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CCN

COUNTY COUNCILS NETWORK



COUNTIES

LEADING **RECOVERY**

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POINT 3

Reforming adult social care and health services

Our plan for reforming adult social care and health services outlines the need for the new government to prioritise tackling the existing pressures in social care by delivering its commitment to increase funding and delaying the introduction of charging reforms. Alongside this, it should maintain the ambitions set out in the adult social care white paper, while delivering an integration agenda built on an equal partnership between health, social care and public health.

STABLISING SOCIAL CARE

Tackling existing pressures in the system

During the Conservative leadership debates, the Prime Minister was right to highlight that dealing with the NHS backlog was dependent on tackling the sustained pressures in social care.

While the social care system is about much more than simply reducing pressure on the health service, the commitment to provide local authorities with more, if not all, of the £13bn additional funding being provided to address backlogs in the NHS was a commitment welcomed by local government. This recognised the immediate challenges facing social care and the intertwined impact on the health system, alongside the pressing need to improve the quality and accessibility of vital care services for everyone that needs it.

As this document articulates, CCN member councils want to look ahead to a reformed and revitalised social care system of the future, delivering on the principles of the reforms set out by the previous government. However, stabilising social care by tackling existing pressures within the system is the immediate priority. These pressures are undoubtedly worsening, with councils and care providers facing a perfect storm of rising demand, acute inflationary costs, fewer care home beds, and chronic staff shortages.

New analysis undertaken by CCN shows that adult social care services in England are set to face £3.7bn in additional costs in 2023 compared to 2021 simply to maintain current service levels due to rising inflation, wage increases and growth in demand. These rising costs are double that of previous estimates by PwC for CCN, which estimated costs would rise £1.6bn over the same two-year period due to a combination of service demand and inflation.¹

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These new inflationary pressures come at a time when adult social care services have already had to cope with a £6.5bn funding shortfall over the preceding decade due rising demand and reductions in funding.² This has necessarily led to the rationing of access to services - meaning 58% of those requesting support from local authorities with their care needs do not receive any formal care service.³ The ability of councils to ensure a range of preventative services which delay the need for formal care is severely compromised ultimately leading to a greater volume of people requiring care and additional pressure on NHS providers and continuing health care budgets.

This scale of unmet need already present within the system has been exacerbated by the pandemic. There are considerable backlogs in assessments and provision of care as a result of the pressures generated by Covid-19. At the end of April, it was estimated by the Association of Directors of Adult Social Services (ADASS) there were 542,000 people waiting for care packages, assessments, or direct payments and reviews – up by 37% over six months.⁴ People are presenting for care with more complex needs and safeguarding referrals have increased significantly.

Independent care providers are also experiencing considerable operational headwinds and a raft of post-pandemic issues. Although the acute phase of the Covid-19 pandemic is largely over, its impact still looms large with care homes in particular needing to retain some measures to protect adults more vulnerable to the disease. Structurally the sector is still adjusting to acute staffing shortages both in terms of social workers and staff providing direct care, increases in demand for a range of community-based services as well as residential and nursing care and the ending of short-term financial support. These existing pressures are now being compounded by the cost-of-living crisis which is placing further strain on costs particularly in relation to energy, food and staffing.

Since taking office the government have begun taking some action to tackle these pressures in the social care system, establishing a £500m social care discharge fund as part of its new 'Our plan for patients'. The Health & Social Care Secretary of State stated that this represented a 'down payment' in a wider move to shifting more funding from health towards social care in future years, plans which the government said they would set out at a later date.

However, while this is a welcome step in the right direction, this initial £500m falls short of what is required to stabilise the social care system this winter and on its own will not tackle the existing pressures facing councils and providers. There are few details on how this new fund will be delivered and crucially, the role of local government in leading its effective roll out.

In order to stabilise social care and tackle the very pressures the Prime Minister has highlighted as the root cause of the challenges facing our health and care system, it is imperative the government now turns its 'down payment' pledge into a reality. With care services under severe and growing strain heading into winter, it is vital that the government provides clarity as soon as possible on how much extra funding social care will receive, and when – and provides this funding directly to councils.

