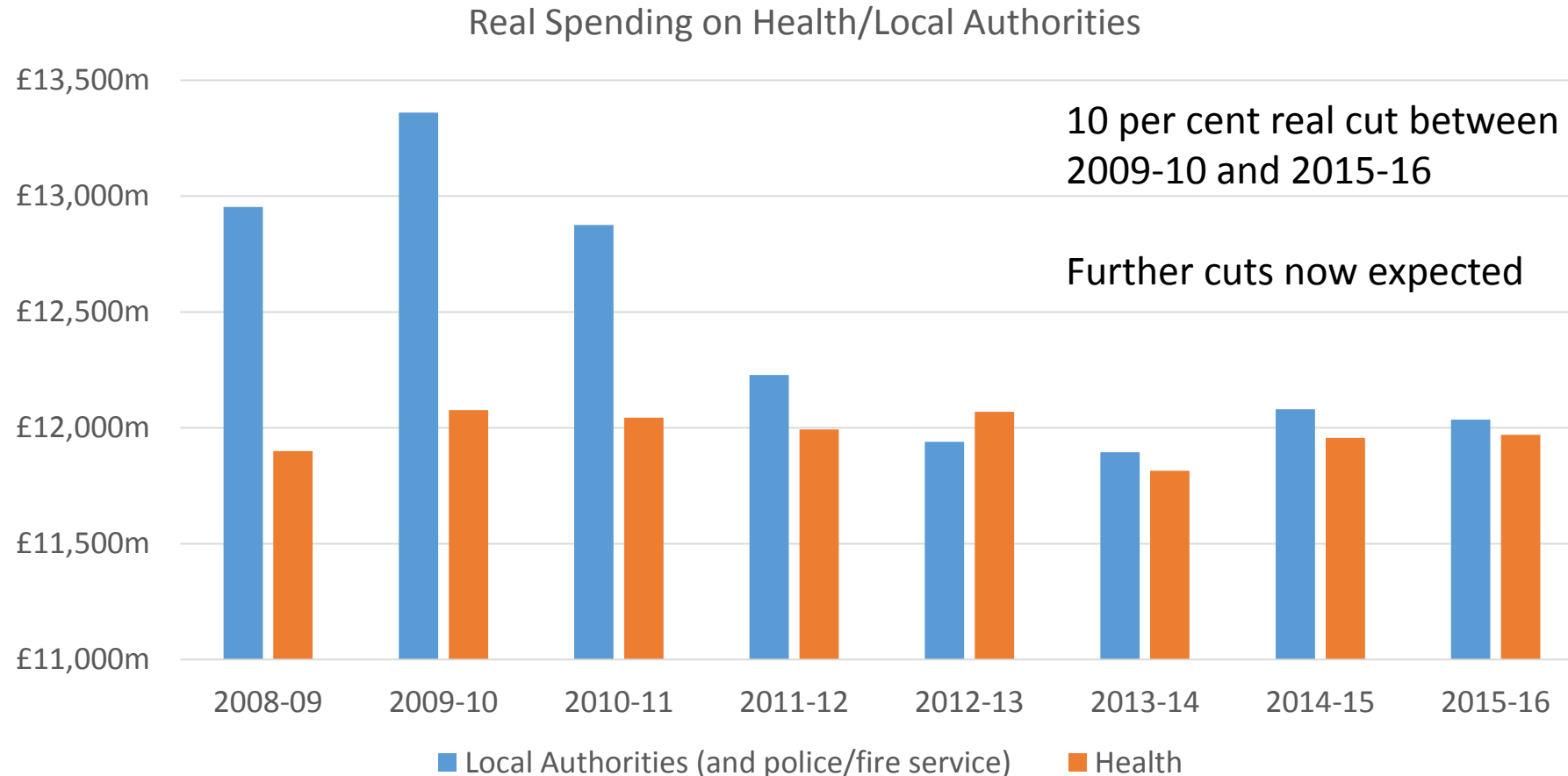
Scotland has been generously treated historically: now spending per head falling towards UK level

Relative spending on health and social protection:
UK nations 2008-09 and 2012-13 (UK=100)

