Written evidence submitted by Age UK [SOC 151]

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1 Executive Summary

1.1 Age UK analysis shows that net revenue expenditure on older people’s social care has already declined by nearly £2 billion in real terms between 2005/6 and 2015/16, although we anticipate a slight recovery this year to £6.47 billion.

1.2 Rising demand and new cost pressures, combined with limited growth in funding, means that local authority funding for older people’s social care is set to remain under severe pressure throughout this Comprehensive Spending Review (CSR) period.

1.3 Age UK is in no doubt that inadequate funding for social care is having a serious detrimental impact on the health and wellbeing of older people and their families and carers. For a number of years we have been tracking the impact of declining social care support through our annual reports on the state of social care. Our most recent report ‘The Health and Care of Older People’, published in October 2015, shows a continuation and acceleration of these trends. Our updated report will be available by October 2016.

1.4 It is vital Government urgently address the future funding of social care and provide the means to invest in a strong, stable social care system. Government must also give full consideration to how it will support the growing number of self-funding service users, ensuring no one faces severe financial hardship as a result of care costs.

2 Cost pressures on local authority funded care

Increasing demand

2.1 Between 2005 and 2014 the number of people aged 65 or over in England increased by 18.8 per cent, or by more than 1.5 million people. Moreover, the greatest growth in percentage terms has been amongst those aged 85 and over, or amongst those most likely to need care. This age group increased by 29.3 per cent (or 289,000 people) over that period1.

2.2 Yet in real terms spending has already failed to keep pace with this growth in demand. Instead, spending stagnated between 2005/06 and 2009/10 before falling radically in the last 5 years. In 2005/06 local authority net current expenditure on older people’s social care totalled £8.26 billion in real terms, before falling by nearly £2 billion to just £6.3 billion in 2015/16. We anticipate a slight recovery in funding this year to £6.47 billion2.
Expenditure on older people’s social care and income, England, 2005/06 – 2016/17 (in 2015/16 prices)

Financial year | Total public expenditure on older people’s social care | Client contributions (sales, fees and charges) | NHS income | Net current expenditure | 65+ population (millions)
---|---|---|---|---|---
2005/06 | 0 | 1 | 2 | 3 | 4
2006/07 | 5 | 6 | 7 | 8 | 9
2007/08 | 10 | 11 | 12 | 13 | 14
2008/09 | 15 | 16 | 17 | 18 | 19
2009/10 | 20 | 21 | 22 | 23 | 24
2010/11 | 25 | 26 | 27 | 28 | 29
2011/12 | 30 | 31 | 32 | 33 | 34
2012/13 | 35 | 36 | 37 | 38 | 39
2013/14 | 40 | 41 | 42 | 43 | 44
2014/15 | 45 | 46 | 47 | 48 | 49
2015/16 | 50 | 51 | 52 | 53 | 54
2016/17 | 55 | 56 | 57 | 58 | 59

Source: Health and Social Care Information Centre (2015); Department for Communities and Local Government (2016, 2015); Office for National Statistics (2016)

Note: definitions of income and expenditure are in the footnotes

2.3 Currently the cost of demographic pressures associated with ageing alone will put considerable pressure on social care budgets in the coming years. Last year Age UK estimated that the funding required to maintain the current wholly inadequate system was already £7.97 billion in 2014/15, and in the context of demographic change would increase to £8.91 billion by 2020/21 (2014/15 prices), an additional £940 million. Furthermore this was a very conservative estimate that assumed a constant health profile of the older population. Meanwhile, improvements to the system to reduce levels of unmet need would require between an additional £3.8 and £4.2 billion, rising to an extra £4.2 to £4.6 billion by 2019/20.

The National Living Wage

2.4 A large proportion of costs in social care is accounted for by staff, many of whom are low paid and will be positively impacted by the introduction of the National Living Wage a measure we fully support. However, the Association of Directors of Adult Social Services (ADASS) estimate that the additional cost of the National Living Wage for all adult services will be £612 million in 2016/17 alone.