- **The government should use the upcoming Fiscal Plan update to set out how it intends to uplift funding for social care over the next 18 months. It is imperative that any additional funding is provided directly to local authorities so they can work with their local care providers to ensure it reaches the frontline as quickly as possible.**
- **The government should urgently provide more details on the social care discharge fund. Funding should be provided directly to local government, with councils working with NHS partners to put in place effective discharge to assess arrangements to free up hospital beds.**

CHARGING REFORM

Delaying the implementation of reform to October 2024

Alongside commitments to increase funding for adult social care, the new Prime Minister has also restated that her government will press ahead with reforms to the way people are charged for adult social care in England,⁵ which include the introduction of a £86,000 lifetime cap on care, extended means test, fair cost of care (FCoC) and new duties to arrange care on behalf of self-funders.

CCN has long called for a funding solution for social care that included reforms to the way people fund and arrange their care, and there is widespread support amongst our member councils for the principles underpinning the different elements of charging reforms. However, just a year out from implementation in October 2023, the vast scale of the financial and operational implementation challenges they pose could exacerbate the aforementioned pressures already impacting services.

Independent research by Newton showed that the reforms in England will cost a minimum of £25.5bn over the next decade. This compares to the government estimate of £15.6bn for the same elements of the reforms. The analysis suggests more people will benefit from some financial support under the means test and cap, meaning the cost of this element alone is £2.5bn higher than government projections.⁶

Even more pressing than the medium-term financial shortfall are the workforce requirements to implement these changes. Newton have projected an extra 105,000 Care Act assessments will need to be conducted annually, requiring an additional 4,300 social work staff on top of a current vacancy rate of 1,782. Nationally, this is a 48% increase on current assessment levels and at a time when there is a backlog of 294,449 people already awaiting a Care Act assessment. Alongside this, some 92,000 additional financial assessments will need to be undertaken, requiring an extra 700 financial assessors. Overall, counties will be most impacted, seeing a 64% increase in the number care and financial assessments.⁷

Equally the introduction of a FCoC and new duties to arrange care on behalf of self-funders simultaneously could place unsustainable pressures on both councils and care providers. Our research with LaingBuisson showed that as a result of private fee payers accessing council care contracts and current FCoC rates only rising in line with current government funding levels, care providers across England could face lost revenue amounting to £560m a year.⁸

Given these financial and workforce challenges, our survey carried out earlier this year amongst senior councillors and officers with responsibility for implementation of the reforms showed support for a phased implementation beyond October 2023. Some 69% of respondents supported delaying the implementation of the cap on care costs; 67% supported a delay to the introduction of the extended means test and fair cost of care; while 90% of respondents supported a delay to arranging care for self-funders under section 18(3) of the Care Act.

In light of current pressures facing adult social care and care providers, alongside the government stated focus on investing more in social care in the immediate term to reduce the NHS backlog, the case for delaying and phasing the reforms alongside fully funding them has only grown stronger.

The previous government have recognised the risks posed to providers and councils from Section 18(3), delaying its introduction for existing care home residents for up to 18 months to April 2025. This was a welcome step, but the government needs to go further in phasing the implementation of the means test, cap on care and Section 18(3).

By delaying the introduction of the means-test and cap on care to October 2024, alongside extending the delay to Section 18(3) to all care users to April 2025, this would provide local authorities adequate time to prepare, particularly to recruit the necessary workforce and undertake a fundamental review of their operations and digital infrastructure to manage increased assessments at a time of severe backlogs and workforce shortages. Importantly, it would allow the learning from the trailblazers to be fully assessed, while undertaking a review of the adequacy of funding for the reforms in line with the commitment to switch more funding from health to social care over the next 18 months.

Funding for implementation and FCoC should be retained, with councils continuing to deliver market sustainability plans, uplifting fees in line with the stated policy of 'moving towards' a FCoC. However, care providers have a clear expectation that the FCoC exercise will drive significant increases in the rate paid by councils and our research with LaingBuisson showed the funding identified by Government falls short by at least £854m annually,⁹ even before considering the impact of higher inflation. Therefore, alongside urgently consulting on the distribution of FCoC funding, a full assessment of market sustainability plans to better understand the level of funding required for councils to deliver FCoC must be undertaken to prevent councils facing unfunded new burdens.

