

Submission

County Councils Network Submission to the Local Government Association Adult Social Care Green Paper

Introduction

1. The County Councils Network (CCN) represents 36 English local authorities that serve counties. CCN's membership includes both county council and county unitary authorities who together have over 2,500 councillors and serve over 26m people (47% of the population) across 86% of England. CCN develops policy, shares best practice and makes representations to government on behalf of this significant proportion of the country.
2. CCN is a member-led organisation which works on an inclusive and all party basis and seeks to make representations to Government which can be supported by all member authorities. CCN is a special interest group of the Local Government Association (LGA).
3. CCN welcome the opportunity to submit evidence to the LGA's Adult Social Care Green Paper. Rather than addressing each of the questions set out in the LGA's Green Paper, we have chosen to highlight CCN positions under a number of themes, these are funding, national vs local delivery, the role and importance of prevention and public health and non-funding reform to deliver a more efficient and effective health and social care system.

County Context

4. Ongoing austerity, coupled with an increase in demand for services, has led to undesirable conditions for local authorities and adult social care. Whilst CCN member councils have protected adult social care budgets in real terms, rising demand, increasing complexity of need and costs mean that service efficiencies and reductions are still required.
5. It is well documented that local authorities would have been subject to a reduction in core Government funding of approximately £16bn from 2010-2020.¹ Consequently, research by the Institute for Fiscal Studies (IFS) found local authority spending on adult social care in England fell 8% in real terms between 2009/10 and 2016/17, but was protected relative to spending on other local authority services.

¹ [Local government funding: Moving the conversation on, Local Government Association, July 2018](#)

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6. This is reflected in county areas where CCN member councils have worked tirelessly to protect social care expenditure, which now accounted for 45% of all service expenditure in 2017/18, excluding education, increasing from 42% in 2015/16 and 43% in 2016/17.
7. However, due to increases in elderly populations, and the complexity of individuals' needs, there is less funding per head, available for adult social care services. Despite the over 65 population in counties increasing by 18% between 2011 and 2018, in the last financial year county authorities spent less per head on social care services (£357 in 2017/2018) compared to seven years prior (£450 in 2010/2011).
8. It is also important to note that reforming adult social care must look beyond older people. Learning disability expenditure is a rising proportion of county adult social care budgets, with it forming 35% of CCN member council service expenditure in 2016/17 and 2017/18.
9. Analysis by LG Futures for CCN on demand and expenditure in learning disability services shows the extent of growing demand for these services. CCN member councils have seen the number of learning disability clients receiving support in their areas increase by more than the English average since 2009/10. The cost of providing support also increased, with average expenditure per client increasing in county areas by 2.7%, the highest of any local authority type, between 2014/15-2015/16. It should also be noted that an increasing number of young people are coming through the transition from children's to adult services with special needs and disabilities that may also require local authority funded services.
10. According to analysis undertaken by the Society of County Treasurers, the result of the pressures set out above is that CCN member councils now face unfunded pressures for adult social care of just under £1bn by 2020/21, even without anticipated rises in the National Living Wage (NLW), with the average county facing cost pressures of £26m in 2020/21.
11. Therefore, it should come as no surprise that 78% of respondents to CCN's survey of Leaders, Cabinet Members with responsibility for adult social care, Chief Executives and Directors of Adult Social Services rated the financial pressures on adult social care in their authority as either severe or critical.²

² [Sustainable County Social Care, County Councils Network, July 2018](#)

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12. In the face of these demand and financial pressures, CCN member councils have continued to deliver high quality services that improve outcomes for local residents. Social care users in county areas are amongst the most satisfied with the services they receive and feedback shows that these services also make them feel safer and more secure than service users in other local authority areas.

Funding

i) Options for change

13. It is widely acknowledged that fundamental reform is required to place adult social care on a sustainable financial footing, both for the future longevity of the service, but most importantly to ensure that some of the most vulnerable people in our society can access the care and support they need and deserve.
14. One of the current injustices of the existing system is that some people are subject to catastrophic care costs as a result of the onset of conditions which are outside of their control. For example, if someone is subject to a condition, such as dementia, that does not have a medical intervention then they are likely to require social care for a number of years. This may be funded by the state, but the majority of people fall outside of existing means tests and as such are forced to fund their care through their own financial assets.
15. Such an example is particularly pertinent for county areas, as they have on average the highest proportion (53%) of residents that fund and arrange their own care (self-funders) of any local authority type. People with dementia who have assets, including their home, over £23,250 often face paying hundreds of thousands of pounds for their care. The Alzheimer's Society estimate that a typical person's bill for dementia care would take 125 years to save for, with an average annual cost of £32,250 per person.³ For many other long-term health conditions, such as cancer and heart disease, medical treatments are available for free on the NHS.
16. This is in part a consequence of the split between social care being means tested and NHS services being free at the point of use. It is also why a number of organisations are calling for the introduction of free personal care for people that meet the need requirements, regardless of wealth or income.⁴