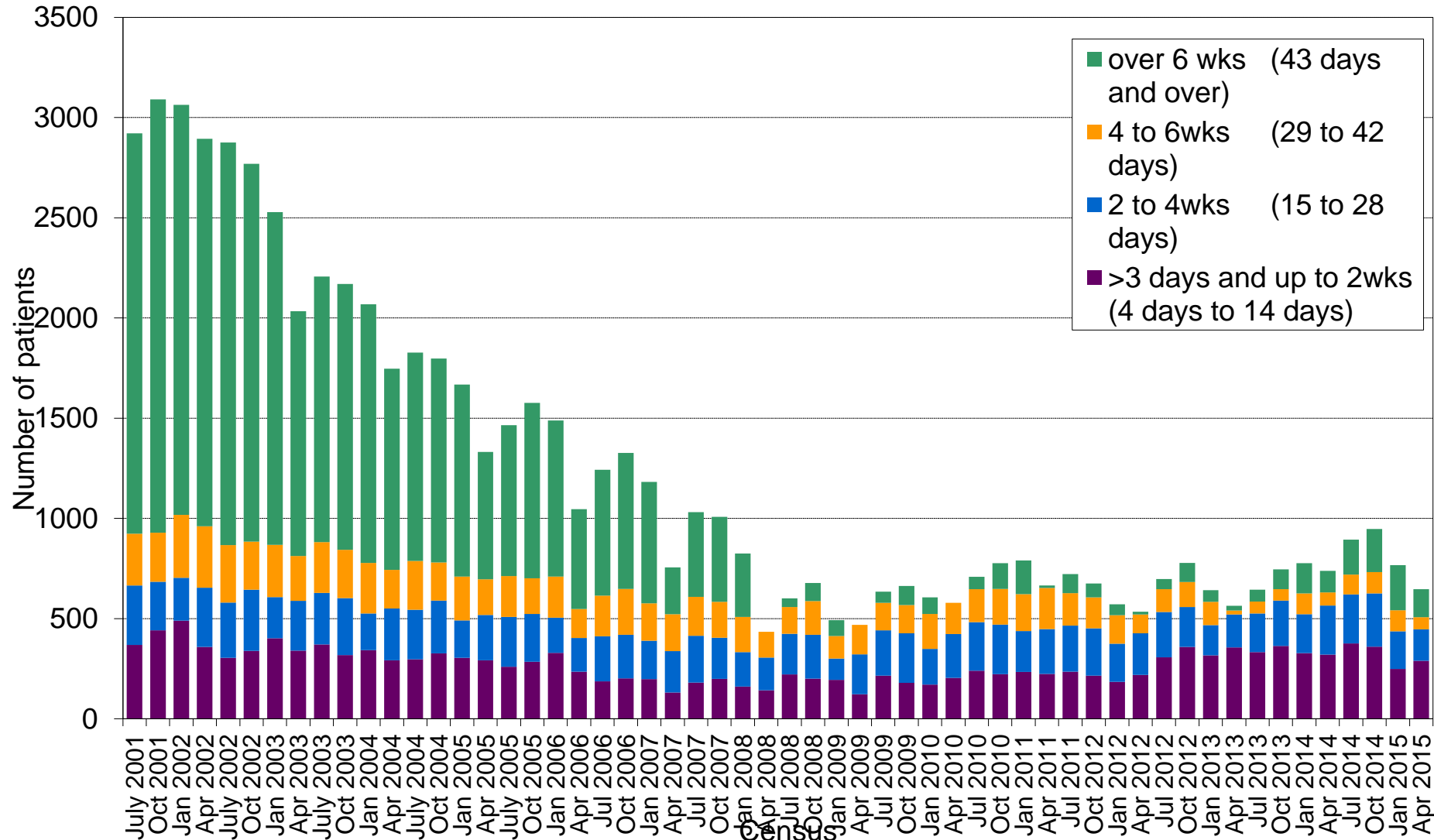


Source: HM Treasury Public Expenditure Statistical Analysis

Spending squeeze on