

Public Funding for Adult Social Care in England: Is there an underlying rationale?

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International evidence on the impact of budget cuts on long-term care systems

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What is Adult Social Care in England?

Social care...comprises personal care and practical support for adults with physical disabilities, learning disabilities, or physical or mental illnesses, as well as support for their carers. The government's objectives are to enhance adults' quality of life, delay and reduce the need for care, ensure positive care experiences, and safeguard adults from harm.

National Audit Office 2014

Key Facts

- Publicly funded care makes up only a minority of the total value of care, and is decreasing.
- Most care and support is provided unpaid by family, friends and neighbours (informal care)
- Many adults pay for some or all of their formal care services.
- Local authorities typically fund care for adults assessed as having high needs and limited means.
- They commission most care from the private and voluntary sectors, with home care and care homes the most common services
- Local authorities provide a range of universal and preventative services, many of which are available without assessment of need.

National Audit Office 2014

Key Figures

£19bn

spending on adult social care managed by local authorities, 2012-13 (includes £2.5 billion user contributions)

9%

of adults in England limited 'a lot' in day-to-day activities by illness, disability or old age, 2011

64%

of local authority adult social care service users very or extremely satisfied overall with their care and support, 2012-13

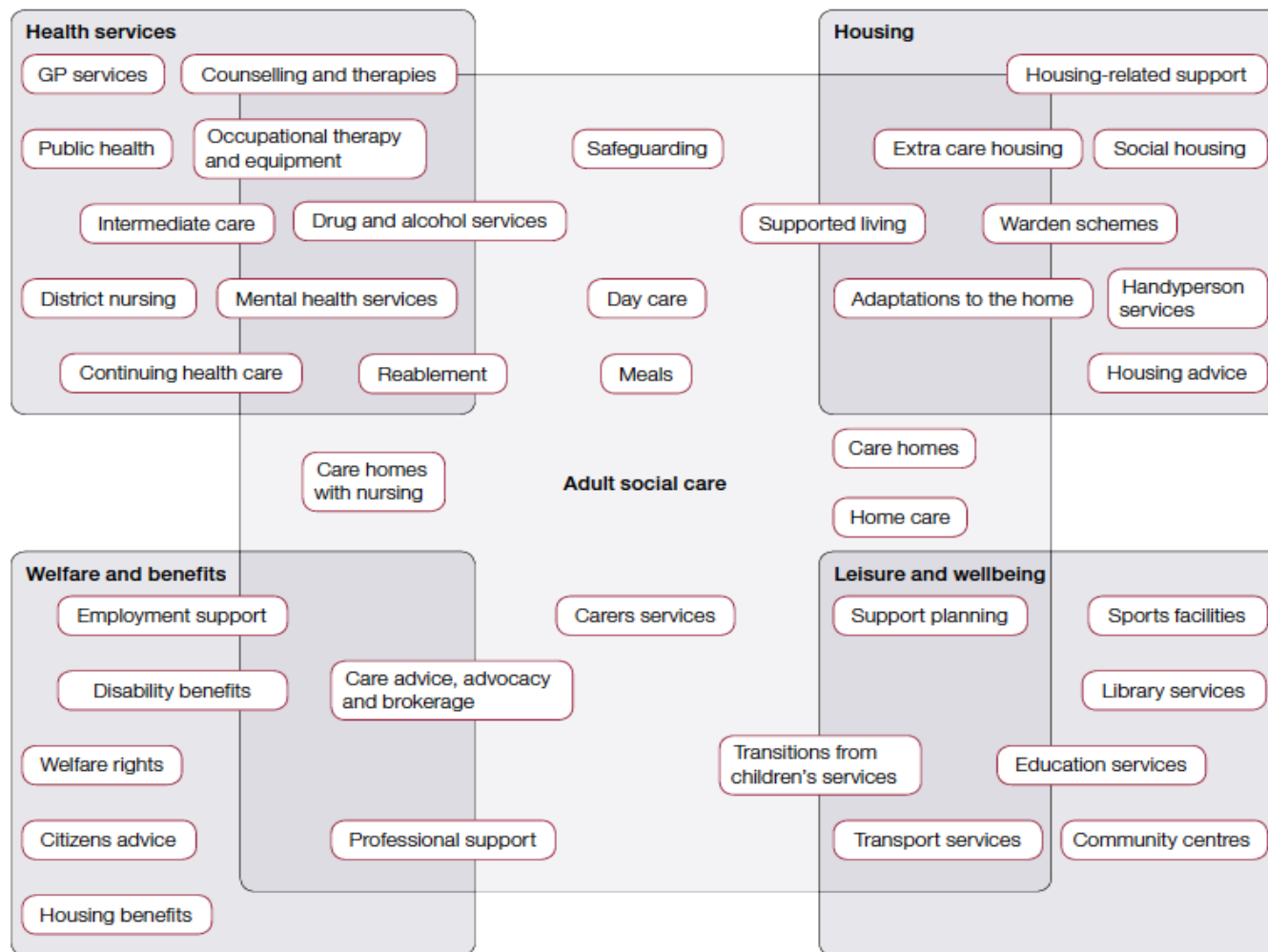
152	unitary and upper-tier local authorities in England responsible for adult social services
5.4 million	unpaid informal carers, 2011
1.5 million	people working in adult care, 2012
£10 billion	estimated spending on care and support by self-funders, 2010-11
£55 billion	estimated value of informal care and support, 2011
87 per cent	of adults live in local authorities that set their eligibility threshold to meet substantial or critical needs only

