Written evidence submitted by the Avenues Group [SOC 059]

Executive Summary

The following evidence represents the views of The Avenues Group Trust, a social care provider on the current financial sustainability of adult social care.

The 2015 Spending Review and Local Government Finance Settlement

The Impact

- There has been a reduction in hourly rates which will likely impact on quality.
- Eligibility criteria have become increasingly strict, reducing access to services and leaving many vulnerable.
- There will be a significant loss of small providers.
- Preventative and wellbeing services are being cut, and consequently more people may need emergency support, increasing admissions to A&E.
- The sector will be slow to respond with fewer providers in the market and the drive to return people to community-based settings will slow.
- More people will be expected to pay for their own support, which will negatively impact providers who have to chase these payments directly.

National Living Wage (NLW)

- The NLW will undoubtedly place further financial pressure on providers, who are not funded at sufficient levels to meet this.
- It will have a disproportionate impact on providers in the north.
- There is a danger that adult social care will be seen as a NLW employer, undermining the skills of the workforce.

2% Council Tax Increase

- The current deficit far exceeds 2% and this simply isn’t enough, especially with an ageing population and rising demand for adult social care.
- Local authorities in areas least demographically in demand of adult social care are seeing most benefit.

The Better Care Fund

- Some areas may benefit but we believe the Better Care Fund will not have a real impact on adult social care, since it is predominantly being used in services linked to the NHS.

Can local authorities fulfil their duties under The Care Act (2014)?

- Considering the evidence outlined, we believe many local authorities will fail to fulfil their duties under The Care Act (2014).
- This will likely include; a move away from personalisation; potential issues around safeguarding; a lack of preventative and wellbeing services; slower assessments; decreased quality in services; a lack of useful information and advice about local support; little progress in integrating with other public authorities and a less diverse market.

The role of carers in providing adult social care

- Carers providing unpaid support take a large financial pressure off adult social care.
- Carers often have a negative relationship with local authorities, feel they have to fight for services, are unaware of their rights and do not receive enough support to signpost them through the system.
• Local authorities are largely unable to assess and meet the needs of carers and do not have the resources to direct the funding they have effectively.

**The effect of local authority commissioning practices**

• Local authorities are in a difficult position given their resources and appear to be increasingly limited by procurement rules.
• We have seen a price first, quality second approach taken in many areas and a fixation on hourly rates.
• Short term contracts are increasingly common which impacts on providers finance teams and does not recognise the need for initial intensive support so that people’s needs may decrease over time.
• Preferred provider lists can be positive, however it is unclear how frequently and by what process these are updated.
• Work is often urgent and requires property, which Avenues do not have, meaning we are having to turn down work.
• Commissioning practices are often driven by individual commissioners and therefore expectations differ extensively.
• A lack of communication and collaboration is a barrier to effective commissioning and alongside procurement rules is stifling innovation.
• The Market Oversight Scheme plays a role in ensuring sustainability and quality assurance, however it may not deliver a diverse market and it is unclear how it works in practice.

**Innovative approaches to the design and delivery of adult social care**

*The integration of health and social care*

• While we believe the integration of health and social care would be extremely positive, we have not seen much progress and believe 2020 is an unrealistic goal.
• The main issue is culture, not budgets.
• Integration may help to ease, but could not bridge, the funding gap in adult social care.

**Innovative approaches**

• We would like to see more commissioner/provider collaborations, to deliver better outcomes for people.
• Assistive technology has the potential to change the way support is provided by giving people more independence and as such easing financial pressure.
• Use of individual budgets could achieve positive outcomes with people choosing the services that meet their needs.
• The effective delivery of the Transforming Care model has the scope to positively change adult social care.

1: Introduction

1.1: Avenues is a not-for-profit provider supporting over 600 people who have learning disabilities, dementia, mental health issues or acquired brain injury, alongside behaviour that challenges or complex needs. We work with people aged 9 and up. Our services are community-based and are located in London, the South East, East of England and the West Midlands.

1.2: This submission is a combination of the views of our executive and senior management teams.
2-6: The 2015 Spending Review and Local Government Finance Settlement

2: The impact

2.1: At Avenues the impact of the Spending Review has been relatively small. The majority of people we support have complex needs and/or challenging behaviour and are still receiving local authority funding. It will however impact on our organisational direction, with more services focussing on those with complex needs.

2.2: There has been a reduction in hourly rates and some people have had their support hours cut. Support now needs to be delivered in less time with less money, whilst maintaining quality. The impact will therefore be particularly pronounced in organisations, like Avenues, where quality is a major driver.

