

Social care in a time of budget risks, Sustainability and Transformation Plans and the Better Care Fund

John Jackson ADASS Resources Joint Policy Lead
Director of Adult Social Services,
Oxfordshire County Council



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Areas to cover

- What does the budget survey tell us about the resources available to local authorities?
- How serious is the problem within individual local authorities?
- What do Sustainability & Transformation Plans mean for Adult Social Care?
- Is the Better Care Fund helping? What about the future?

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WHAT DOES THE 2016 BUDGET SURVEY TELL US ABOUT THE RESOURCES AVAILABLE TO LOCAL AUTHORITIES?

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Overview

- Fieldwork completed prior to the EU referendum
- 100% return rate (excludes Jersey, Guernsey, Isle of Man and Isles of Scilly)

Adult Social Care Budgets 2015/16:

ASC Gross Budget 15/16	£19.6bn
ASC Net Budget 15/16	£13.65bn
ASC Net Budget 15/16 Outturn	£13.82bn
Variance	£168m overspend

Adult Social Care Budgets 2016/17:

ASC Gross Budget 16/17	£19.7bn
ASC Net Budget 16/17	£13.82bn
% change in ASC Net Budget between 15/16 and 16/17	+1.2%
% ASC Net Budget 16/17 of 16/17 Council Net Budget	35.6%

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Increasing costs

The total cost of the NLW, (including compliance with the existing National Minimum Wage), is calculated to total over £600m. The precept raises less than two thirds of this



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Savings and duties

- Adult Social Care planned savings for 2016/17 are £941m (8% of the net Adult Social Care budget and 29% of total council savings).
- Directors' confidence in making savings is falling: last year 45% of directors were fully confident planned savings would be met. This year it is just 31%. It reduces to 6% for 2017/18.
- Applications for DoLS have risen more than tenfold and 2015/16 saw the first full year of the Care Act. Only 36% of directors are fully confident of being able to deliver all of their statutory duties this year, falling considerably to just 8% who think they can do so next year.

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More people are affected

- 3% increase in older population, *but we found no increase in the numbers of older people actually receiving services in 15/16*
- At least 24% of this year's savings will come from *cutting services or reducing the personal budgets of people who receive care and support*

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The continuity of the care market is under threat

- 82% of councils increased fees to providers: nearly a quarter by more than 5%.
- 80% of Directors report that providers in their area are facing financial difficulties now.
- Providers are increasingly selling up, closing homes or handing back the contract for the care they deliver to older or disabled people. This affected thousands of people across the country last year.

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Investment in prevention is further squeezed



- Directors see increased prevention and the integration of health and social care as the two most important ways in which savings could be made over the next three years.
- But this year Councils will be spending 4% less on prevention than last year. As budgets reduce further it becomes harder for Councils to manage the tension between prioritising statutory duties towards those with the greatest needs and investing in services that will prevent and reduce future needs.

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Reduction in funding for social care has wider impact



Directors' experiences to date:

- | | |
|--|-----|
| •The NHS is under increased pressure | 85% |
| •More providers face quality challenges | 85% |
| •Providers are facing financial difficulty | 84% |

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“The whole sector, including senior leaders from the NHS, local government and the independent sector, are united in recognising the importance of an adequately funded social care system in promoting the country’s wellbeing and ensuring the right care is available. More people work in adult social care than in the NHS and they make a positive difference every minute of every day”.

“We are at the tipping point where social care is in jeopardy and this impacts on the millions of people needing care and support and the staff who care for them.”

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HOW SERIOUS IS THE PROBLEM WITHIN INDIVIDUAL LOCAL AUTHORITIES?

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Demand challenges are huge



- Those aged over 85 will increase from 1.6m in 2016 to 2.8m in 2030 – 75% increase (ONS)
- Adults with a (severe) learning disability will increase from 240,000 to 290,000 – 21% increase (PSSRU)
- Increasing care needs of those with learning disabilities due to ageing and the breakdown of informal care arrangements

In the context of:

- Providers struggling both financially and in terms of quality
- Costs rising due to national living wage which is a good thing but needs to be paid for
- Limited options for making more savings

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Problems at a local level



- Budget survey tells us that almost all Directors are worried about next year – only 9 Directors are fully confident that they can deliver their savings
- Significant interest at a regional level in discussing collectively the problems faced by all local authorities in the region
- Interest in using the two risk tools that have been developed: TEASC and CIPFA/ADASS
- Some local authorities recognise that they face particular financial difficulties – approaching the LGA Care and Health Improvement team for support

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Possible scenarios with individual authorities



1. How much further scope might there be for Adult Social Care to make savings?
2. Is there a shared view of Adult social care and the corporate centre of the problem?
3. Is the overall financial position of the authority particularly difficult?
4. Combination of all three

Not all authorities have taken up the adult social care precept – will there be more in the future?