Social Care and the LTC System

- Adults' care needs are often multiple and interrelated with other needs.
- Adult social care is therefore part of a complex system of related public services and forms of support.
- How well services meet adults' needs depends on all parts of the system working together.
- Good medical management of long-term conditions can prevent a person developing care needs, and welfare benefits can maintain independent living.
- Good social care completes health service delivery models and may reduce admissions

Figure 1
Adult care services and other services

How well adults' needs are met depends on all parts interacting effectively



Source: National Audit Office

Policy Priorities

- *The Government believes that people needing care deserve to be treated with dignity and respect. We understand the urgency of reforming the system of social care to provide much more control to individuals and their carers, and to ease the cost burden that they and their families face.*
- *We will help elderly people live at home for longer through solutions such as home adaptations and community support programmes.*
- *We will guarantee that health spending increases in real terms in each year of the Parliament.*
- *The Government believes that people deserve dignity and respect in old age, and that they should be provided with the support they need. That means safeguarding key benefits and pensions, and taking action to make it easier for older people to work or volunteer.*

‘The Coalition: our Programme for Government’ (2010)

Policy Priorities

- New duties to promote wellbeing, assess needs of self funders and provide advice to them (2014 Act)
- Higher priority to integration with NHS, partly to enable it to close £20bn budget gap in last Parliament and a further £20bn to 2020 and
- Integrated working with social care said by Ministers to be necessary to the sustainability of NHS and its core values of universal care, free at the point of delivery.
- The NHS is the closest the British have to a national religion.... (former Chancellor of the Exchequer)