local authorities



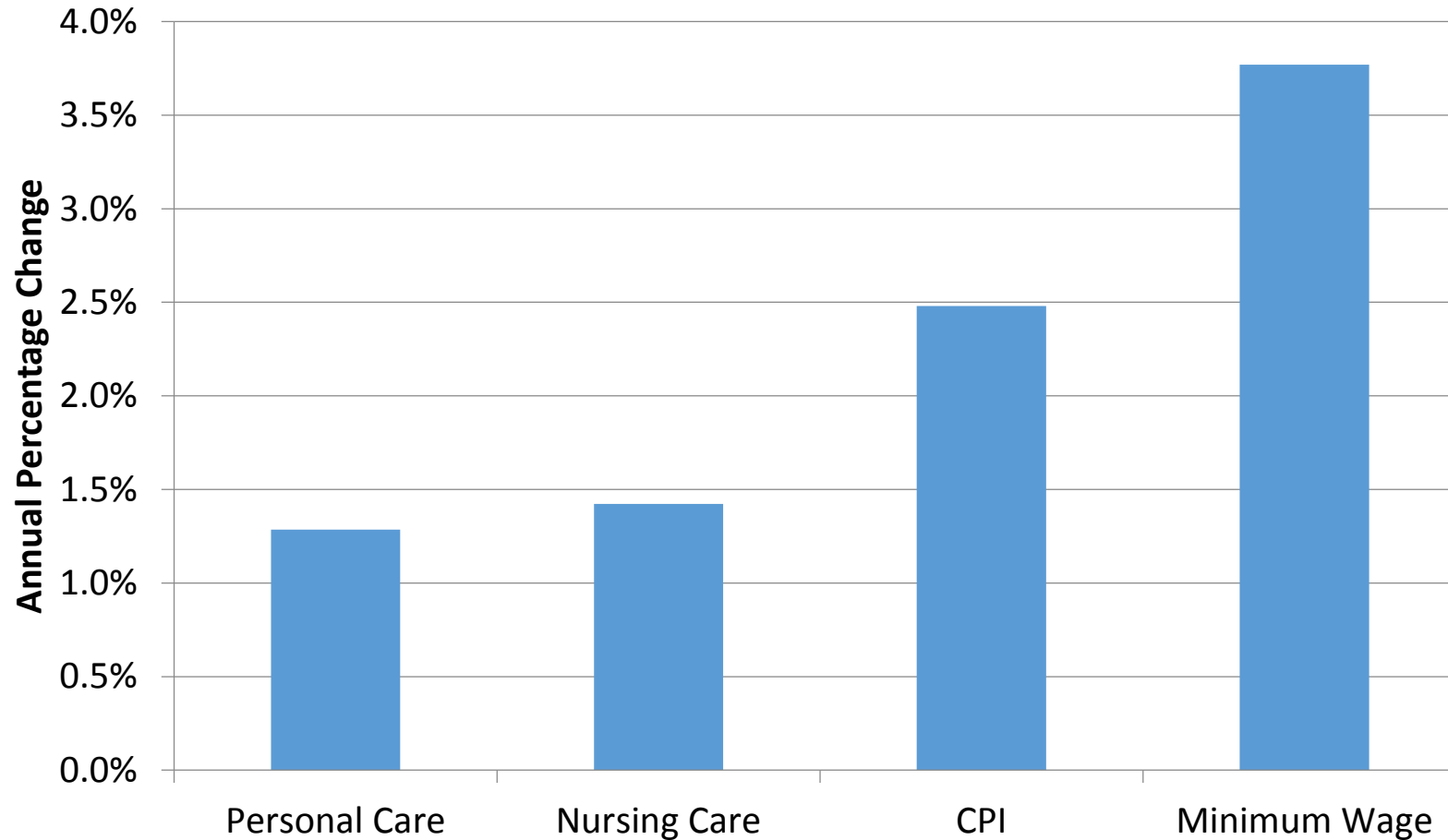
One consequence: stalled improvement in delayed discharges



