

Select Committee Submission

Health and Social Care Select Committee Inquiry NHS and Long-Term Plan

Summary

- The principal concern for county authorities is the uncertainty of funding of adult social care. Independent research by PwC, commissioned by CCN and published in May, projects that councils will need to spend £6.1bn per year more in 2025 on adult social care services compared to what they were spending a decade previously. Importantly, this cost just keeps services 'standing still' as they presently are, rather than providing the headroom for improving or enhancing services. It also does not include any potential costs arising from the social care Green (or White) paper's reforms when the Government's proposals are revealed.
- Too much funding is provided by piecemeal pots such as the Better Care Fund which, while essential in maintaining services in the short-term, do not allow for local authorities to make the long-term planning required in the context of an ageing population and the need for prevention. Given that the planned Spending Review has now been delayed local authorities need clarity as soon as possible over which pots will be renewed in the one year 'roll forward' in order to plan their budgets for 2020/1.
- The pressures on social care are increasing every day and councils continue to bear the brunt of the problems caused by rising demand and reducing resources – the need for the anticipated new Government Green/White Paper is urgent as local authorities are increasingly becoming aware they are very nearly at breaking point.
- It is vital that the NHS Long-Term Plan is seen as an opportunity to strengthen the relationship between health and social care by making integration between the NHS and local authorities a key foundation. In particular this might include more services which can identify the need for social care at an early stage such as GPs and District Nurses; more emphasis on how investment in social care can also benefit health (such as in reducing Delayed Transfers of Care); and ensuring Continuing Healthcare is adequately funded to mitigate additional pressures on social care and avoid the prospect of some families facing catastrophic care costs.
- Health and Wellbeing Boards (HWB) are a vital mechanism to ensure that the integration of health and social care happens at local level. There must be strong support for the strategic role of HWBs in helping to determine five-year plans and ensuring the role and perspective of local authorities and adult social care services are properly recognised.
- Thought needs to be given to the additional challenges faced by county authorities including: working across multiple NHS boundaries to deliver Integrated care; the challenges of filling the workforce in county areas; and the additional costs created by delivering care in rural/remote locations.
- Public health reform has been a success and should remain with local authorities. This is particularly important given the strategy set out by Government in the recent Prevention Green Paper focussing on a holistic approach to public health.

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.
2. We are pleased that the Committee is looking at this issue and are grateful for the chance to respond to the further call for evidence. As upper tier authorities, our members have responsibility for providing adult social care and public health services. Our response to this consultation therefore concentrates specifically on these aspects of the Inquiry's remit.
3. At the time of writing, CCN is finalising a new research project on government funding for adult social care services for the period 2015/16-2019/20. CCN will share this report with the committee when it is available and would welcome the opportunity to provide oral evidence to elaborate on our position further.

Social Care

CCN Green Paper: Sustainable Social Care

4. Last year CCN published the report *Sustainable Social Care*.¹ This document set out the key priorities which CCN would hope will be addressed when the Government's Green (or White) Paper on Adult Social Care is eventually published. The report highlights four key priorities for social care:
 - (1) Financing Sustainable Social Care
 - (2) Shaping a Diverse, Vibrant and Stable Market Care Market
 - (3) Integration: Creating a Preventative Ecosystem
 - (4) Delivering Housing to Meet Social Care Needs

The first and third of these are of key importance to this Inquiry and are addressed in this part of our response below.

Social Care Funding

5. The principal concern of county authorities is the uncertainty of funding of adult social care. Independent research by PwC, commissioned by CCN and published in May, projects that councils will need to spend £6.1bn per year more in 2025 on adult social care services compared to what they were spending a decade previously.² Importantly, this cost just keeps services 'standing still' as they presently are, rather than improving or enhancing them.
6. England's 36 county authorities are responsible to £2.9bn of the £6.1bn figure – just under half of the total of all 152 social care authorities. PwC concludes that those large, often rural, county authorities are the most exposed to financial pressures yet have the least ability to address these pressures. They will be spending £2.1bn more in 2025

¹ *Sustainable Social Care: A Green Paper that delivers a New Deal for Counties* (CCN, 2018)
<https://www.countycouncilsnetwork.org.uk/download/1663/>

² *Independent Review of Local Government Spending Need and Funding* (PwC, 2019)
<https://www.countycouncilsnetwork.org.uk/download/2258/>

compared to what they are presently spending in 2019³ – driven by a range of factors including overall budget reductions, populations ageing more rapidly than cities, and specific additional cost pressures such as the need to deliver services across wider geographical areas.