2.5 The impact is already being felt. In 2016/17 82 per cent of local authorities reported increasing fees to providers, many citing pay pressures as the primary drivers of increased cost.
Cost impact of new responsibilities in social care

2.6 The Care Act 2014 has also significantly increased expenditure for local authorities. The National Audit Office has estimated that the total cost of new responsibilities introduced under ‘phase one’ of implementation of the Act, including new responsibilities to support carers and enhanced services to self-funders, will total £2.5 billion between 2013/14 and 2019/20.

2.7 In addition to the Care Act, local authorities will also be required to implement a number of other changes that will increase costs. A series of recent court rulings, including decisions requiring providers to pay home care staff for travel between appointments and to pay care home staff for sleep-overs have led to increased costs.

3 Impact of the Comprehensive Spending Review

3.1 Unfortunately the adult social care provisions set out in the Comprehensive Spending Review 2015 do not in any way reassure us about the future of older people’s social care or the ability of local authorities to manage growing cost pressures.

3.2 New measures that will start to take effect in 2016/17 include a new ability for local authorities with social care responsibilities to levy an additional 2 per cent social care precept; and an additional investment in the Better Care Fund from 2017/18, rising by £1.5 billion by 2019/20. However, it is already clear that the maximum additional revenue generated through these measures will fall short of what is required.

3.3 In 2016/17 the social care council tax precept raised £381.8 million for all adult social care with 93.4 per cent of local authorities choosing to levy the precept at the full amount. Assuming that 51 per cent was spent on older adults, in line with proportionate spending on older people, this would result in a budget increase of just £194.7 million. Furthermore the Local Government Association has previously estimated that, at best, the precept could raise a maximum of £1.7 billion by 2019/20.

3.4 Meanwhile the additional funding made available through the Better Care Fund will not come into effect until 2017/18 and will be ‘back loaded’, thereby delivering little benefit until the tail end of the CSR period.

3.5 Overall, although total local authority adult social care budgets rose slightly in cash terms by 1.2% between 2015/16 and 2016/17, this figure conceals considerable variation between local authority areas (with budgets in 70 councils having actually fallen) and nonetheless will still require councils to make savings. According to the ADASS budget survey, local authorities plan to make savings worth £941 million in total across adult social care this year. This is on top of nearly £1 billion of cuts to adult social care budgets in 2015/16.

3.6 Furthermore, these measures must also be seen in the wider context of funding for local government and the transition period as the central government grant is phased out in favour of locally raised revenue. Our analysis suggests that overall, local
government spending will fall by 8.3 per cent in real terms between 2015/16 and 2019/20\textsuperscript{20,21}; it is therefore difficult to see how social care spending will be maintained under these circumstances, let alone keep pace with demand or growing costs.

3.7 Public Health funding has also been delegated to local authorities and will be reduced by 3.9 per cent annually from 2016/17, leading to an estimated real terms reduction of at least £600 million by 2019/20\textsuperscript{22}, further constraining the capacities of local authorities to invest in measures aimed at reducing future demand.

3.8 In light of cuts to both social care and public health budgets, we are also concerned about the potential impact of one option suggested in the DCLG consultation on reforms to local government funding – to transfer responsibility for Attendance Allowance to councils. Attendance Allowance plays a crucial preventative role for many older disabled people, one which has become increasingly important as local authorities are forced to focus diminishing resources on those with only the highest needs. For this reason, among others, Age UK is strongly opposed to this option.

4 Adequacy of funding and the impact on older people

4.1 Age UK is in no doubt that inadequate funding for social care is having a serious detrimental impact on the health and wellbeing of older people and their families and carers. For a number of years we have been tracking the impact of declining social care support through our annual reports on the state of social care. Our most recent report ‘The Health and Care of Older People’ published in October 2015 shows a continuation and acceleration of these trends. We are currently working on our forthcoming 2016 publication which will be available by October.