³ [Dementia Tax, Alzheimer's Society, accessed September 2018](#)

⁴ [No Easy Options, Social Market Foundation, September 2018](#)

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17. CCN has consistently advocated for a cap and threshold model to be introduced to counter instances where people are subject to catastrophic care costs, providing that its implementation is fully funded by Government.
18. Clearly the level to which a cap and threshold model could be adopted will be dependent upon the level of funding Government attributes to such reform. Research undertaken by LaingBuisson, on behalf of CCN, found that to implement a care cap of £100,000 would cost £41m in county areas and setting a cap at £50,000 would cost the Government £691m annually. The higher the level of a cap, the fewer people would benefit.
19. The model, through more predictable care costs, would also create more favourable conditions for financial products to be developed to encourage people to mitigate the risk of future care costs, e.g. insurance. This approach, along with pension style auto-enrolment schemes have been trailed in the national media in recent months.⁵
20. CCN also strongly supports the principle that people should have real choice in how and when they pay for their care, something that it is important that the Government's Green Paper addresses. This should include the use of options such as extending the use of deferred payment agreements (DPAs) for residential care, to also allow individuals and their families to delay the cost of paying for home care.

ii) How to deliver a sustainable financial settlement

21. The underlying question that must be answered as part of the Green Paper process is what is the right balance of financial contribution between the individual and the state for social care?
22. The current system of funding adult social care, as well as local government as a whole, is widely acknowledged as being no longer fit for purpose. In the build-up to the publication of the Government's Adult Social Care Green Paper a number of potential solutions have been muted by politicians, think tanks and leading sector experts as to how fund adult social care in a fair and equitable manner.
23. Clearly if there was an easy and politically acceptable answer to the financial and demand challenges facing the sector then these solutions would have become a reality by now. In the absence of these solutions, government must use their Green Paper to explore, and ultimately deliver, a long-term sustainable funding settlement for social care, mirroring the length and ambition of the NHS

⁵ [Govt considers auto-enrolment solution for social care, FT Adviser, September 2018](#)

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settlement of five years. In part this must seek to close existing funding gaps, such as the £1bn gap faced by counties for social care, whilst also providing options to fund a reformed system.

24. A range of options will be required to raise additional funding in order to deliver sustainable social care in the future. What is clear is that residents are likely to have to pay more if services are to be sustained in the medium to long-term.
25. Funding a reformed care system will clearly involve additional resources from Government. At present, adult social care is funded through a mixture of grant formula, business rates, fees and charges and council tax. In more recent years there have been welcome short-term injections of grant funding from Government through the Better Care Fund (BCF), improved BCF and the adult social care support grant, alongside increased flexibility to raise local taxation through the social care precept.
26. However, it should be noted that as a result of demand and financial pressures intensifying on adult social care year on year, costs increasing as a result of inflation and the National Living Wage, that this funding does not allow for an increase in service provision. Instead, it has merely stabilised an already precarious financial situation in the short-term.
27. Added to this many county authorities face unique cost pressures which are a consequence of their geographies and their relative rurality, with factors such as longer travel times, fewer providers and competition for high quality care staff that have an inflationary impact on the cost of care in county authorities.
28. CCN member councils, along with most upper-tier councils, are in a position whereby they are still having to deliver savings from their budgets, in spite of the additional short-term funding from Government. This is clearly demonstrated by the results of the 2018 ADASS Budget Survey where it was found that upper-tier councils are committed to delivering £700m of in 2018/19. In addition to this, over half of all social care authorities overspent on their budgets in 2017/18.⁶
29. Therefore, to place adult social care on a sustainable footing then Government must not only provide new and additional funding, it must also review the levels and effectiveness of existing funding that relates to social care provision. This must include an examination of whether universal benefits, such as winter fuel allowance, concessionary bus fares, free prescriptions and, indirectly, TV licences, deliver against their primary policy objectives. In particular, Government

⁶ [ADASS Budget Survey, ADASS, July 2018](#)

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should consider whether the provision of these benefits improves outcomes for those people who already have assets that place them outside of the existing means test thresholds. For example, research by Reform found that winter fuel allowance cost £2.1bn in 2015/16, but nearly 90% of recipients are not in fuel poverty.⁷

30. CCN's position very much mirrors that of the Health Committee report on Adult Social Care, where they recommended that we should *'seek to take funding from all available sources in order to deliver a fully funded and functional social care system'*.⁸
31. Government, through the Green Paper, must consider how best to raise income to fund a sustainable adult social care system above and beyond that already in the system. The merits of proposals such as increasing national insurance contributions, introducing care ISAs and a version of childcare vouchers for social care must be fully explored and costed in order for Government to test the level of additional contributions the public are prepared to make towards social care.