7. A new forthcoming analysis from CCN will demonstrate the extent of funding since 2015/16 that has been allocated to meet the aforementioned spending need. While the analysis is still being finalised, the below table shows the estimated annual per head funding (over 65s) for CCN member authorities compared to other types of councils.⁴

Tier type	Annual £ per head (65+)
CCN	430.54
Unitary (non CCN)	775.72
Met district	1049.77
London total	1170.41
England	683.11

8. Whilst PwC's figures look at change in spending over a decade, the analysis shows that it is over the next six years (2019-25) that county authorities will face the most pressure. Councils will be having to spend £3.9bn more a year in 2025 compared to how much they are spending currently in 2019.⁵
9. The pressures on upper tier authorities will be particularly acute as adult social care already makes up 47% of annual spending in county areas – and over two-thirds of the total budget (68%) in counties is spent on adult and children's social care combined. As demand for social care continues to increase into the next decade there are less additional services from which counties can offset spending towards social care than in unitary authorities.
10. Increasingly, the cost pressures on local authorities will be attributable not just to over 65s in poor health, but by adults with severe learning disabilities. The bulk of the extra projected spending will fall in county areas – with spending in those 36 areas for services for adults with learning disabilities projected to be £861m higher in 2024/25 compared to a decade before.
11. An additional cause of uncertainty is the number of piecemeal pots of funding which are currently being used to plug immediate gaps in social care provision at local level. Whilst in-year funding has been vital in helping county authorities to meet their statutory duties, it is a barrier to effective mid- to long-term planning. In particular it constrains the ability to provide preventative services and adaptations – such as using Disabled Facilities Grant to make minor adjustments to enable a person to stay in their home. Such services are vital in reducing the flow into more acute and higher cost health and social care services.

³ ibid

⁴ Full technical detail to be included in forthcoming CCN Analysis report. Figures include all dedicated grants for adult social care and estimates on funding dedicated from all elements of Core Spending Power, expected council tax.

⁵ ibid

12. Ideally local authorities need a long-term settlement for social care as soon as possible so they are able to effectively plan the management of these services in the coming decade. However, given that the planned Spending Review has now been delayed, in the immediate term local authorities need clarity as soon as possible over which pots will be renewed in the one year 'roll forward' in order to plan their budgets for 2020/1 – including the planned trajectory for the improved Better Care Fund (iBCF), the social care support grant, and winter pressures grant.
13. Adult social care is one of the key priorities in CCN's new five-point plan for local government⁶ which calls for the following action:
- Publish the Social Care Green Paper, beginning a national discussion and cross-party approach to consider the funding options for adult social care, including younger adults and those with learning disabilities.
 - As part of the Spending Review or one-year settlement, confirm the continuation of all current funding arrangements for social care and increase the social care grant.
 - Consider the additional challenges of delivering social care in rural and sparse geographical areas as a key aspect of the Green Paper and new funding formula for social care.
 - Renew the focus on early intervention and prevention through the consultation of the Prevention Green Paper and sustainable funding for public health services.

Social Care and Health – Integration, Prevention and Long-Term Planning

14. Government has been clear that the £20bn settlement for the NHS agreed in 2018 will sit separately to the funding required for social care. But the funding pressures on social care outlined above will inevitably impact this intent if they are not addressed – for example through failure to prevent health conditions worsening.
15. A specific challenge is to ensure there is sufficient funding to ensure that local care markets are sustainable. CCN's work with LaingBuisson in 2015⁷, and subsequent report in 2017⁸, identified the unsustainable nature of county care markets. The budget reductions faced by local government since 2010 has meant that local authorities were

"...forced by constrained budgets to set annual fee uplifts below the level of cost inflation and as providers compensated by setting above inflation fee uplifts for private payers."⁹

This has led to a care home fee gap of £670m for counties alone.¹⁰ This is unsustainable and has led to the provider sector being left in a position whereby local authority contracts do not cover the costs of service provision, as a result some providers have handed contracts back to commissioners. It is imperative that county care markets are placed on a sustainable footing, or risk not having sufficient high-quality capacity available to meet needs and also to discharge patients from acute settings to.