Rising levels of unmet or ‘under-met’ need

4.2 Reduced funding has clearly resulted in restricted access to local authority support. Tighter eligibility resulted in the number of older people receiving social care falling from 1.2 million during 2005/6 to 850,000 in 2013/14, despite rising numbers of older people.
4.3 Home care (domiciliary care) and community based services have been hardest hit by the cuts as local authorities have focused limited resources on those with the highest levels of need. Services that have experienced particularly deep cuts are those most associated with prevention, support for independent living and support for informal carers. Whilst understandable given the need to focus on crisis intervention we are deeply worried that this is storing up big problems for the future.
As a result, levels of unmet and under-met need have been rising in recent years. In 2015 the number of older people who had difficulty undertaking activities of daily living (such as getting dressed, washed and eating) and instrumental activities of daily living (including managing medication, cooking or shopping for essential items) and who did not receive adequate help exceeded one million for the first time.

### Delays and cuts to service provision

There is also a growing body of evidence that shows service provision is being cut back or delayed to those who should still qualify for support.

Delayed transfers of care from hospital have risen significantly in recent years. The National Audit Office’s recent report found that while official data already showed a 31 per cent increase in delayed transfers since 2013, the true numbers could be far higher. Their own survey suggested that the number of older people in hospital who are no longer benefiting from acute care could be up to 2.7 times higher.

Our analysis shows that delays attributable to waits for home care packages or care homes placements have been steadily increasing in recent years.
4.8 A recent Age UK report ‘Behind the Headlines: are older people and families really to blame when their hospital discharges are delayed’ also reveals a deeply concerning picture of delayed assessments, poor processes and inadequate service provision for people whose delays were characterised as due to ‘patient or family choice’.

4.9 Enquiries to Age UK’s information line reinforce this picture of a social care system stretched to the limits and struggling to cope; including delayed assessments and cuts to the services people receive. These are just some typical examples:

“The client’s mother was admitted to hospital following heart failure. The client has been told that her mother can be discharged from hospital, but the client wants a care needs assessment as her mother will now need personal care. However social services say that this will take months to put in place and have therefore advised her to purchase care privately.”

“The client receives a direct payment from social services to pay for care. She has received a letter saying that due to financial constraints her direct payment will be halved. The client says she can only go outside with assistance and the local authority says she is not entitled to this support.”

Declining quality

4.10 Age UK is equally concerned about the quality of care services for older people, whether this relates to the sufficiency of packages or quality of provision.

4.11 In 2016 a UNISON survey of more than a thousand home care workers found 58 per cent had been given just 15 minutes to provide personal care services to clients, with 57 per cent reporting being given just 15 minutes to care for someone they had never met (26 per cent saying this was a regular occurrence). Respondents further reported that a lack of time meant individuals are routinely left with unmet needs, for example 32 per cent said they did not always have time to address personal hygiene needs (e.g. washing and bathing) and 24 per cent lacking time to take someone to the toilet. Unfortunately, despite clear national guidance that the use of 15 minute visits should be limited, UNISON found the proportion of councils commissioning 15 minutes visits had increased from 69 per cent in 2013 to 74 per cent in 2015.

4.12 Sadly these findings mirror the concerns we hear from older people and their families. It is also clear that Directors of Social Services share these concerns. The 2016 ADASS Budget Survey finds that 82 per cent agreed that more providers are facing ‘quality challenges’.

Inadequate local authority fee rates

4.13 Age UK is also concerned about the viability of local care markets. In the ADASS 2016 Budget Survey 125 councils reported that at least one provider in their areas had ceased trading in the last 6 months, while 91 areas had seen contracts ‘handed back’. There is a growing body of evidence that market instability is having a real impact on older people and their families, a typical example from Age UK’s advice line includes:

The client’s father in law has been discharged from hospital and has been assessed by social services as needing care which includes 4 home visits a day. However the local authority is unable to find a care agency that will provide this at the authority’s usual rate, which is £13.00 an hour. The client has found an agency that can provide the care, but the cost is higher than the local authority will pay. Her father cannot therefore return home so has now been separated from his wife and is currently in a temporary care home placement.