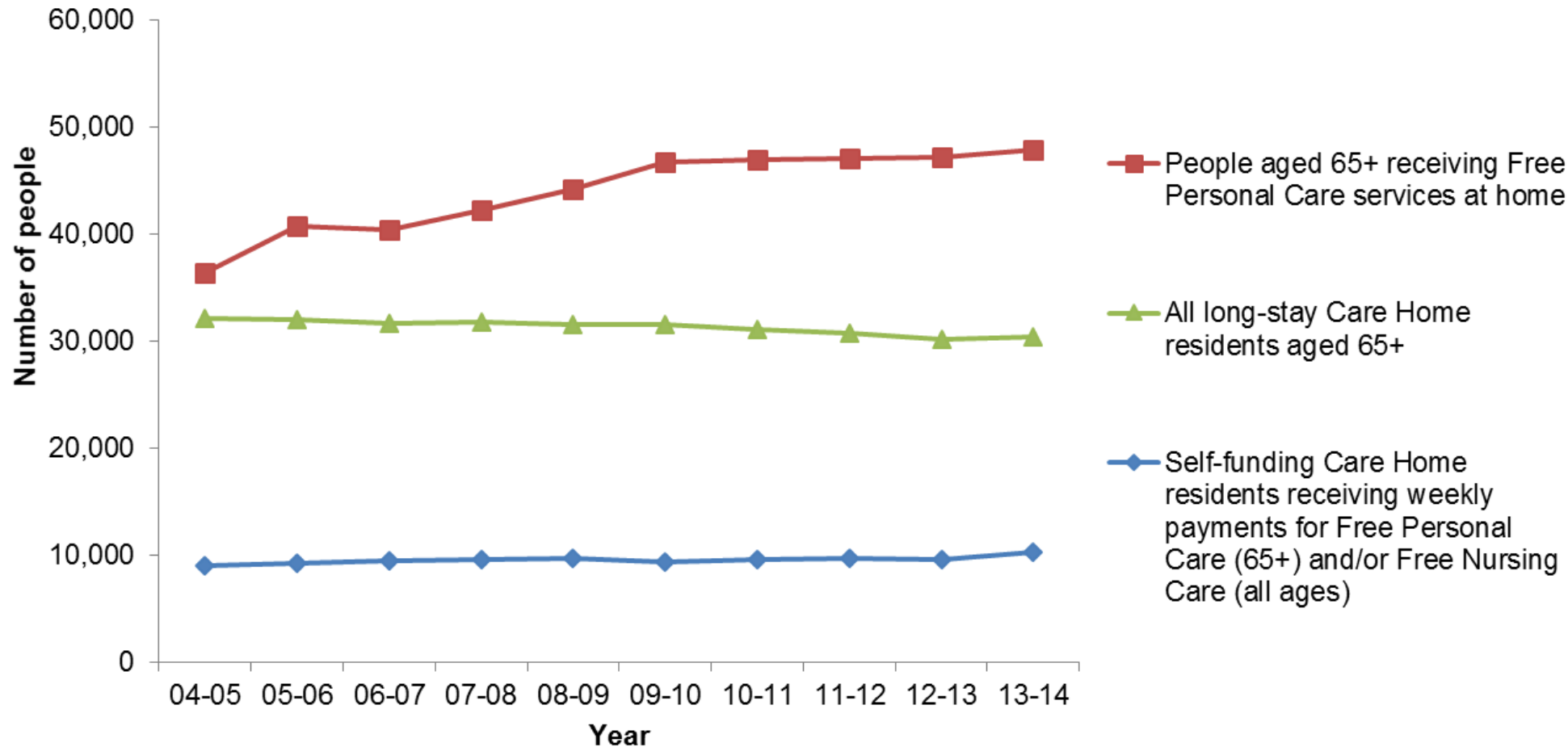
Scotland: Free Personal Care

- In 2001, the Scottish Government introduced “free personal care” for those aged 65+.
- Major policy contrast with rest of UK
- Resulted in those assessed as needing personal care being provided with care either in care homes or (preferably) in their own home.
- Charging for other forms of care continues:
 - Those aged under 65
 - Non-personal care
- Care charges determined by means test – threshold income and tapered charge
- Care homes given fixed compensation for personal care costs
 - Not maintained in real terms
- Cost of policy has increased from £250 million in 2004-05 to £494 million in 2013-14
- But net cost of policy difficult to assess
 - Reduced pressures on health care system
 - Switch from care home provision to (cheaper) care at home

