Written evidence submitted by Age UK’s (CSR0085)

About this consultation

The Health Select Committee has invited submissions to its inquiry into the Impact of the Spending Review on Health and Social Care.

Introduction

Being able to access excellent health and care services has a huge positive impact on the health and well-being of older people.

Age UK’s 2015 briefing ‘The Health and Care of Older People in 2015’, an updated version of which we attach, examines the trends and data to provide a full and frank analysis of how the NHS and social care services are meeting the needs of older people today, and how well services are keeping pace with the changing demands of a rapidly ageing population.

The conclusions we draw are not encouraging. The data all point in one direction: the numbers of older people living with health and care needs in England are steadily growing, but investment in health care overall is failing to keep pace with the impact of demographic change and other factors driving higher demand, and spending on social care has fallen quite spectacularly over the last five years.

The report reveals a picture of systems under stress and struggling to cope. Some areas of provision have done better than others, but on the whole it is the primary and community based services on which many older people depend in order to sustain their independence which have seen the sharpest falls or where supply is most obviously failing to meet rising demand. So, for example, GP numbers are not keeping up with a growing older population and meals on wheels provision, once a mainstay of community care, is rapidly falling away.

At Age UK we were already deeply concerned about the future of health and care services and the Spending Review has done little to alleviate our anxiety.

Looking ahead over the SR period the number of people aged over 65 will increase by 946,000, nearly 10 per cent, while the number of people aged over 85 will grow by 236,000, nearly 20 per cent.

A focus on providing the right health and care services, well integrated into wider services and support networks, will be even more critical if we are to enable these growing numbers of older people to sustain their wellbeing and independence for as long as possible.

However the extent to which the SR will support these ambitions remains hugely uncertain.

Although the commitment to increase funding for NHS by £10 billion across the SR period is to be welcomed, failing to adequately tackle the deepening crisis in social care
fundamentally undermines the capacity of the NHS to reduce stress on the acute sector and create the breathing space it needs to transform.

Equally, while the SR provides another welcome push towards greater integration, without adequate investment in primary care and community based health and care services the ability of the NHS and local authorities to come together to provide the holistic, wrap-around care many older people need is deeply compromised.

In the face of growing hospital deficits, a crumbling social care system and growing demand it is our view that, despite measures set out in the SR, the near future for older people relying on health and social care is far from secure.

**Key Points**

**Over the past 10 years funding for social care has, at best, stagnated and in more recent years sharply declined.**

- Total public spending on social care for older people stagnated between 2005/6 and 2009/10 at around £8.63 billion, before falling steeply to £7.73 billion in 2013/14. Spending then recovered slightly to £7.96 billion in 2014/15.

- However, overall trends in public funding for social care obscure the collapse in local authority funding and a growing reliance on NHS contributions. Local authority funding for older people’s care has decreased by almost £2 billion in real terms in the past 10 years, with much of that reduction - £1.64 billion – concentrated between 2010/11 and 2015/16.

- At the same time, funding from the NHS budget through the Better Care Fund and other pooled budget or transfer arrangements has increased from £204 million in 2006/07 to £565 million in 2011/12, reaching £1.04 billion in 2014/15 and now representing 13 per cent of the budget for local authority organised care for older people.

The failure of social care funding to keep pace with demand means more and more older people are left to fend for themselves or manage on severely reduced services.

- In 2005/06 15.3 per cent – 1.2 million – of people aged 65 and over received support with social care. This dropped to just 9.2 per cent – or 850,000 people – in 2013/14. Between 2010/11 and 2013/14 alone we saw:
  - 15 per cent fewer people receiving home care support;
  - 61 per cent reduction in the number of people receiving meals on wheels;
  - 37 per cent reduction in the number of people accessing publicly funded day care services.

- Older people are making higher contributions to the cost of their care. In 2005/06 the average contribution was £1,590 per year. This has increased by nearly £1,000 in real
terms to £2,563 in 2013/14. In addition, in 2013/14 27 per cent of older people eligible for local authority funded care home places incurred some form of top-up payment.

- Now over a million people who have difficulties with activities of everyday living, such as getting up, getting to the toilet, preparing food, going out of the house, receive no support from either formal or informal sources.