- **The government should delay the introduction of the means-test and cap on care to October 2024, alongside extending the delay to Section 18(3) to all care users, allowing local authorities, providers, and residents the necessary time to prepare, mitigating the risks and fully capitalising on the opportunities for innovation.**
- **Urgently consult on the distribution of FCoC funding and undertake a full assessment of market sustainability plans to better understand the level of funding required for councils to deliver FCoC.**
- **Retain implementation funding and provide additional support to ensure local authorities have the right project and change management capacity and capability.**

Councils have also expressed concerns over the rollout of the new CQC adult social care assurance regime, due to commence in April 2023. CCN's report with Newton previously supported the introduction of greater national government oversight, recognising that a shared understanding of both local and national performance could begin to create the conditions for parity and help each party to understand how they best play their role in improvement and innovation.

While CCN continue to support the introduction of an appropriate, co-designed, assurance mechanism in partnership with CQC, given prevailing pressures on adult social care services, we support the LGA in their call for a delay to its introduction of at least 12 months.¹⁰

CCN agree that this would allow more time to co-design the regime to ensure it is fit for purpose; better consider how to align sector-led support and improvement with the proposed national improvement offer from the Department; ensure that councils can collect and submit the data that CQC will require; and better identify and understand the sorts of issues that assurance is likely to surface and how they would need to be addressed. The cost of introducing an inspection regime should not be underestimated and if there is to be increased regulation in the sector it must be funded.

- **The government should delay the introduction of CQCs adult social care assurance regime by at least 12 months, recognising existing pressures on adult social care services and the need to co-design as effective assurance mechanism.**
- **The costs associated with the additional burden associated with responding to a new inspection regime must be fully funded by Government.**

SYSTEM REFORM

Delivering the ambitions of the adult social care white paper

By delivering on commitments to invest more in social care, alongside phasing the implementation of charging reforms, councils can work in tandem with government to deliver wider system reform to ensure a sustainable and high-quality adult social care system for the long-term. These include ensuring a sufficient and able workforce; managing the market transition away from traditional institutional forms of residential care towards preventative forms of community-based care; and investing in the rapidly advancing technologies which will both reduce costs and improve efficiency and productivity across the social care system.

The previous government's White Paper – *People At The Heart of Care* – has already begun to address these issues. It set out a wider range of proposals beyond charging reforms that still hold the potential to become a comprehensive plan for reforming and transforming the care system across the coming decade. The aspirations for social care it contained were the right ones, with many of the proposals reflecting the key tenets of the 'optimised model' set out in CCN's 2021 report with Newton, *The Future of Adult Social Care*,¹¹ and rightly place local government at heart of delivering reforms.

The White Paper, alongside *The Future of Adult Social Care*, showed that investment needs to go hand in hand with the opportunities for service improvement and transformation which drive down long-term care costs through better demand management, prevention, and new approaches to service delivery. This will mean delivering on the preventative duties contained in the Care Act 2015, which as the LGA have outlined, have never been realised owing to the funding pressures that have beset the service since the Act's implementation.¹² This must be underpinned by a vision for social care based on a value and belief system that is focussed on promoting people's independence, while investing in local leadership and the social care workforce.

Key to delivering this vision will be reinforcing the anticipated increase in the use of domiciliary care over residential settings and the better use of short-term support such as reablement to prevent the escalation of long-term care needs. Rebalancing could be a positive step in reducing the number of individuals being placed in high dependency settings prematurely.

Our research with Newton showed at least 18% of the 60,000 older adults that move into a publicly funded care homes each year could be supported in a more independent setting, for example in their own home. This change of setting would offset spending requirements on long-term care by an estimated £178m per year. In addition, the research showed that 90,000 more older people could benefit from more effective use of short-term services, reducing long term care costs by £867m per year.¹³

- **The government should retain the vision for social care system reform envisaged in *People At The Heart of Care*, ensuring that local government remains at the heart of delivering reform.**
- **By delivering its promise to increase funding for social care, councils can work with government to deliver the principles of the optimised model outlined in the *Future of Adult Social Care*, prioritising investment in preventative short-term services and community-based care.**
- **A national approach to 'what works' in social care should be developed and communicated in a systematic way to ensure the sector understands the evidence based interventions that can drive down cost and maximise independence.**