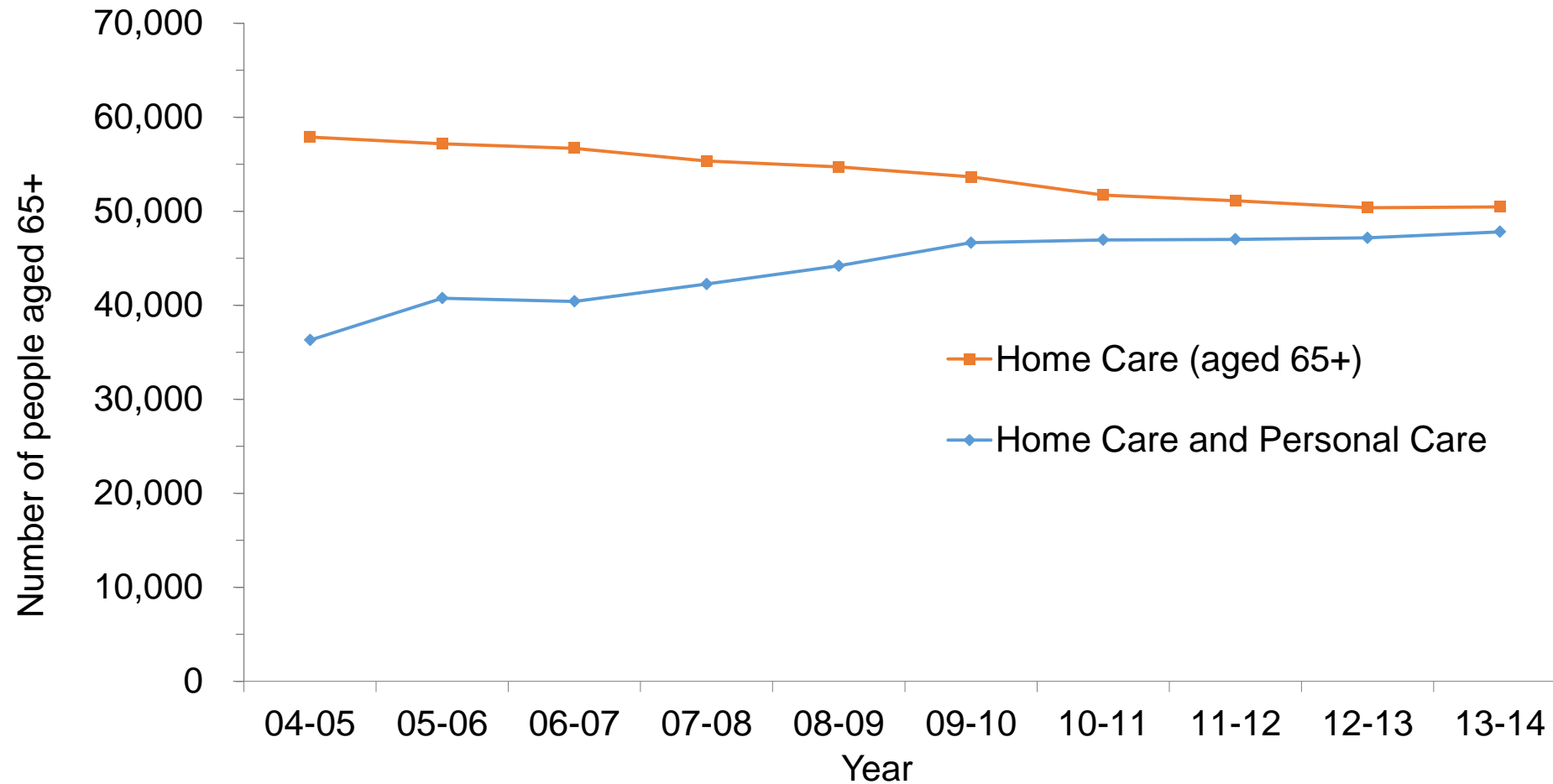
Annual increase in payments to care homes to meet costs of personal and nursing care



