



National Audit Office

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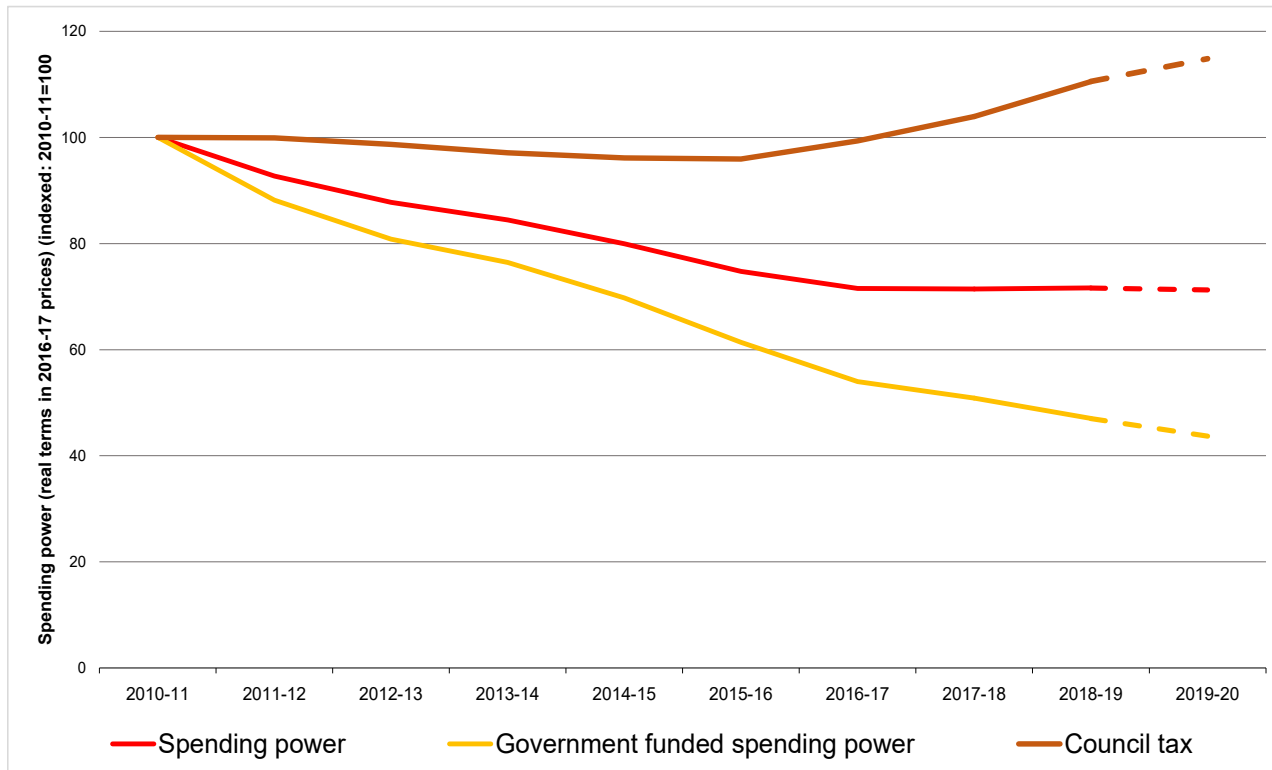
# The state of adult social care funding: securing short-term sustainability An NAO perspective