Social Care: Local vs. National Service

32. CCN has, and continues, to make the case for adult social care to remain within local government and not become a nationalised service in a similar way to the NHS.
33. It is vital that social care remains democratically accountable to residents, intertwined with services such as transport, public health, and in the case of unitary authorities housing, that influence the wider determinants of health and wellbeing. Such a move would also be counter to the Care Act that made the promotion of individual wellbeing the organising principle of adult social care.
34. Given that the direction of travel set out in government policy is towards integrated and personalised care, it would be inconceivable to remove commissioning responsibility from local authorities. Government has previously provided a clear policy steer that the use of personal budgets should be increased in order to provide individuals with greater choice and control over the services and support they access. This included the announcement of pilots for joint health and social care assessments and support plans in three county areas.⁹ Only locally-led approaches can be reactive to evolving local circumstances and work with and within communities to build resilience.

⁷ [Social Care- A Prefunded Solution, Reform, June 2017](#)

⁸ Adult Social Care, House of Commons Communities and Local Government Committee, March 2017

⁹ We need to do better on social care, Jeremy Hunt, 20 March 2018

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35. If adult social care was removed from local government control then it would lead to democratic accountability over decision making being compromised and an inability for the unique challenges faced by each and every area to be addressed. This is something that Government has previously sought to avoid and also through the establishment of Health and Wellbeing Boards, strengthen in relation to NHS decision making.
36. There is also an inherent risk in removing social care from local authorities that are legally bound to deliver a balanced budget year on year. Counties, and upper-tier authorities alike, have not shied away from making the difficult decisions required and re-routing money from the likes of transport, central services, and culture towards protecting life-critical, people-focused, services.
37. Local authorities up and down the country have proven their ability to be prudent in a period of unprecedented financial cuts, often delivering more with less money. CCN member councils, along with all upper-tier local authorities, have demonstrated their ability to at least maintain, if not improve services, for some of the most vulnerable people in our society despite being subject to a reduction in Government core grant since 2010 of £16bn. In fact the proportion of people satisfied with their care and support in county areas rose from 63% to 67% from 2010/11-2016/17.
38. By contrast, NHS commissioners and providers have been increasingly reporting regular deficits, including in 2016/17 when NHS Trusts reported combined deficits of £791m. Given the likely cost of this to the Treasury this is unlikely to be neither affordable nor desirable. Following a similar model to the NHS, which continues to report regular and significant deficits on an annual basis, would most likely place additional and significant strain on the public purse.
39. However, it is important to note that the ability of CCN member councils to continue to do this over the forthcoming years without reform and additional funding from Government is dwindling. Well publicised budgetary challenges in Northamptonshire, Somerset, Surrey and East Sussex, amongst others, highlight that before too long local authorities will be left with little choice but to only deliver the statutory minimum level of services.

The role and importance of prevention and public health

40. In order to place adult social care on a sustainable footing in the medium to long-term, a radical rethink is required about the importance and level of investment afforded to prevention and early intervention. Given the ageing

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population and increasing complexity of needs, it is imperative that the Green Paper provides a new funding and a fresh policy focus on providing the conditions for people to live the longest, healthiest and happiest lives that they possibly can.

41. It should be recognised that many in the sector are fully aware of the benefits an uplift in investment in preventative services could deliver. This is borne out in the results from CCN's survey of Leaders, Cabinet Members with responsibility for adult social care, Chief Executives and DASSs where 79% of respondents rated investment in preventative services as either effective or very effective in securing further efficiencies and managing long-term demand.
42. However, the reality is that austerity and the resultant reductions in local government funding since 2010 have led to county authorities, as well as local government as a whole, having to prioritise funding for statutory care and support services for those with the greatest need, rather than investing in longer-term strategies to reduce demand and deliver better outcomes for residents.
43. The reduction in investment in preventative services is also reflected in the results of the 2018 ADASS Budget Survey where it was found that expenditure on prevention as a proportion of social care budgets in 2018/19 will only form 8 per cent of adult social care budgets, compared to 8.3 per cent in 2017/18.¹⁰
44. Investment in preventative services can also help to reduce or delay the onset of conditions that lead to people requiring NHS and social care services. This view was supported in the NHS Five Year Forward View that stated the 'future health of millions of children, the sustainability of the NHS, and the economic prosperity of Britain all now depend on a radical upgrade in prevention and public health'.¹¹
45. This situation has only been further exacerbated by ongoing reductions to public health budgets since 2015, where ring-fenced local authority public health budgets were subject to a £200m in-year reduction by Government. This has been followed by year on year reductions of 3.9%, scheduled until 2109/20. CCN has called for Government to show its commitment to reducing demand and delivering social care sustainability by cancelling the proposed 3.9% reduction scheduled for the forthcoming financial year as part of our pre-Autumn Budget submission to HM Treasury.