It is the pressing issue of the social care workforce is one that poses the most significant challenges to the wider system reform of adult social care. A consistent issue which destabilises the provision of care services is the transient nature of its workforce, with a 30% turnover rate in the independent care sector.¹⁴ The challenges around recruitment and retention have grown to severe levels with Skills for Care reporting 165,000 vacancies in the system, some 10% of the workforce.¹⁵

This is due to a variety of factors but is largely underpinned by the low pay and low status of the workforce. A large proportion of workers directly delivering care are employed at or near the minimum wage – significantly lower than most of those performing comparable jobs in the health service – with many also not receiving benefits such as pension contributions or certainty of contract. Given the tight margins already in the market, providers have limited scope for social care to compete for staff in a labour market now seeing rising wages in retail and hospitality, let alone match the remuneration on offer in the NHS.

This challenge is further compounded for rural councils given the need to deliver over larger areas. Some providers do not always fund travel time for domiciliary carers, for example, which can be distinctly longer in remote rural or coastal areas. This disincentives workers, as does the infrequent (and in some cases non-existent) public transport to more remote places.

As part of their proposals for reform, the government have outlined that they will invest at £500m in new measures to provide support in developing the workforce and introduce further reforms to improve recruitment and support for our social care workforce. CCN welcomed the emphasis on improving the workforce through professionalisation and support for the sector, but more immediate action is needed through a dedicated national recruitment and workforce strategy that tackles structural pay and conditions challenges.

- **The government should urgently invest in a national recruitment and workforce development strategy for local authorities and care providers, one which genuinely improves pay and conditions and recognises specific challenges in county and rural areas.**
- **The government should consider the introduction of accelerated career qualifications for social work and the care sector.**

INTEGRATION & PREVENTION

An equal partnership between health, social care and public health

Strategically, the social care reforms have been introduced as part of a wider series of initiatives aimed at better integrating health, social care and public health services, alongside a focus on reducing health inequalities. Integrated Care Systems (ICS), made statutory by the Health and Care Act earlier this year, will provide an important new mode of governance to bring together local authorities and the NHS in partnership to better align the two services, as well as aligning the joint sectorial interests in effective public health delivery.

Moves in recent years to better align health, social care and public health have been welcomed by councils, alongside the previous government continuing to put faith in the local delivery of public health services by councils at a time of reform to national agencies.

Placing local ICSs onto a statutory footing has the potential to take integration to the next level. Greater co-ordination between the NHS and councils should lead to more effective joined-up services for service users as well as greater efficiencies across both systems. Moreover, in 2021 it was announced that Public Health England would be merged with two new national agencies - the UK Health Security Agency and the Office for Health Improvement and Disparities - both of whose roles and relationships with public health teams are still evolving.

It will be important that the new government engages with and supports these new bodies as they evolve to ensure that the aims of the Integration White Paper and reforms to public health are met. Social care and public health services must not be viewed simplistically through a 'health' prism that sees its only purpose as supporting the NHS, but as an integral means of enabling everyone to 'live their best life' which in itself will reduce demands on acute health services.

Particularly important to this will be investing in public health services that tackle the wider determinants of health and building on the critical role that it played during the pandemic to deliver a lasting legacy of health improvement and reduced inequalities.

Public health needs to be at the forefront in the important negotiations presently being conducted up and down the country between councils and the NHS to ensure the success of the ICS model in years to come, while the government should retain the commitments to publish a health disparities white paper to tackle both pre and post pandemic health inequalities.

CCN has recently partnered with IMPOWER to conduct research into the progress of ICS development across county and rural areas, gathering the perspectives of both local authority and health sectors. This will identify the opportunities for joint working that the new bodies are presenting as well as some of the challenges they may be facing. This work, to be published in November, it will provide key understanding and learning for local authorities and the NHS alike, as well as help inform the government's developing role in supporting the new systems as they mature.

- **We will work with government to closely monitor the development of ICSs and their strategic plans - as well as engaging with CCN's forthcoming research - to ensure that social care and public health is fully prioritised and resourced to deliver effectively with local authorities and NHS colleagues working in equal partnership.**
- **Integrated Care Boards ensure that they have sufficient representation on a place and not just a sector basis to inform the development of care and health strategies.**
- **We urge the new government to publish the health disparities white paper as soon as possible and use this as a springboard to set out its plans for investment in public health.**

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