Free personal care: substantial increase in care at home

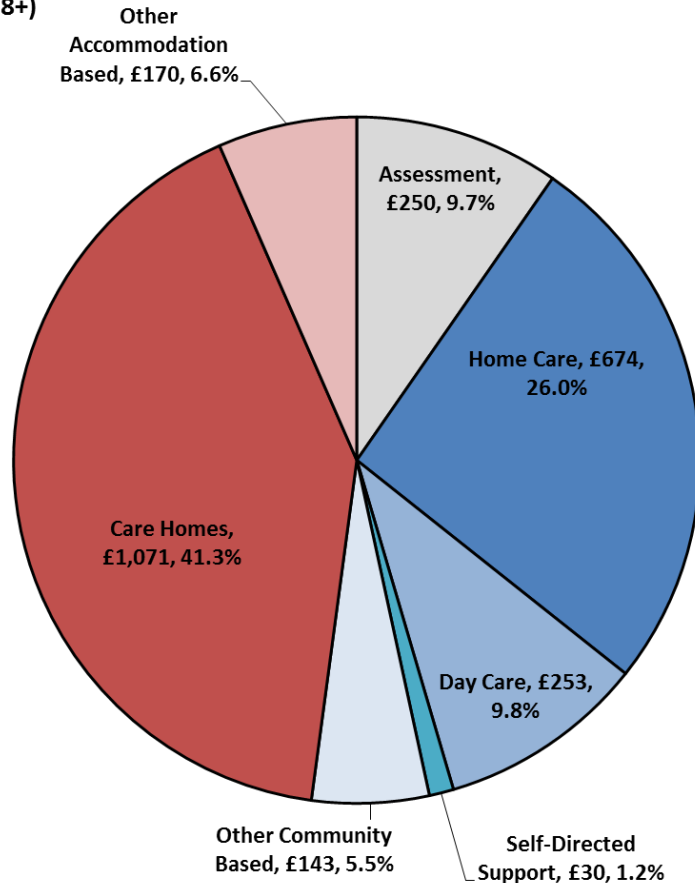


Reduced local authority support for home (not personal) care

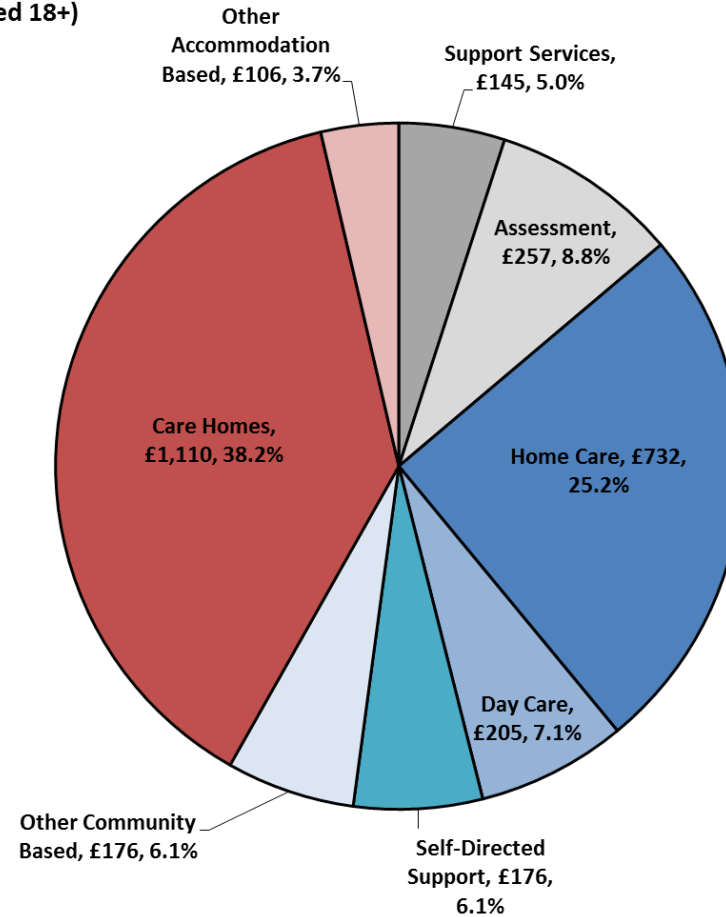