**Even taking the most optimistic funding scenario envisaged by the SR for social care, the settlement will not be sufficient to meet future funding demands.**

- We estimate that the care system for older people would require an extra £940 million a year by 2020/21 alone to maintain the current inadequate level of service in the context of growing demand. An improved system, that reduced levels of unmet or under-met needs, would cost between an additional £4.25 and £4.7 billion by 2020/21.

- This does not take into account additional funding that will be required to meet the increasing costs of social care providers. It has been estimated that by 2020/21 the Government’s proposed new Living Wage will cost the social care sector an extra £1 billion a year. Nor does it factor in the costs of improving the care system for younger disabled adults, many of whom are happily surviving with complex needs for much longer than before due to medical advances.

- Even if all authorities applied the 2 per cent increase to Council Tax, the Local Government Association (LGA) estimates this could raise a maximum of £400 million across the sector in 2016-17. Assuming 51 per cent of this was available for older people’s social care, this would add at most £204 million.

- Furthermore, the LGA estimates that the social care precept could raise a maximum of £1.7 billion by 2019/20, if all councils applied it every year and assuming too that the projected growth in the tax base for council tax takes place.

- Yet the amount raised will also vary substantially between local authorities. According to estimates by Impower, based on 2014-15 data, the top twenty most affluent councils could increase their adult social care budgets by between by between 3.64 per cent and 4.99 per cent, whereas in the bottom twenty the percentage would be between 1.76 and 3.09.

- Although additional funding for the Better Care Fund is welcome, it will be back-loaded, only coming into effect in 2017 and only reaching the full amount of £1.8 billion by 2019/20.

- Overall, current projections suggest that expenditure on older people’s social care will remain broadly flat over the SR period, decreasing slightly in real terms in both 2016/17 and 2018/19, before climbing back to 2015/16 levels by 2019/20.

- There is a substantial risk that, as overall local authority budgets continue to decline, local authority spending on social care continues on its downwards trajectory; meaning the additional measure announced in the SR merely compensate for funding withdrawn from the non-ring-fenced component of the social care budget.
In the light of these funding challenges it is deeply disappointing that the Government did not reinvest into social care services the £6 billion worth of savings that will be realised across the Parliament as a result of delaying implement of the Dilnot cap until at least 2020.

Pressures on the NHS have been rising and the system is showing signs of real stress as it struggles to cope with growing demand and the knock on consequences of cuts to social care.

- Demand on primary care has inexorably risen over a generation: a longitudinal study between 1995 and 2008 concluded the numbers of GP consultations increased by more than a third over that period from 217 million to 300 million. NHS England subsequently estimated that they would have reached 340 million by 2013.

- The trend is not explained by demographic growth alone. The average number of GP practice consultations per person per year across all age groups rose between 1995 and 2008 rose from an average of 3.9 consultations a year to 5.5. The trend is particularly marked amongst older people; in 1995 a women aged 85 to 89 would average 6.99 consultations a year: by 2008 this had nearly doubled to 13.34.

- Demand for hospital services amongst older people has also been rising fast, faster than can be accounted for by demographic change alone. Between 2007/8 and 2013/14:
  - The numbers of A&E attendances by people aged 60 or over rose by two thirds;
  - Emergency hospital admissions of people aged 65 or older rose by a fifth;
  - The number of finished consultant episodes of care older people aged 60 and over received increased by 40 per cent, and;
  - The number of outpatient appointments for older people aged 60 and above increased by more than two thirds.

- The system is showing increasing signs of stress with more and more older people seemingly unable to access timely, appropriate care:
  - Between 2011/12 and 2014/15 the annual numbers of delayed discharges for patients in hospitals increased by 40 per cent, with the sharpest rises in delays being for people waiting for nursing care or care packages in their own home.
  - Between 2005/06 and 2010/11 emergency hospital re-admissions of people aged 75 or older increased by a quarter.
  - The numbers of people receiving hospital treatment for ambulatory care sensitive conditions (those for which effective treatment and management should limit the need for acute care) have been steadily rising per 100,000 of the population amongst both those aged 65+ and 75+.
Despite increases in funding over the last five years, the NHS has still experienced a period of unprecedented financial constraint, and some parts of the service have seen real terms cuts in their budgets.

- Although the NHS budget fared comparatively well over the last Parliament, the service has nonetheless felt the effects of spending constraint with budget increases averaging just 0.8 per cent a year in real terms from 2011 – well below the level required to keep pace with growing demands and new technology.