16. Funding reform alone will not be the silver bullet required to place adult social care system on a sustainable footing. There must continue to be maximum emphasis on a

⁶ <https://www.countycouncilsnetwork.org.uk/county-authorities-urge-clarity-over-funding-for-councils-next-year-in-new-five-point-plan-for-the-government/>

⁷ *County Care Markets: Market Sustainability & the Care Act* (CCN/LaingBuisson, 2015)
<https://www.countycouncilsnetwork.org.uk/download/122/>

⁸ *County Care Markets – 2017 Update* (CCN/LaingBuisson, 2017)
<https://www.countycouncilsnetwork.org.uk/download/1179/>

⁹ *ibid*

¹⁰ *ibid*

fundamental shift in how care and support is delivered, with person-centred, integrated and prevention-focused care at the heart of reforms. The existing system has become increasingly skewed towards crisis care as a result of the financial and demand pressures faced by both the NHS and local authorities.

17. Health and Wellbeing Boards (HWB) are a vital mechanism to ensure that the integration of health and social care happens at local level. There must be strong support for the strategic role of HWBs in helping to determine five-year plans and ensuring the role and perspective of local authorities and adult social care services are properly recognised.
18. CCN is concerned there is still a tendency for policy-makers to see the value of social care entirely through the prism of 'supporting the NHS'. Whilst there is undoubtedly extensive interaction between health and social care services, social care as a sector must be viewed – and funded – properly as separate but equal in importance to health, not as a 'Cinderella sector' which is simply about supporting health. It was therefore regrettable that it was not possible to publish the ASC Green Paper at the same time as the NHS Ten Year Plan.
19. With this in mind, CCN believes the NHS Long Term Plan should be seen as a valuable opportunity to continue to strengthen the relationship between health and social care by making integration between the NHS and local authorities a key foundation of the plan. This involves thinking clearly about how adult social care interacts with the NHS and what relationships, interfaces and pathways best serve the integration agenda. For example CCN suggests the following health spending should be priorities for the Long Term Plan:
 - Investment in local health services which are well placed to identify social care need early. In particular there needs to be enough GPs and District Nurses.
 - Investment local authority social care can produce strong returns in health delivery. For example, specific resource from Government (drawn from 'winter pressures' budgets) directed to LAs to reduce delays in transfer of care have been extremely effective – the average number of delayed days per month due to county authority social care teams has decreased from a high of 35,349 in 2016/7 to 21,689 in 2018/9 (39%).¹¹
 - It is important that alongside improved funding for social care, there is sufficient investment in Continuing Healthcare in order to ensure that those in need of support receive adequate care. This is vital to assure families they will not have to bear catastrophic care costs regardless of whether a particular condition warrants health or social care services.
20. There are some particular challenges for county authorities which should be borne in mind when thinking strategically about health and social care integration:
 - Unlike many unitary or borough authorities, the geographical size of counties means that CCN members are used to working across a number of different NHS boundaries. This can make integrating care a challenge at local level.
 - Attracting and maintaining a quality social care workforce in county areas can be challenging. This is over and above the uncertainty around Brexit which is widely agreed has the potential to affect recruitment into the workforce from EU nations.
 - Rural areas present a specific challenge for both social care and health services – with additional travel distances to cover affecting delivery costs.

¹¹ <https://www.england.nhs.uk/statistics/statistical-work-areas/delayed-transfers-of-care/>

- Housing with care is a key means by which early support and preventative services can support families and limit or delay their exposure to the health system. But presently the UK has ten times less provision than in other, similar, societies such as the US, Australia and New Zealand, often because there is limited understanding of its value across all stakeholders.

