About the Care & Support Alliance

The Care & Support Alliance was established in July 2009. We represent 80 of Britain’s leading charities campaigning for a properly funded care system alongside the millions of older people, disabled people and their carers who deserve decent care.

Executive summary

- The Spending Review was a key opportunity to provide a sustainable national funding settlement for health and social care. However, the investment made fell short of what is required and the funding gap in social care is now estimated to reach between £2.8 billion and £3.5 billion by the end of this parliament.¹
- A number of uncertainties make the settlement for social care difficult to gauge, however spending is likely to be broadly flat in real terms over the parliament, despite increasing demand for care and support.²
- The distribution of funding for social care over the parliament fails to deliver much needed support to the system this year. Instability in the care provider market is an immediate threat to the care of tens of thousands of people.
- Underfunding in social care is undermining the transformation and sustainability of the health service.
- There is a growing body of evidence on the impact of underfunding on the ability of councils to meet their statutory care and support duties and the quality and availability of social care for disabled and older people.
- The impact of the Spending Review is still emerging and full details of how the funding mechanisms will operate are still to be outlined. However, it is highly likely that in lieu of a sustainable funding settlement, social care will continue to worsen over this parliament.
- We recommend that the Committee:
  - Continue to monitor over the next year the impact of the spending review on health and social care and people with care and support needs.
  - Asks the Department of Health to detail a) what they are doing to monitor whether local authorities are meeting their statutory duties and b) what action they will take if it is brought to their attention that a local authority is unable to meet its statutory duties with the budget it has been allocated.

Funding mechanisms for social care

The Government has detailed plans to raise up to an additional £3.5bn of social care funding over this parliament, to be delivered through an improved Better Care Fund (BCF) and the social care precept. However, it is now clear the full amount will not be realised and will not meet the immediate and growing funding gap in social care, as the evidence below outlines.

The social care precept


² Ibid
1.1 New powers granted in the Spending Review allow councils to increase council tax by 2% without a referendum as long as the money raised is spent on social care. The Local Government Association estimate this could raise an additional £1.7 billion p.a. by 2019/20 only if every council with responsibility for social care were to use the precept every year of the Spending Review.

1.2 Research by the Local Government Chronicle has found that the majority of eligible councils are planning to utilise the social care precept, though it is unclear how many of these plan to do so every year.³

1.3 However, even if every council were to utilise the precept, an estimated funding gap of between £2.8 billion and £3.5 billion in 2019/20 would remain.⁴

1.4 The Care & Support Alliance is also concerned that the money raised actually reaches social care, as the Government has not yet detailed what mechanisms they will put in place to ensure this.

Improved Better Care Fund
2.1 An additional £1.5 billion will be invested in the Better Care Fund (BCF) by 2019/20, which the Government is proposing to use to ‘top up’ those authorities that will raise less from the social care precept.

2.2 While it is positive that the government is seeking to distribute funding for social care more fairly, the additional BCF funding will not be introduced until 2017/18, when it will deliver only £100 million. The social care system is in need of investment immediately, but it is not until 2019/20 that the BCF will deliver a significant amount of funding, amounting to £1.5 billion.

2.3 The integration of health and social care across the country will not be possible while the social care system is underfunded and under pressure as it currently is.

Local government funding
3.1 The central government grant will fall by 60% over this parliament and local authorities’ overall spending power will drop by an average of 8%. The bulk of the reductions will be frontloaded into the first half of the period.⁵

3.2 This follows reductions in the grant over the past five years that saw £4.6 billion removed from social care budgets. Some of this was achieved through reducing bureaucracy, but the Association of Directors of Adult Services 2015 Budget survey showed that 28% of efficiency savings were in fact delivered through ‘reducing volumes of care packages’, which the CSA would argue represents cuts not efficiency. Looking at local authority


⁴ Nuffield Trust, The Health Foundation and the Kings Fund, The Spending Review: what does it mean for health and social care?

budget consultations for 2016-17, proposed ‘efficiency savings’ include recruitment freezes and reducing the number of qualified social workers, neither of which is necessarily efficient.

3.3 Few opportunities for further efficiency savings remain and the continued spending reductions now pose a real threat to vital care and support services.