The Joe Biden Test

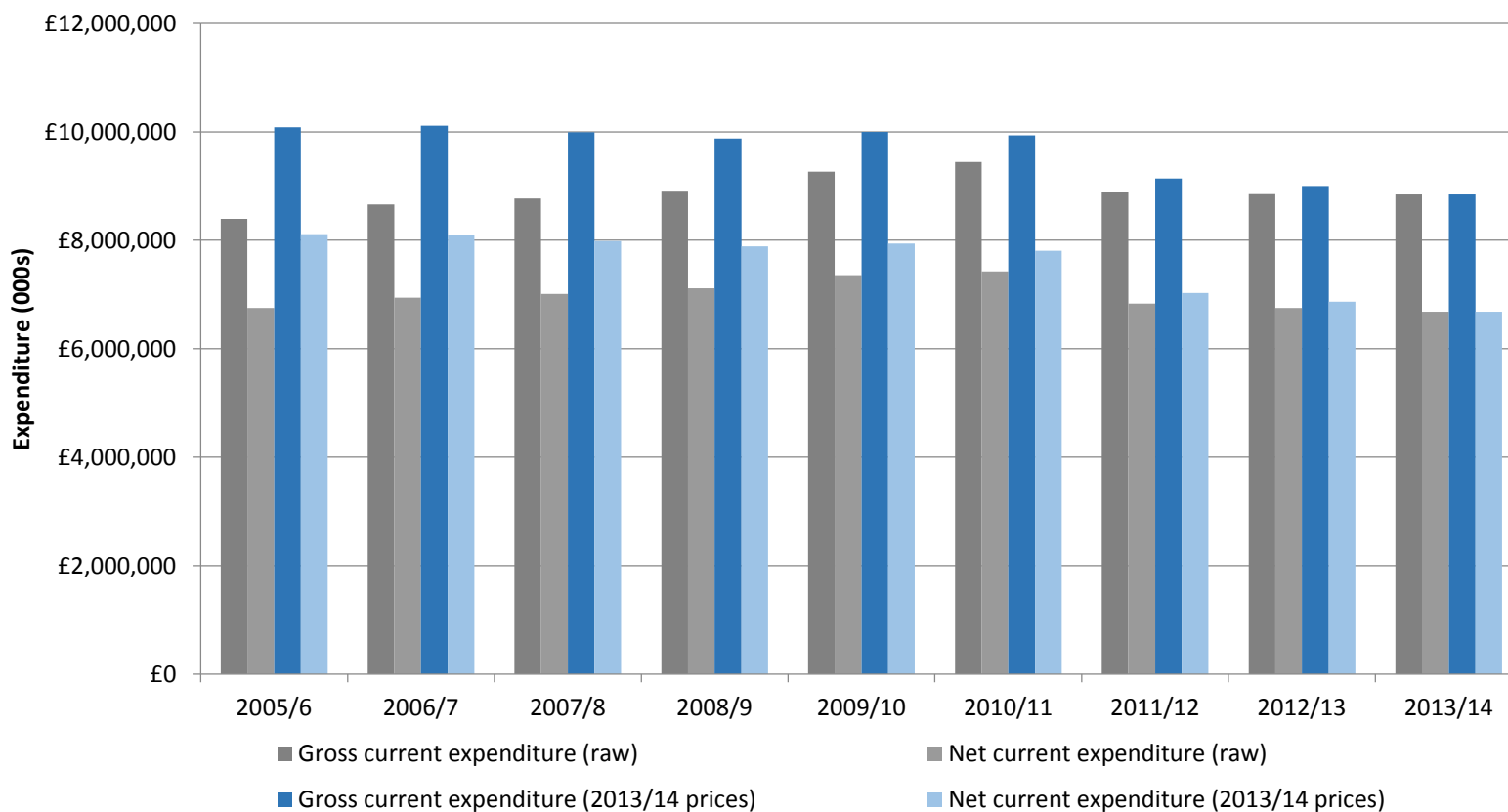
'Don't tell me what you value.