- Increased investment in the NHS has been uneven with parts of the service experiencing real terms budget cuts. In particular, the community and primary care services older people rely on to keep them well and independent have seen significantly less investment than acute care:
  
  - Between 2009/10 and 2012/13 (the last year for which aggregate budget data is available) spending on hospital services grew substantially by £2.72 billion.
  
  - Despite policy drives to move more care out of hospitals, spending on community based services grew by just £1.33 billion.
  
  - Meanwhile the primary care GP services budget fell in real terms from £8.45 billion in 2009/10 to £8.34 billion in 2014/15.

While increased funding for NHS services is very welcome and necessary, it may prove insufficient to meet growing demands or facilitate transformational change, especially in the context of wider cuts to social care and to the Department of Health budget.

- First and foremost there is a risk that much of the new, front loaded resources identified by the SR will be absorbed into addressing growing deficits in the NHS rather than providing the urgent investment in community and primary care that is urgently required. Monitor reported a deficit of £930 million in the first quarter of 2015/16 alone, putting the NHS on course for an annual deficit in 2015/16 of at least £2 billion.

- There is a significant medium term risk that the potential efficiency savings identified in the Five Year Forward View, premised on transformational change in the delivery of care and a slower increase in demand for health services, will be compromised by reductions in the wider Department of Health budgets.
  
  - Overall cuts to of 25 per cent to the Department of Health across the SR period will have a significant impact on all the arms-length bodies, including CQC, Health Education England and Health Improvement. The precise impact of budget reductions is unclear; however it is likely to significantly curtail the work of these bodies and their ability to support transformational change across the NHS.
  
  - On-going cuts to public health budgets – estimated to be 3.9 per cent a year across the SR period – and the removal of the ring-fence in 2017/18, risks significant disinvestment in population health measures and preventive care.
Government has also made a number of policy commitments, including 7-day services, that it is seeking to deliver over the next five years. However welcome, these are additional commitments which were not included in NHS England’s calculations.

**Taken together, the challenges set out above mean health and social care services are facing very significant headwinds. It is deeply uncertain whether greater integration and fundamental transformation of models of care can be achieved in these circumstances.**

We fully endorse the values and direction of travel in the Five Year Forward View and the drive towards greater integration envisaged in the SR. We are also committed to supporting the NHS and social care system to realise this vision and deliver improved models of care for older people on the ground. Age UK’s Integrated Care Programme is already making significant strides in developing holistic, personalised approaches to care that better promote wellbeing and greater independence for older people while also producing cashable savings from reduced emergency admissions. However:

- In the best of circumstances, the development of new ways of working to support person-centred, enabling, health and care packages takes a lot of will, enlightened leadership and a mature and highly motivated front line workforce across the health and care system, as well as an investment of money and time to build new relationships and processes. Experts in the field all agree that it requires at least five years for real savings and efficiencies to be achieved. The new configurations of services need to grow incrementally around a growing cohort of patients rather than through some organisational ‘big bang’.

- These are clearly far from the best of circumstances. In many areas the health and care workforce is currently working at full stretch, often either under-staffed or reliant on agency staff, and under pressure simply to meet existing targets. This is not conducive to the kind of thoughtful learning style that is required to deliver transformation and greater efficiency in practice.

- Local authorities are already under tremendous strain and struggling to deliver the minimum standard of service required by the Care Act 2014. Yet unless substantial new funding is made available it is inevitable that the availability of publicly supported social care service will shrink further, with increasing numbers of people who are experiencing difficulties with daily living receiving no help from anyone, paid or unpaid.

- With social care services in growing crisis, teetering on the brink in some areas, it is unlikely that they will be unable to play their proper role in providing integrated care with health and the voluntary sector and other public services.

**Conclusion**

Overall it is clear our health and social care system is under significant stress. The twin pressures of maintaining service provision in a system running at, or over, capacity while working towards fundamental service transformation are immense.

The measures introduced by the Spending Review 2015, while welcome, nonetheless look to us to fall far short of meeting current and future challenges. The risk is that growing
numbers of older people will not receive the excellent health and care services they need, and their wellbeing and health outcomes will be less positive than they could or should be as a result.

26 January 2016