Patterns of support for social care of adults aged 18+ - slow change

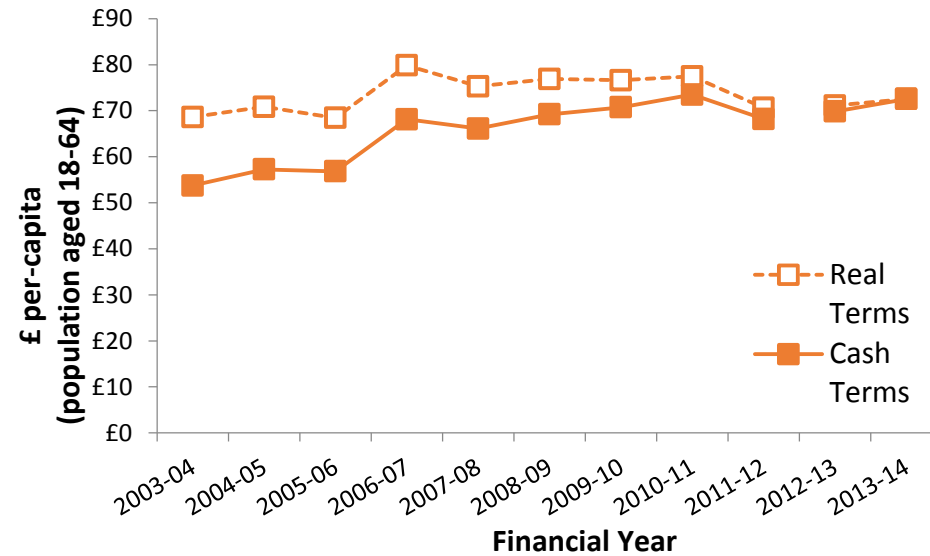
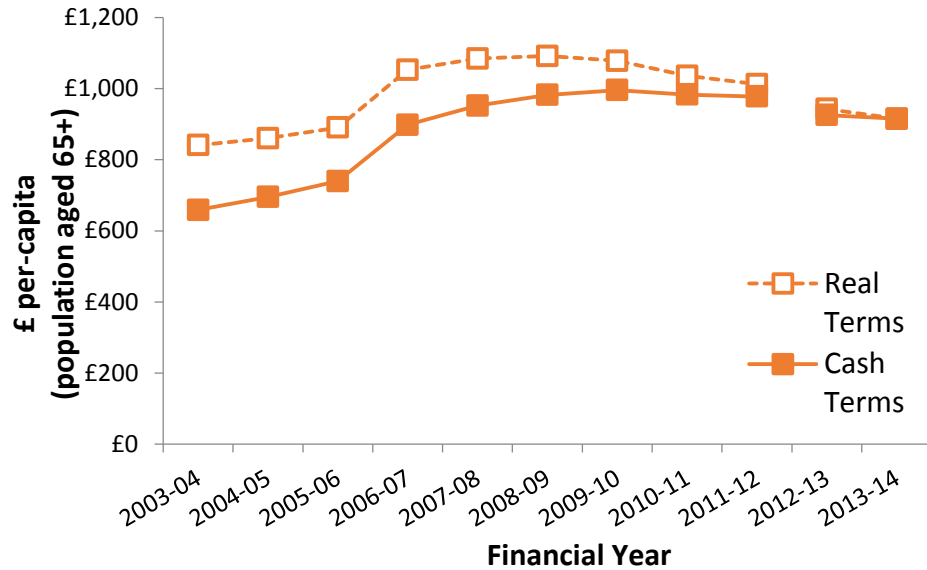
Gross Expenditure
Adults (aged 18+)
Scotland
2008-09