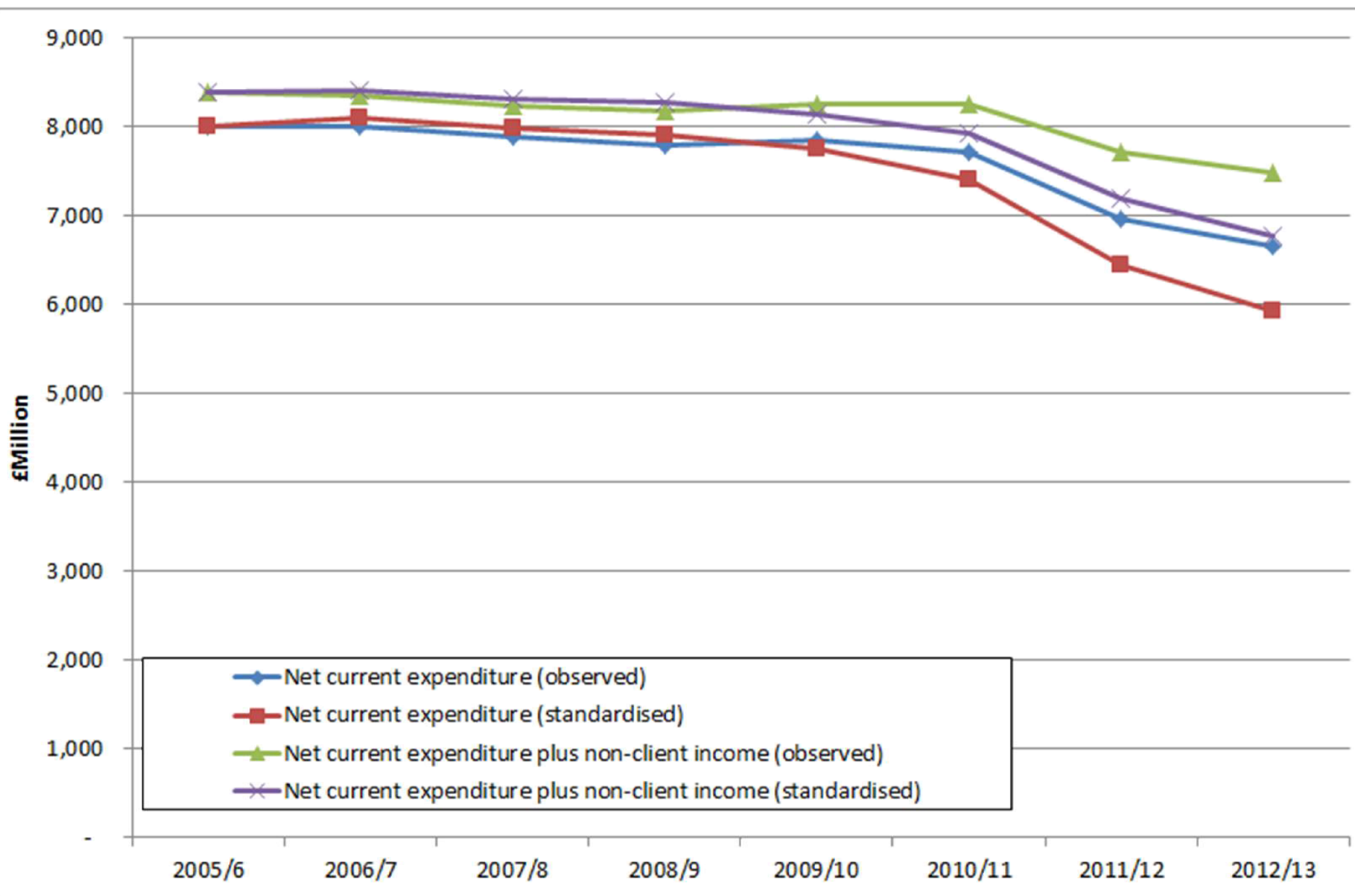
Show me your budget,

and I'll tell you what you value.'