3.4 The Spending Review provided further details of the complete planned phase out of the central government grant for local authorities by 2020. Councils will be allowed to retain all income raised from the collection of local business tax rates. However, this has implications for the equity in funding available for social care across the country given the wide disparities in income-generating potential between richer and poorer areas. These changes to local authority funding also have implications for how the Government funds new burdens in future, such as the phase two Care Act reforms.

3.5 It is vital that reforms to local government funding do not result in less overall funding being available for social care or exacerbate inequalities in provision across the county.

Impact of social care underfunding
We have looked at a number of local authority budget consultations for 2016/17 and their planned social care spend and savings. The reduction in the central government grant has left local authorities with limited options for making cost savings, which is affecting their ability to protect social care services. There is emerging evidence that budget pressures are reducing their ability to deliver their statutory responsibilities and are undermining the principles of the Care Act. For example, one council we looked at is proposing reductions in staff which they acknowledge would reduce their capacity to fulfil a range of statutory duties, including carry out assessments and reviews, undertake safeguarding activities and fulfil Deprivation of Liberty Safeguards (DoLs) responsibilities.

Quality of social care
4.1 Last year, the Care Quality Commission (CQC) rated 41% of care providers in England as either ‘inadequate’ or ‘requires improvement’. They cited cuts to local authority budgets as one of the factors placing adult social care under pressure and creating issues around the sustainability of provision.6

Unmet needs and access to care and support
5.1 As people live longer with multiple long-term conditions and the population ages, increasing numbers need care and support. Despite this, fewer people are receiving state-funded support. The number of people accessing care services has fallen by half a million since 2008/9, a reduction of 30%.7

5.2 The need for care and support is broader than just those people who meet the eligibility criteria. Age UK estimate there are now more than one million older people in England with


unmet needs for care and support.\textsuperscript{8} This is in part due to local authorities tightening their social care eligibility criteria over the past ten years as their budgets have become more constricted. In 2014, 90\% of councils only provided care for people with ‘critical’ or ‘substantial needs’, whereas in 2005 it was 47\%.\textsuperscript{9} The new national eligibility criteria introduced under the Care Act in 2015 effectively ‘locked in’ eligibility at this high level.

5.3 In response to budget cuts, at least one of the councils we looked at is aiming in future to only assess those ‘likely’ to be eligible for support. This would be completely contrary to the Care Act which clearly states an assessment should be offered on the appearance of need.

**Decreasing spend on prevention**

6.1 Support to prevent escalating social care needs is central to the Care Act and to delivering long-term savings to local authorities and the NHS. Yet, despite 73\% of Directors of Adult Services reporting this as of high importance in last year’s Directors of Adult Social Services Budget survey, spend on prevention has fallen by 6\% in just one year.\textsuperscript{10}

**Cuts to care packages**

7.1 Most of the council budget consultations we have looked at talk about cutting care packages to help them make the savings demanded by central government. Proposals range from reviewing all or high-cost care packages, reducing care hours and moving people off care packages.

7.2 Reducing care packages will in many cases mean no longer meeting the needs originally assessed as eligible. Since the Care Act requires that local authorities meet needs deemed to be eligible, this will in many cases mean that local authorities are unable to meet their duties under the Care Act.

7.3 The Association of Directors of Adult Social Services 2015 Budget survey found only 27\% of Directors said reducing the level of people’s personal budget was not relevant to making their savings that year while 12\% said it was of high importance.\textsuperscript{11}

7.4 A survey by the disability charity Scope carried out last year, found a third of social care users had seen a decrease in the hours of support they receive since 2010. Just over 80\% of those said they now did not get enough support through their care package.\textsuperscript{12}

**Impact on carers**

8.1 As funding for social care shrinks, family and carers are being expected to take on greater caring responsibilities for their relatives. Research by Carers UK shows that between


\textsuperscript{11} Ibid

2010/11 and 2013/14 home care provided by local authorities in England reduced sharply, by 13%. The proportion of carers providing a substantial number of hours of care each week increased substantially over the same period.\textsuperscript{13}

8.2 In response to budget cuts, one of the councils we looked at planned to reduce residential care admissions by looking to families to continue to support people at home for longer, while also proposing to decommission their carers’ support service. Failing to support the health and wellbeing of carers undermines their inherent value and ability to continue in their caring role as long as they are willing and able to do so.