NCASC November 2018

# Overview | **What will I cover?**

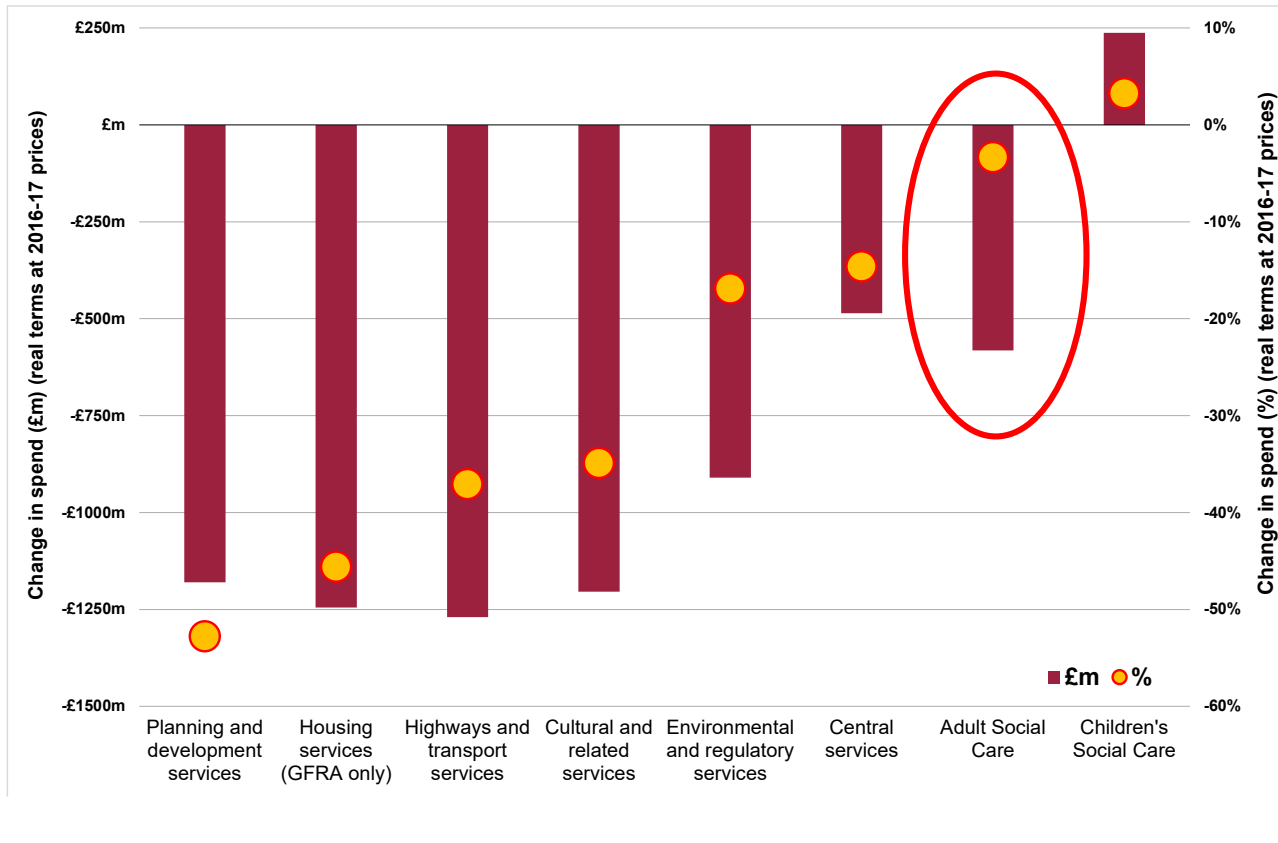
- **The financial background**
- **The demand background**
- **Integration, prevention and iBCF lessons**
- **A way forward**

# Financial challenge | Funding reductions since 2010-11



- **Substantial real terms falls in government funding:**
  - **49.1%** reduction 2010-11 to 2017-18
  - **56.3%** reduction by 2019-20
- **Spending power fell steadily** from 2010-11 to 2016-17 (**28.5%**) then levelled off: relies on substantial anticipated growth in council tax.
- **Much new cash is also focused solely on ASC.** Non ASC funding falls by 8.2% from 2016-17 to 2019-20

# Financial challenge | Reductions in service spend 2010-11 to 2016-17



- **Social care spend has been relatively protected:**

- 3.3% reduction ASC (including BCF)
- 3.2% growth in CSC.

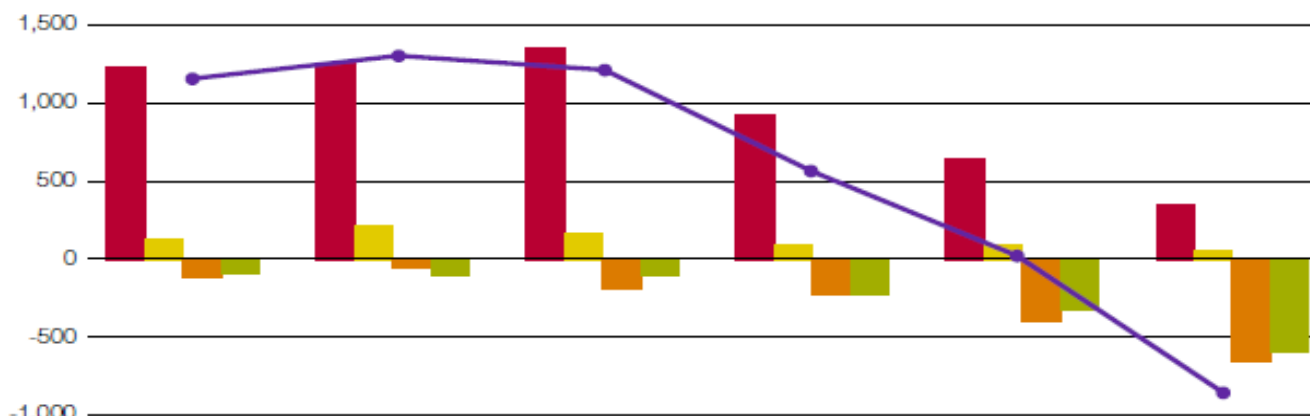
- **Other services have been cut substantially**