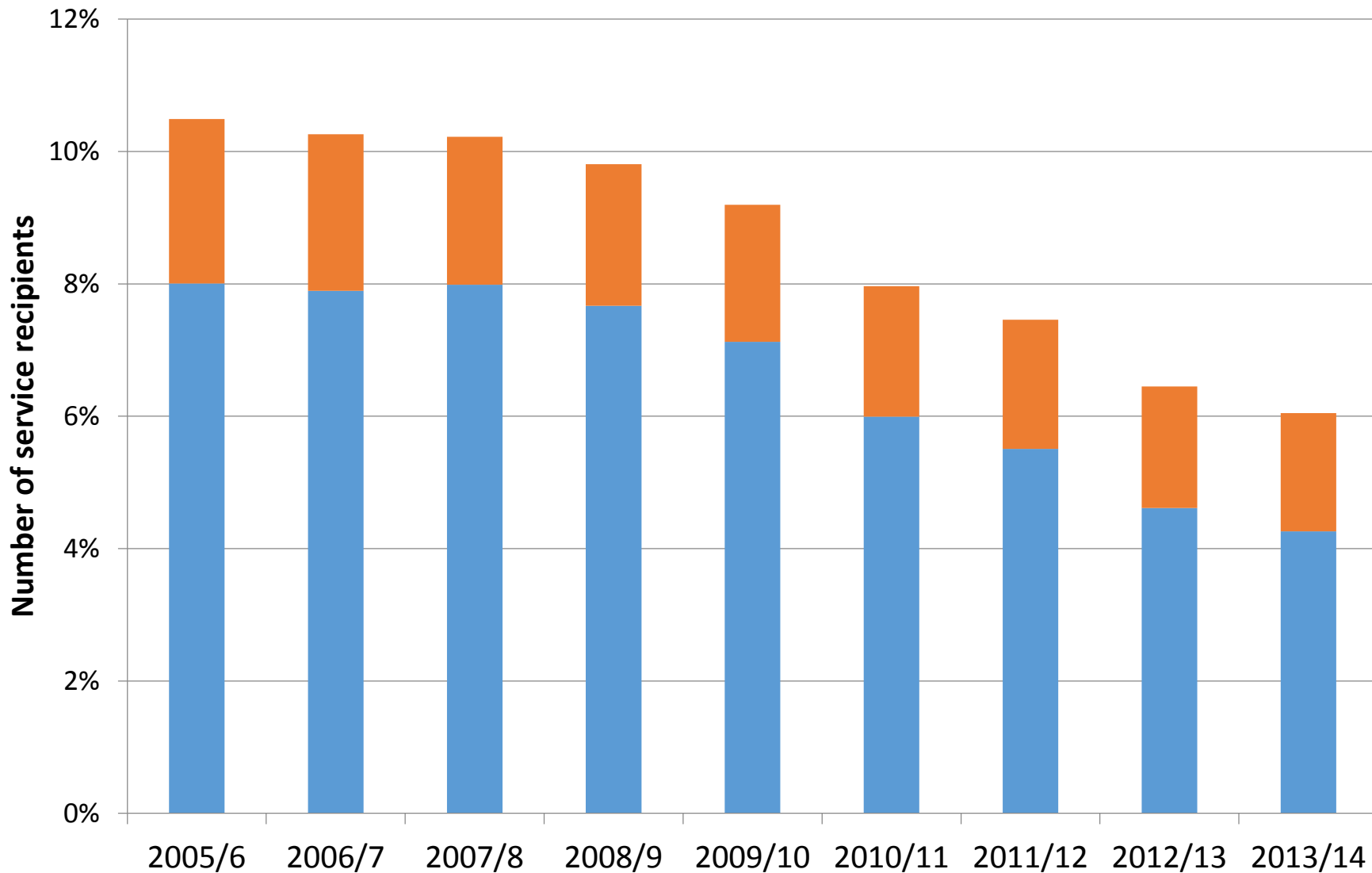
Spending on Adult Social Care

Total gross and net current expenditure (adults aged 65+)