4.14 Even where people qualify for local authority funded residential care they, or their relatives, may be asked to pay ‘top up’ fees to cover the difference between the local authority rate and the care home fees. ‘Top ups’ should be voluntary and only paid if an individual choses a more expensive home after being offered a suitable alternative by their local authority. However, increasingly, evidence suggests some older people have little alternative in order to find care that meets their needs. Nationally, according to Laing and Buisson research, an estimated 24 per cent of care home residents pay top-ups. However this masks huge regional variation; in the South East, where care homes are typically the most expensive, this rises to 54 per cent.
The impact on carers

4.15 There are now more than 2 million carers aged 65+, with 417,000 aged over 80. Nearly two thirds of older carers have a health condition or disability of their own and many are caring at quite high levels of intensity, with over 70 per cent of carers aged over the age of 80 (those most likely to be caring for a co-resident partner) providing over 20+ hours of care a week and 34 per cent providing 35+ hours.

4.16 Reduction in the availability of care services is having a detrimental impact on carers, both in terms of access to carers support and on the support received by those for whom they care.

4.17 Age UK and Carers UK’s 2015 report Caring into later life: The growing pressure on older carers showed the total number of older carers offered a carers assessment in 2013/14 barely increased since 2006/7, despite a 35 per cent increase in the number of carers over this period of time. The report also found that the total number of carer’s assessments offered to carers aged over 75 had dropped slightly. Furthermore, of those offered an assessment, almost 10 per cent fewer were then offered a service (as opposed to just information and advice).

4.18 Carers UK’s 2016 State of Care report also found that 34 per cent of carers surveyed reported a change in their care provision in the past year, with the majority (59 per cent) reporting reductions in either their own support or in the services provided to the person they care for.

5 Future Funding

5.1 It is clear that urgent action is required to ensure there is sufficient funding available for a strong, stable care system. As outlined in our submission, since 2005/06 funding growth for older people’s care persistently fell short of that which would have been required to keep pace with demand, and cuts since 2009/10 have accelerated these trends.

5.2 The impact is now severely impacting on older people, with large numbers forced either to rely on informal care for the help they need or struggle with insufficient support. For those older people able to access the system, delays in assessment, insufficient or poor quality services and the requirement to ‘top up’ are becoming increasingly the norm.

5.3 The Care Act 2014 also paved the way for implementation of a new system of long term care funding based on the proposals of the Dilnot Commission. Implementation was delayed as a cost saving measure for the duration of this CSR period. However, there are growing numbers of self-funders and it is vital Government ensures that no one is left to face severe financial hardship or navigate an uncertain and failing social care market. Government must set out how it intends to improve support for self-funders as part of any social care funding reforms.

5.4 Finally, it is impossible to separate the financial sustainability of the social care system from that of the NHS. Unmet need in social care is eventually met somewhere, and that is typically in an acute hospital following a crisis. As the rising
levels of delayed transfers of care attest, people can then stay in hospital longer than they need as the absence of social care support prevents them from going home safely. The National Audit Office report estimated that delayed discharges like this cost the NHS £820 million a year\(^{41}\). At the same time, the hospital sector finished last year with a deficit of £2.45 billion\(^{42}\).

5.5 Any new system should account for the link between social care and NHS services. Building in flexibility across the system so that savings in one sector (NHS) can be shared across the other (social care) would help both to improve productivity and more importantly, would improve outcomes for people. Where people are moving between settings it may be appropriate for healthcare providers to take a lead on what is traditionally social care support in order to better coordinate their care. Some hospitals are already playing this role by directly recruiting social workers\(^{43}\).


\(^7\) Definitions of income and expenditure

Total public expenditure - spending on social care from own provision (council/authority provides), provision by others (self-funders fund and authority/council provides including Direct Payments) and voluntary organisations (council/authority funds voluntary organisation to provide social care) minus income from client contributions. Net current expenditure is total expenditure minus income. Client contributions - income from charges to self-funders including client’s contribution to a Managed Budget and partial or full contribution to residential/nursing/domiciliary care. Does not include top-up payments from a third party. NHS income - includes reimbursement from any health body. Expenditure resulting from this reimbursement is included in the net and total expenditure figures.

\(^8\) Age UK, The Health and Care of Older People, 2015.
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