2.3: The impact on adult social care as a whole has been far greater. We believe there will be a significant shift in the landscape of the sector. Firstly, due to financial pressure, many small providers will be unsustainable and will close or merge with larger providers, leading to a loss of local knowledge.

2.4: Furthermore as a result of stricter eligibility criteria there has been a major reduction in access to services, leaving many socially isolated and vulnerable. We have seen many wellbeing services cut and there are limited opportunities to build this type of support into support plans, making it challenging for providers to deliver support which enhances life opportunities.

2.5: Many preventative services have also been cut. Short term, individuals accessing these services may have low level support needs. However it is almost impossible to predict who will experience a crisis and a need for emergency support as a result of these cuts. This is likely to lead to more emergency admissions to A&E. With fewer providers available we will see slower discharges as there won’t be the capacity to respond quickly.

2.6: We believe that more and more people will be expected to pay for their support. The way in which these individual payments are made to the provider is key – if providers are processing high numbers of small financial transactions it costs organisations time and resources.

2.7: Even if more funding became available it is unlikely to be put into services which are running adequately. It is our view that only a crisis will produce any real change.

3: National Living Wage (NLW)

3.1: We are concerned about the financial viability of providers paying the NLW and the impact it will have on service delivery. Some providers currently pay support workers less. Providers are already experiencing funding cuts and are not paid at sufficient levels to pay the NLW.

3.2: The NLW will also have a disproportionate impact on providers in the north, where they are at a disadvantage due to the wage differentials between north and south.

3.3: It is not our view that the NLW is negative in itself. It could help with recruitment; a significant challenge in social care. It also means every individual will receive a fair wage. There is concern however that social care will be seen as a NLW employer, suggesting support work is unskilled and therefore undermining the training and skills of the workforce.
4: 2% Council Tax Increase

4.1: It is our view that the 2% increase simply isn't enough: there is already a deficit larger than this. With an aging population the need for adult social care continues to grow, and current funding cannot cover the services needed at present. It’s clear that local authorities are utilising this function and investing the money, however it isn’t enough to have a real impact given the challenge currently facing social care.

4.2: Furthermore the 2% increase has led to a ‘postcode lottery’. In areas with higher property value and salaries, local authorities will have more money. These are not, demographically, areas where there is a high demand for social care.

5: The Better Care Fund

5.1: Because the Better Care Fund is being predominantly used in services linked to the NHS, particularly those likely to interact with A&E, it is our view that it will not have a real impact on the financial sustainability of adult social care. Some areas may benefit, but overall we are not seeing anything in terms of joint work, and the fund has not filtered through to service provision.

6: Conclusions: Can local authorities fulfil their duties under The Care Act 2014?

6.1: In the current funding landscape, we believe many local authorities cannot fulfil their duties under The Care Act (2014). In light of the evidence outlined above we believe that this will be affected in the following ways:

- A move away from personalisation as this is costly for local authorities, meaning individuals will not receive personalised support which works for them.
- Although safeguarding regulations are becoming more stringent local authorities do not have the available resources to deliver on this. Combined with a reduction in hourly rates, we may begin to see issues around safeguarding.
- Despite the emphasis on wellbeing and preventative services, we are already seeing these being cut and we believe this trend will continue which will in the long term be more costly.
- Assessments for both carers and people who require support are increasingly slow.
- We have seen little evidence of local authorities fulfilling their duty to check that services in their area are financially sustainable.
- In terms of integration with other public authorities we have seen slow and little progress.
- The predicted loss of smaller providers due to financial pressures means the market will be less diverse.
- Maintaining quality will be a challenge for many providers given the available funding.
- In terms of information and advice about care and support being readily available, this exists, but is not necessarily user friendly or particularly useful.

7: The role of carers in providing adult social care

7.1: We believe carers play a largely under acknowledged role, providing unpaid support which takes a large financial pressure off adult social care. Because of the complex needs of many people Avenues supports the role of carers is relatively small, e.g. contributing to support plans for people who lack capacity.
7.2: In our experience carers can have a negative relationship with local authorities, due in part to the fact they feel they have to fight for services. There is not adequate support to guide and signpost carers through a complex system.

7.3: We believe in the current financial landscape, local authorities are largely unable to assess and meet the needs of carers, and do not have the resources to direct available funding effectively.

8-9: The effect of local authority commissioning practices

8.1: Commissioners are currently in a difficult position given available resources and the systems in place. They also appear increasingly limited by procurement rules. In our experience local authorities are increasingly taking a price first, quality second approach.