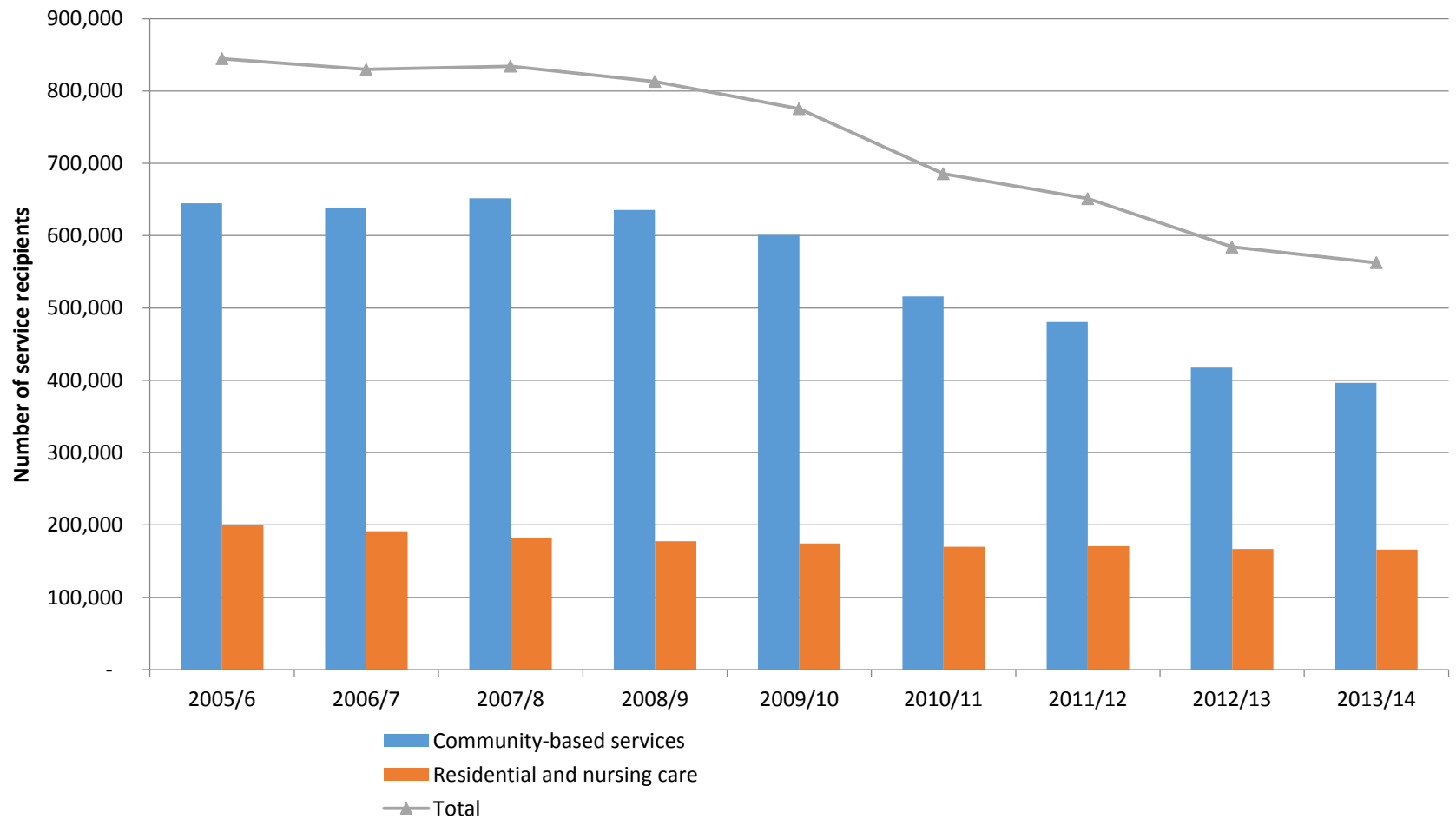




Proportion of older people (adults aged 65+) receiving support by service type



Total service recipients by service type (adults aged 65+)



Explaining the Contradictions

- We will guarantee that health spending increases in real terms in each year of the Parliament, *while recognising the impact this decision will have on other departments.*
- Local government took a big hit: a fall of 27% from 2010/11 to 2014/15 (HM Treasury, 2010).
- Adult social care did receive protection from councils and transfers from the NHS (£860m in 2013/14,) resulting in lower than average per capita cuts (17% compared with 23%) but fell far short of maintaining per capita coverage,
- Local Authorities cannot overspend but can increase their reserves (and have by 5%)
- The most deprived local authorities saw the largest average cuts: 28% per person in most deprived decile compared with 16% in the least-and by 2020 face further further real-terms cuts of 7.1% per person and 1.7% on average. (IFS 2015).
- NHS was increased in real terms each year (4%), it too fell behind the demographic curve: growth in over 65s was 10.5% and the growth in over 85s was 9%.
- Social Care cuts are part of the price we pay for maintaining NHS budgets even though the sustainability of the NHS is said to depend on social care substituting for and complementing NHS activities.

Impact of Cuts

- Tightening Eligibility criteria
- Concentrating more care on fewer people
- Changing contractual agreements, paying lower fees, negotiating bulk purchase discounts and commissioning less care in smaller units
- Instability of provider market
- Shift to private funding
- Pressure on NHS

Looking Ahead

- Higher demand and fewer resources,
- IFC estimates councils will have a further 20% reduction on their 2009/10 base making 40% in all and without reducing their statutory duties ASC is around a half of LA spending and growing
- The most deprived local authorities face further real-terms cuts of 7.1% per person on average; the least deprived just 1.7%.
- ADASS prediction of £1bn budget cuts in 2015/16
- As the changes take effect, central and local government risk not knowing if: services are deteriorating to unacceptable levels; needs are not being met; care quality is improving; and public funding is achieving value for money.(NAO)
- Gaps in data gathering meant that neither the government or the NHS understood how cut backs in taxpayer-funded social care support was affecting the health of older people. QualityWatch