8.3 Carers play a vital role, but they cannot be expected to prop up a social care system in financial crisis. The number of people aged 65 and over is expected to outstrip the number of family members able to provide care for them by 2017.\textsuperscript{14}

Impact on the care market

9.1 The funding crisis in social care has resulted in an unstable care market. Providers of local authority-funded care have seen their fees decrease and are now warning of the impact on the quality of care and the risks associated with multiple providers leaving the market as it becomes financially unviable or unprofitable to continue providing a service.

9.2 Of the providers surveyed by the UK Home Care Association (UKHCA), 93% of providers trading with councils had faced a real-terms decrease in the price paid for their services in the last 12 months. Over the next year, 74% said they would reduce the amount of publicly funded care they delivered. If multiple providers decide to leave the state-funded care market and only provide care to self-funders, those unable to pay for their care will have a more limited choice of options and the quality of care they receive would likely be lower.\textsuperscript{15}

9.3 The introduction of the National Living Wage (NLW) from April this year will increase providers’ costs and financial pressure on councils trading with them to meet that increase. 71% of providers surveyed by UKHCA said they were not confident fee levels would meet the additional costs of the NLW.\textsuperscript{16}

9.4 Local authority service cuts risk increasing pressure on providers. At least one council whose budget consultation we looked at are proposing stopping all day care services for people in residential care and would instead expect staff to arrange activities. This may not be possible for providers under current contracts, without extra resources to do so.

Impact on the NHS and NHS England’s Five Year Forward View


\textsuperscript{16} Ibid
10.1 Ahead of the Spending Review, Chief Executive of NHS England, Simon Stevens, made clear that the Five Year Forward View and NHS cost-savings would not be achievable without a sustainable settlement for social care.

10.2 The gradual collapse of the care provider market would have a huge impact on the NHS. Independent think tank, ResPublica, projects a loss of 37,000 care beds within five years as funding fails to meet demand. That would be personal disaster for the individuals who live in those residential homes and increased pressure would fall on councils with a statutory duty to meet those peoples’ needs, but also on the NHS. If just 50% of those lost care bed places flowed through to hospitals it would cost the NHS £1.5bn per year from 2020/21.

10.3 A lack of social care provision is causing record-breaking numbers of delayed transfers of care. In the 12 months to November 2015 the number of ‘delayed days’ due to delayed transfers of care rose by less than 10%, whilst the number of days attributable to lack of home care provision rose by almost 50%.

10.4 Families and carers are unable alone to plug the gap in provision. Nearly one in three families do not have the family network to properly support older people after hospital according to Royal Voluntary Service research into support post-hospital discharge.

10.1 For the Government’s additional funding in the health service to have a real impact over the course of the parliament, the social care system must also be adequately funded.

Impact and management of deficits in social care
11.1 The Public Accounts Committee recently reported on the Care Act first-phase reforms and local government new burdens, criticising the Government’s ability to respond effectively to local government cost pressures. They expressed particular concern about the amount of time it would take for the Department of Health to detect local authorities struggling to fund implementation of the Care Act and to initiate its response.

11.2 The Department for Communities and Local Government’s definition of a ‘new burden’ means that local authorities are not guaranteed funding for significant new costs, such as National Living Wage (NLW) - estimated to cost £800 million in 2019/20 - and costs associated with increased numbers of Deprivation of Liberty Safeguards (DoLs) assessments following the Supreme Court ruling in March 2014 – estimated to cost an additional £172 million a year.
11.3 Local authorities must be provided with adequate funding to meet significant new cost pressures including the National Living Wage and Deprivation of Liberty Safeguards assessments.

Forthcoming evidence on the impact of social care funding
Care & Support Alliance members are carrying out various pieces of work we believe bear relevance to the Committee’s inquiry and we would be happy to share this evidence with the Committee when it is published.

- The Royal National Institute of Blind People will be submitting Freedom of Information Requests in April 2016 regarding local authorities’ implementation of the Care Act.
- Leonard Cheshire Disability will be publishing data on the prevalence of 15-minute home care visits in England and Wales, in February 2016.
- Independent Age will be publishing a report on the implementation of the Care Act in March 2016. It will cover peoples’ experiences of assessment, information and advice provision, and local authority practices related to top-up fees and eligibility.

22 January 2016