8.2: We have seen a fixation on hourly rates. Whilst this makes sense for people who receive low support hours, it doesn’t create value where an individual’s support comprises many hours, often across their lifetime. We believe there is more value in considering costs over a longer period. This also places pressure on the efficiency of finance teams who spend time negotiating over a small number of hours in large contracts.

8.3: Many local authorities have a preferred provider list and this is good in so far as it means quality providers receive work. We are unsure though about how frequently these are updated so lower quality providers are removed. Furthermore, lots of referrals are urgent, but require housing. Providers like Avenues who don’t own property and need time to find rentals must sometimes decline work.

8.4: We have also found that commissioning practices are often driven by individuals and therefore differ extensively. This means uncertainty for providers about expectations. For example we have presented similar bids for similar work which received completely different reactions.

8.5: A lack of communication and collaboration between local authorities and providers stands out as a barrier to effective commissioning, which is often inflexible or prescriptive, stifling innovation. Typically providers are asked to respond to a pre-determined service specification or individual support package based on support hours to be delivered rather than outcomes to be achieved over a period of time.

8.6: Procurement rules are further limiting innovation, leaving providers frustrated and unable to flex their expertise to deliver better outcomes. For example, if we could be funded on a sliding scale we could support someone more intensively at the outset of a community-based placement, leading to increased independence and reduced support in the medium to longer term, together with less likelihood of placement breakdown and a return to an inpatient placement. We find commissioners are unwilling to engage in these discussions due to restrictive planning and budgeting cycles.

8.7: More communication and collaboration between commissioners and providers would create the conditions for innovation: in the past local authorities worked with providers and local communities to find out what was needed and how this might best be delivered.

8.8: Finally, commissioning practices have an impact on how providers are paid for services they have delivered. In the month providers deliver services, they must pay staff, national insurance and pensions and then issue an invoice to the local authority. If a local authority is fast, payment will be made at the end of the following month, but often this is not the case. As a result cash flow can be a significant issue for providers.

9: Market Oversight Scheme
9.1: The Market Oversight Scheme, undoubtedly has a role to play in ensuring providers are sustainable. However we are not sure this delivers a diverse market, instead it brings a lot of similar providers. In principle we believe it is essential to provide security for people supported by large organisations however in practice it’s difficult to see how it works, as many organisations have complex funding and financial structures leaving it difficult to adequately monitor potential failure.

10-11: Innovative approaches to the design and delivery of adult social care

10: The integration of health and social care

10.1: We have not seen any major progress in the delivery of integrated health and social care and we believe achieving this by 2020 is unrealistic. The main issue appears to be culture, not budgets. Health and social care are struggling to decide who holds the money; there seems to be a lack of trust between local authorities and the NHS. There is a lack of communication and commissioning is not integrated. We have seen a lot of rhetoric, but not a great deal of action and progress has been slow.

10.2: As such there is still a major division between health and social care with people being transferred back and forth, requiring endless assessments. We believe the outcomes of integration would be extremely positive as time and energy could be reinvested in delivering services. Integration could help to ease but would not bridge the funding gap with NHS and social care already facing huge deficits. Furthermore we believe integration would lead to better communication between health and social care, would open doors in terms of getting people out of hospital and back into the community and would mean more seamless service delivery for people. We therefore hope that work towards integration will intensify with results forthcoming.

11: Innovative Approaches

11.1: We would like to see more collaboration, with commissioners working alongside providers to deliver the best possible local services for people. We recently worked with Kent County Council’s Adult Social Services Department, NHS West Kent and another provider (MCCH) to redevelop a service. This changed from a care home to a supported living service in a new development incorporating assistive technology to increase independence and where possible reduce the need for paid staff. Such collaborations can produce real results for service users.

11.2: We believe assistive technology has the potential to change the way support is provided, which could be extremely positive. However, we have found that this is often sold solely as a means to cut costs when it fact it also has the potential to give the service users additional independence. The reduction in support hours is secondary to this, but would of course help to ease financial pressure.

11.3: We believe use of individual budgets could be positive. With individuals receiving a joint budget for health and social care, they can choose the services that are right for them and meet their needs. Again this would allow for greater independence and choice.

11.4: As mentioned earlier, we have found that procurement rules and commissioning practices stifle innovation.

11.5: Finally, we believe the effective delivery of the model of care that has emerged from the Transforming Care agenda has the scope to massively change adult social care for people with learning disabilities and/or autism.