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WHAT DO SUSTAINABILITY & TRANSFORMATION PLANS MEAN FOR ADULT SOCIAL CARE?

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What is the purpose of Sustainability & Transformation Plans?

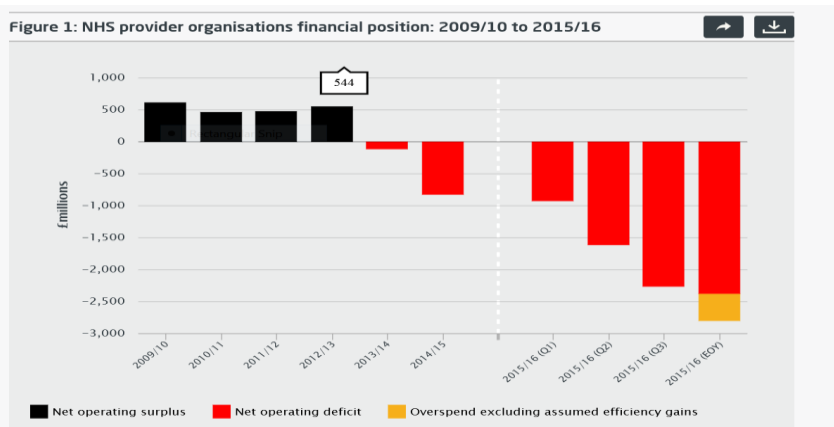


- “every health and care system to come together to create their own ambitious local blueprint for accelerating implementation of the Five Year Forward View”
- “Sustainability and Transformation Plans will be place-based, multi-year plans built around the needs of local populations.”
- “They will help ensure that the investment secured in the Spending Review does not just prop up individual institutions for another year, but is used to drive a genuine and sustainable transformation in patient experience and health outcomes over the longer-term.”
- “STPs are not an end in themselves, but a means to build and strengthen local relationships, enabling a shared understanding of where we are now, our ambition for 2020 and the concrete steps needed to get us there.”

Letter to all CCGs and Local Authorities 16th February 2016

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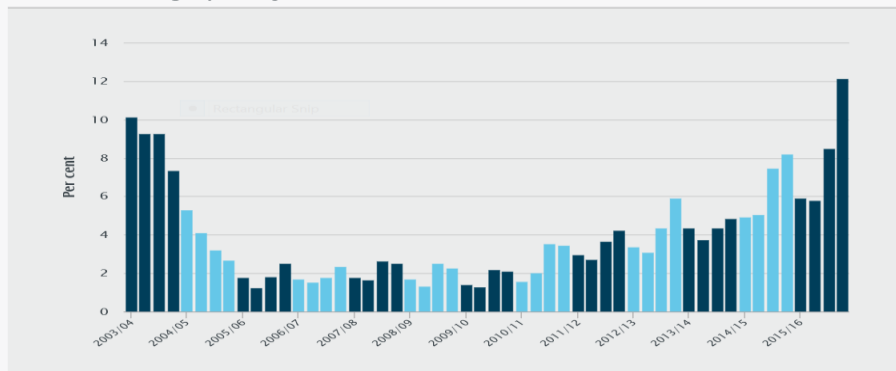
But context of the NHS struggling: King's Fund May 2016



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...and Performance

Figure 34: Percentage spending more than four hours in A&E from arrival to admission, transfer or discharge: quarterly data



Data source: A&E attendances and emergency admissions www.england.nhs.uk

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Implications for adult social care

- NHS financial challenges are driving policy and practice. Concerns about the financial position of providers – most of the extra resources has gone there
- STPs are designed to come up with long term plans which deliver sustainability but..
- Will they deliver the level of savings required?
- Will the proposals be politically acceptable – nationally/locally?
- Will there be adverse impacts (money and workforce) on adult social care?
- Is there an increasing disconnect between STPs and local government arrangements which undermines the benefits of Health and Wellbeing Boards?

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IS THE BETTER CARE FUND HELPING? WHAT ABOUT THE FUTURE?

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Impact of the Better Care Fund

- Initial transfer from the NHS agreed in 2010 has helped adult social care. £1.1 billion which has been spent on new adult social care service (£0.1 bn); demographic pressures (£0.1 bn); avoiding cuts in adult social care services (£0.9 bn)
- Government has also required the NHS to meet the costs of the Care Act (£138m)
- However, the Better Care Fund has delivered very little more - £85m more than expected on the first and £15k less on the second – net benefit only £70m
- Significant bureaucracy generally. Some difficult relationships in some areas

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Future of the Better Care Fund



- Additional resources of £1.8 bn by 2020. Crucial that this is available to meet pressures in adult social care.
- Back loaded which is unfortunate. Need the resources now.
- Must be available to be spent on adult social care without conditions
- Proposed resource allocation (taking account of needs and resources) is right
- More resources will be required on top of that