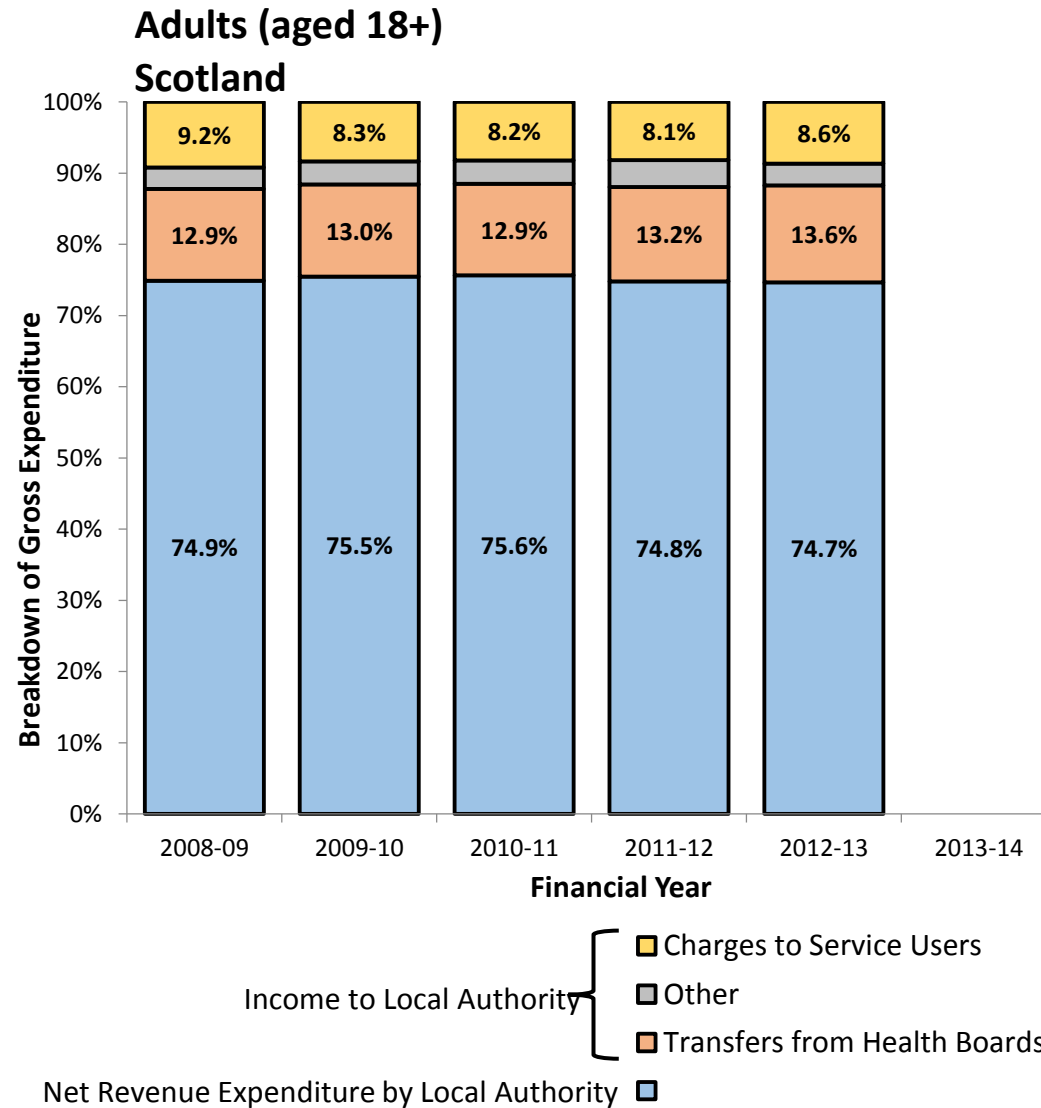
Gross Expenditure
Adults (aged 18+)
Scotland
2013-14



Overall decline in spend per head on social care in both 18-64 and 65+ age groups



Sources of funding for adult social care services have changed little: including transfers from health boards



Scotland: Public Bodies Joint Working

- The [Public Bodies \(Joint Working\) \(Scotland\) Act](#) was granted royal assent on April 1, 2014.
- It will put in place:
 - Nationally agreed outcomes, which will apply across health and social care, and for which NHS Boards and Local Authorities will be held jointly accountable
 - A requirement on NHS Boards and Local Authorities to integrate health and social care budgets
 - A requirement on Partnerships to strengthen the role of clinicians and care professionals, along with the third and independent sectors, in the planning and delivery of services
 - Partnerships will be jointly accountable to Ministers, Local Authorities, NHS Board Chairs and the public for delivering the nationally agreed outcomes.

England: Health and Social Care Act 2012

- To establish an independent NHS Board to allocate resources and provide commissioning guidance
- To increase GPs' powers to commission services on behalf of their patients
- To strengthen the role of the Care Quality Commission
- To develop Monitor, the body that currently regulates NHS foundation trusts, into an economic regulator to oversee aspects of access and competition in the NHS
- To cut the number of health bodies to help meet the Government's commitment to cut NHS administration costs by a third, including abolishing Primary Care Trusts and Strategic Health Authorities.

Conclusions

- Implications of legislated (protected) care support?
 - FRS analysis of local authority support
 - FRS analysis of informal care provision – no substitution
 - What do carers do? (41 per cent of care comes from this source)
- Interface between health and social care – greater efficiency to offset negative effects of cuts
 - Can legislation alone provide the answer?
 - Devoting resources to facilitate change
 - Joint Improvement Team (JIT)
 - Change fund (useful if properly evaluated)
- Housing – what part of the solution?
 - Quantitative easing – increased wealth of householders
 - Forecast increase in households – mainly single-person households
- New tax powers for Scotland as a mechanism for increased resources into social care?