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# **Planning for the financial impact on social care**

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# Local government spending to fall sharply, especially capital

- Labour and Conservative Chancellors set plans to cut government **capital** spending by over 50% by 2014-15.
- **Current** expenditure to be protected in some service areas, which will require far deeper cuts elsewhere.
- Chancellor Osborne has demanded exemplifications of 25% to 40% reductions by 2015-16.

# Adult social care funding will be under huge pressure:

- 50% real increase in total public spending since 1997 not kept pace with demand, expectations and desire for higher quality care.
- Increasing proportion of care funding borne by council tax – up to 39% now, but as high as 80% for some councils.
- Eligibility/access criteria now pretty tight too.
- Plurality of funding contributing to social care: £4.4billion AA; £9.8 billion DLA; £2 billion user charges; c£5 billion co-payments.

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# Councils planning real total reductions of 25% over 3 years

- Social care services could be protected – but only up to a point, and depends on position of individual councils. Little room for manoeuvre.
- Expectation is higher user charges, tighter eligibility criteria, some efficiency/productivity gains.
- Implications for health care....delayed discharges; higher avoidable admissions, etc.
- Pressure too on the benefits side: switch to CPI from RPI for benefits uprating; tightening of medical criteria for DLA (to reduce claims by 20%).
- Some signs that NHS will transfer funds....

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# Awaiting the Spending Review – 1 – some key facts

- Total spending in 2008/9 = £16.6 billion gross, **£14.4 billion net.**
- Demographic pressures = 4% per annum.
- Adult social care achieved 2.2% efficiency savings last year; 3% expected this year.

# Awaiting the Spending Review – 2 – some key arguments

- Adult social care ahead of the game - services provided externally; significant use of voluntary & community sector; focus on personal choice; radical change happening.
- Efficiency savings of 3% each year probably achievable, though tough. May involve increased charging and restricting eligibility.
- Volunteering can help but not with intimate personal care.
- Not possible to achieve savings of 25 – 40% within current statutory responsibilities.
- But scope to make bigger savings by looking at health and social care in the round.

# What can we do about it – areas to explore?

- Comprehensive agenda set out in “Use of Resources in Adult Social Care” (DH 2009).
- Areas of focus:
  - telecare;
  - crisis or rapid response;
  - reduced/no use of expensive inhouse services;
  - more efficient assessment and care management;
  - reablement.
- Health/social care interface:
  - falls, continence, dementia, loneliness, stroke.

# What can we do about it – working together

- Need to be even more creative than hitherto. Still possible to make genuine efficiency savings even if you are very efficient already.
- Retreating to an ASC “bunker” won’t do. Need to engage with service users, carers, commissioners and providers.
- We are all in this together and must work together if we are to manage this as best we can.

# What can we do about it – areas of SCIE work

- Incorporating economic evaluation into assessments of good practice.
- Leading informal “vfm consortium” – ADASS, LGID, AC, CQC, etc. Planning a web-based information hub.
- Project on “efficiency and personalisation”.
- Series of briefings on prevention in 2010 and 2011 – starting with reablement (autumn 2010) including new PSSRU findings.

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