Public Health

21. CCN member authorities have welcomed the opportunities which have been presented by assuming responsibility for public health. It is CCN's view that by positioning it within the local authority the function of public health is better placed to permeate the whole gamut of community services with a long-term view of prevention – as the initial reforms were intended. This direction of travel is still very much that stated by the Government in its recent Green Paper on Prevention:

*"We need to view health as an asset to invest in throughout our lives, and not just a problem to fix when it goes wrong."*¹²

22. Councils deliver a wider range of services and the responsibility has meant the principles of public health are now better integrated directly within community provision – for instance the provision of public exercise facilities within local parks; locating signposting services within libraries e.g. – for early years services or mental health support. Most notably local authorities are well placed keep the focus on public health in its broadest sense as well as being able to concentrate resource on specific causes of concern such as smoking rates or obesity.

23. Earlier this year, CCN published a report commissioned from Shared Intelligence which assessed the effectiveness of the transfer of public health to councils made in 2013. The report concludes:

*"...that government was right to be ambitious about the potential of local government to take the lead in improving health locally, working closely with local partners and exploiting the full breadth of its remit. [Directors of Public Health] and their colleagues are most confident about achieving that ambition where public health has an overtly place-based focus. Significantly that is also true of health and wellbeing boards."*¹³

24. The report also demonstrates how the transfer has improved public health outcomes through analysis of data from county areas held by Public Health England:

- Healthy life expectancy for males increased from 64.8 years in 2013-15 to 65 years in 2014-16, compared with 61.8 and 61.9 years nationally;
- Healthy life expectancy for females has remained static at 65.8 years over the same period, compared with 62.1 and 62.3 per cent nationally;
- Between 2012 and 2017, the rate of diagnoses for new STIs (excluding chlamydia in under 25 year-olds) in county councils in England fell from 620 per 100,000 population to 560 per 100,000 population.
- Between 2012 and 2017, the prevalence of smoking among adults in county councils in England fell from 18.0% to 13.9%.

¹² *Advancing our health: Prevention in the 2020s* (HM Government, 2019)

¹³ *Learning the lessons from the transfer of public health to councils: An independent review of the impact of the transfer in county areas* (Shared Intelligence and County Councils Network, 2019)

<https://www.countycouncilsnetwork.org.uk/download/2126/>

- The cumulative percent of the eligible population aged 40-74 offered an NHS health check who received an NHS health check has increased in CCN member council areas from 43.87 per cent in 2013/14 to 47.82 per cent in 2017/18.

25. More recently, the situating of public health within local authorities is directly in line with the vision for prevention in health and social care set out by the Government late last year:

*"...we need to be improving all aspects of our lives, across transport, housing, education, employment and the physical environment."*¹⁴

Local authorities are best placed to co-ordinate public health approaches in this way given their regular and ongoing interaction with all of these aspects of the local community and economy.

26. It is also important that public health is properly funded given it is a vital means to stem the flow of demand on the NHS. PwC's analysis for CCN found that the spending need in this area will increase by £724m between 2014/5 and 2024/5.¹⁵ But in 2018/9 and 2019/20 every local authority has less to spend on public health than the year before as a result of both reductions to the Public Health Grant and the wider pressures on local authority budgets such as those on social care outlined above.

27. In particular councils need urgent clarity over the future of the Public Health Grant beyond 2020/21 when it ends.

Conclusion

28. As this response has highlighted the direction of long-term planning for NHS spending will have significant impact for local authorities and the delivery of social care. Planning for health cannot be considered in isolation of planning for social care. Without an effective and adequately funded system of social care it is highly likely that NHS ambition – and resource – risks being diverted to addressing the growing issues that are facing local authorities. County authorities are particularly exposed to these challenges with a greater percentage of their resources already devoted to social care. Demand is only expected to increase with the projections of rapidly ageing population in many of our member authorities. We hope that our concerns will be fully noted and identified in this Inquiry.

¹⁴ *Prevention is better than cure* (Department of Health and Social Care, 2018)

¹⁵ *Independent Review of Local Government Spending Need and Funding* (PwC, 2019)
<https://www.countycouncilsnetwork.org.uk/download/2258/>