¹⁰ [Budget Survey 2018, Association of Directors of Adult Social Services, June 2018.](#)

¹¹ [NHS Five Year Forward View, NHS, October 2014](#)

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46. This situation is further compounded in county areas, where research by LG Futures, found that CCN member councils are underfunded for public health provision. County authorities received the equivalent of £37 per head of population from Government, compared to the English average of £51 per head in 2015/16.¹² The result is that 14 out of 16 of the lowest funded local authorities for public health are counties.
47. These reductions have left CCN member council, as well as other upper-tier authorities, public health budgets strained. This a view supported by the Lords Committee report on the Long-Term Sustainability of the NHS and Adult Social Care. The Committee stated that prevention and public health is 'now chronically underfunded'.¹³
48. The enforced focus on short-term priorities and crisis management, rather than investment in preventative services is a false economy and does not offer value of money to the public purse. For example, research has found that investment in public health interventions can not only deliver improvements in health and wellbeing outcomes for residents, it can also provide a significant return on investment of approximately £4 for every pound invested.¹⁴
49. The Green Paper, along with the soon to be published 10 Year NHS Plan provide timely opportunities to reset the focus of health and social care towards prevention and early intervention. A key part of this agenda must be to shift emphasis and investment away from acute care to community-based care.
50. For this agenda to be successful he NHS must also embrace the personalisation agenda and empower people to live the most independent and healthy lives that they can, in part through self-care initiatives. Local government is significantly further along in its journey in this area, evidenced by the fact that direct payments to service users started around 20 years ago, as such the NHS should learn from this experience and integrate and align its approach wherever possible with adult social care.
51. Building upon the personalisation agenda, a number of counties have adopted, or are adopting strength/asset-based approaches to social work. A widespread adoption of the principles that underlie asset or strength-based approaches must also be utilised across health and social care. This approach emphasises wellbeing, and enabling people to remain independent or regain independence utilising the help and support available in their own communities and social

¹² Social Care and Health: Funding and Cost Pressure Analysis, LG Futures, January 2016

¹³ The Long-term Sustainability of the NHS and Adult Social Care, House of Lords, April 2017

¹⁴ Return on investment of public health interventions: a systematic review, British Medical Journal, July 2017

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networks first and foremost. It focuses on less prescriptive conversations with individuals that examine what outcomes a person wants to achieve and what is available locally to help them achieve that. ,

Non-funding reform to deliver a more efficient and effective health and social care system

52. A significant hindrance to reducing hospital-based care and increasing community-based care is the way in which the NHS Tariff currently functions. The way in which this mechanism operates is counterproductive and ultimately rewards acute trusts for patient contacts, as opposed to outcomes.
53. Instead this should be reformed to reward NHS Trusts for preventing people from entering expensive buildings based crisis care unnecessarily, something that CCN has long-advocated for. This was a view supported by the Leaders and Cabinet Members with responsibility for adult social care, Chief Executives and DASSs who responded to CCN's survey, 90% of whom supported a review of the NHS tariff in order to shift the focus to prevention, as well as the Common's Health Committee.¹⁵
54. A precursor to this reform would be to ensure that the forthcoming NHS 10 Year Plan and supporting funding settlement support such a shift by prioritising investment in primary, community and mental health services. Given the integration agenda and the significant expertise and experience that local authorities have in delivering community based services, government must consider how to strengthen the role of councils in either leading upon or joint-commissioning such services.
55. There is also an urgent need for the Green Paper to propose, and ultimately deliver, reforms that seek to breakdown key barriers to true integration such as information sharing and IT systems.
56. If the Green Paper proposals are to come to fruition, then they must transcend political and institutional boundaries in order to deliver real, long-lasting, equitable and sustainable funding solutions for adult social care.

¹⁵ Impact of the Spending Review on Health and Social Care, House of Commons Health Committee, July 2016