I am writing in my capacity as Chief Executive of the Lifeways Group to respond to the Health Select Committee’s inquiry on the impact of the Comprehensive Spending Review on health and social care. We are delighted that the Committee is looking at this issue and Lifeways would relish an opportunity to present oral evidence at a future session.

For background, Lifeways is a major provider of supported living services to people with learning disabilities, supporting over 5,250 people across the UK. We deliver high-quality, local services, personalised to meet individual needs and aspirations. Our services offer support for people with a range of needs, providing solutions which empower and enable them to become more independent and live fulfilling lives.

Our aim always is to provide people with just the right amount of care and support, and to ensure that this is done as flexibly as possible. This offers choice to our service users, and good value to commissioners and to the taxpayer. With 20 years of experience, we are acutely aware of the challenges facing the social care system and opportunities for improvements in the delivery of services for vulnerable people.

It was positive to see the Government recognise in the Spending Review that the pressures facing the social care sector are unsustainable. However, the subsequent solutions only partially address the current challenges. I am concerned the Government’s efforts to improve care and rights for people with learning disabilities, as well as moving ahead with other key policy pledges, will be undermined unless greater action is taken. The substantial bulk of the new funding identified for social care in the Spending Review is back-loaded towards 2020, but the problems facing social care are present right now.

We fear that the whole social care market is at risk of failure, and feel the decisions announced in the Spending Review fail to address the difficulties. Pressures that are plainly evident in the home care market are, we believe, a precursor to wider problems in care homes and supported living. It is quite possible a major provider in social care will fail, with consequent problems for the people being supported, as well as funders and regulators. We are particularly concerned about smaller organisations failing over the next 12 – 24 months as this will restrict choice for individuals in their service provision.

Lifeways - along with other care providers - has been doing more for less over the last five years, and has felt the full force of the severe cuts in Local Government spending. Lifeways has received virtually no inflationary increases since 2011. We have also worked closely with local commissioners to find ways of delivering better services for less money. Therefore, in real terms we have faced major decreases in our budgets, during a period in which we have improved workforce terms and conditions in order to recruit and retain high quality staff and increased our investment in training and leadership support to ensure we meet the expectations of the people we support, and our funders and regulators. In real terms, Lifeways (along with the rest of the sector) is providing learning disability services at the same rate per hour (or less) than we were providing in 2010.

Specifically in the learning disabilities space, the Government and NHS England have undertaken positive work to improve care since the Winterbourne View scandal. There is now widespread recognition of the need to support people with learning disabilities in a community setting. In recent months, momentum appears to have grown; previously progress had been slow with too many
people living in inappropriate settings. The work of the ‘fast track’ sites along with the publication of the new service standards is helping to push the debate forward. Furthermore, we hope the Government’s recent response to ‘No Voice Unheard, No Right Ignored’, will act as a further catalyst for change. Lifeways met with and offered our ongoing assistance to Sir Stephen Bubb, Chief Executive of the Association of Chief Executives of Voluntary Organisations, who is one of the key leaders of the transforming care agenda. Regrettably, without urgent measures to ensure that social care is properly funded this work will be undermined, and the NHS will face a knock-on effect.

We firmly welcome the Government’s decision to ring-fence the NHS budget as well as the commitment to £8bn per year by 2020 to fill the current funding gap outlined in the NHS Five Year Forward View. However, without urgent measures to ensure that social care is properly funded these pledges will be undermined, as the NHS is interdependent with the social care sector.

We believe the 2% Council Tax precept announced at the Spending Review will introduce significant variation across the country - it is vital this situation is avoided. We are in the process of monitoring which councils intend to make use of the scheme, as at this stage it remains unclear how much the precept will raise across the country. Whilst we are pleased to hear extra money will be invested in the Better Care Fund, the funding is back-loaded, thus, delaying its impact and preventing the care sector from receiving sufficient investment to address ongoing challenges.

In addition, the challenges of local authorities and providers will only increase as the National Living Wage (NLW) is introduced. Lifeways fully supports the introduction of the NLW and we recognise that it is critical that staff are properly rewarded for working in the social care industry; however, it must be funded in a sustainable way. Our current calculation is that moving to the NLW will add an additional £2.5 million to Lifeways’ Annual wage bill in 2016 and we estimate c£4m in 2017. This is unsustainable even for a medium sized organisation like Lifeways without an increase in our hourly and weekly fees which have been eroded since 2010. Additionally, the Government has announced a 0.5% Apprenticeship Levy, effective 1st April 2017 which will increase our payroll costs by at least 0.5%. Also, in October 2017 the Auto Enrolment Pension employer contribution doubles from 1% to 2% of pay.

Further, due to cuts to non-NHS England health budgets the full impact of the Spending Review on the Care Quality Commission (CQC) remains to be seen. As you will be aware, the regulator is consulting on provider fees, with huge uplifts initially proposed. There is significant concern across our sector, as well as other sectors, that the fees will be unsustainably high, particularly when combined with other cost pressures in the system. Lifeways were involved in the development of the CQC’s revised regime for inspection and remain committed to supporting the regulator in ensuring service users receive safe and high quality care; however, I would urge the Committee to look closely at this issue.

We welcome the Spending Review’s focus on attempts to integrate health and social care. We view ourselves as an enabler of new models of integrated care. You might be interested to know Lifeways sit on the Care Homes Vanguard Social Care Providers Group. We are very much committed to sharing best practice and helping to progress the aims of the Five Year Forward View. Unfortunately, we fear the absence of an effective solution for social care in the Spending Review will make this task very challenging.

Lifeways’ innovative model of supported living has the potential to, and in many areas has already been shown to, make an invaluable contribution to improving care for people with learning disabilities. We have developed an approach to providing supported living arrangements for our
service users whereby a range of complex care can be provided in one location – we work with a number of Housing Associations, such as Inclusion Housing, Reside, Hilldale and New Foundations, to develop purpose new built accommodation and tailored packages for service users. The model of care means that we can support people to move out of hospital or inappropriate settings at pace and at scale, in line with the needs of service users and their families. I attach a brief with further information. It is essential the Government provides sufficient support to the sector to ensure this valuable work can continue.

Finally, whilst we recognise the Government’s intention to review welfare spending, it is critical that housing benefit for vulnerable adults is ring-fenced in the welfare budget in order for supported living models to have the desired impact. It is essential that people with learning disabilities remain under the definition of vulnerable individuals. We need urgent clarity on this point.

We would be delighted to provide further information if that would be helpful to the Committee. I would also be delighted to host members on a tour of one of our local sites.

25 January 2016