# Financial challenge | **Managing' is increasingly through drawing on reserves**

'Planned' and 'unplanned' movement in reserves in single-tier and county councils in England, 2011-12 to 2016-17

The majority of gross appropriations from reserves by single-tier and county councils now takes place on an 'unplanned' basis

Movement in reserves (£m) (cash)



	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
■ Growth, where unplanned (£m)	1,237	1,254	1,359	934	648	350
■ Growth, where planned (£m)	134	217	165	92	92	53
■ Use, where unplanned (£m)	-114	-59	-197	-231	-395	-658
■ Use, where planned (£m)	-96	-103	-108	-226	-323	-603
● Net change (£m)	1,161	1,310	1,218	568	22	-858

**Note**

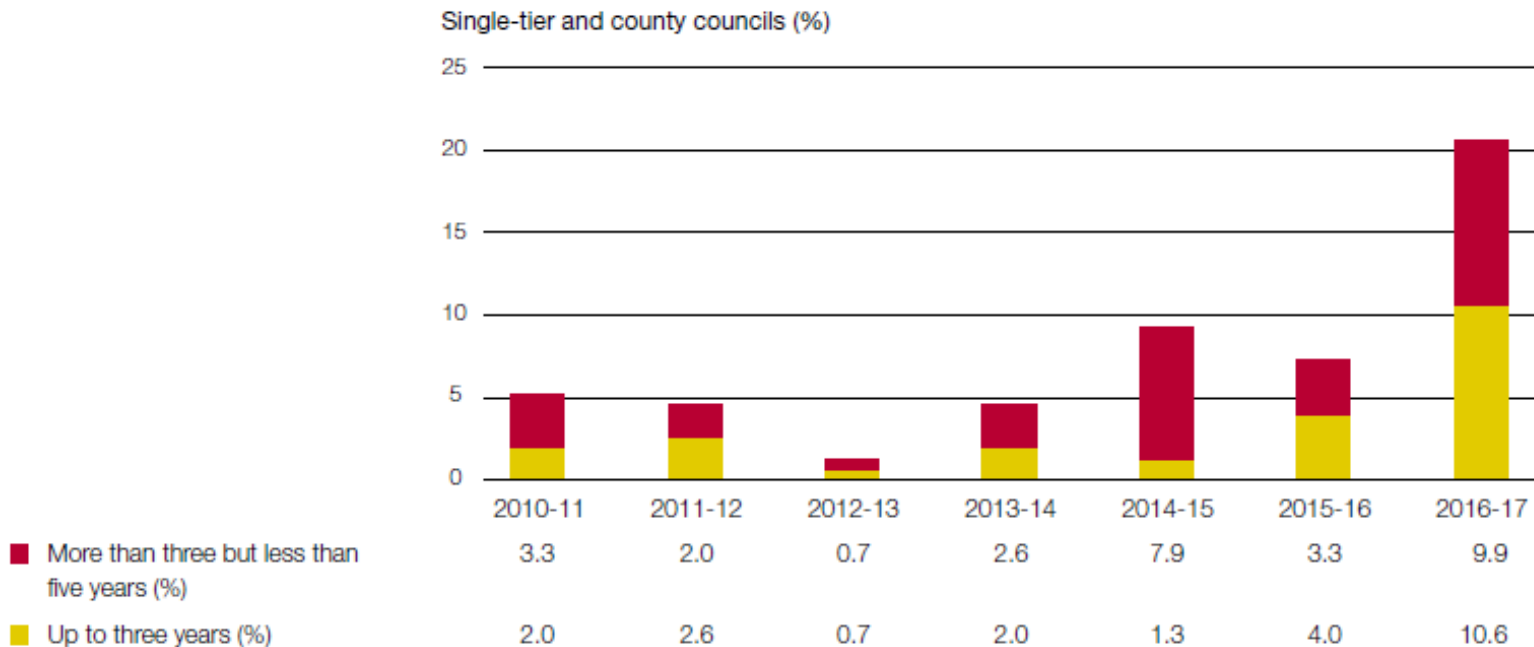
1 Single-tier and county councils includes unitary councils, metropolitan districts, London boroughs and county councils.

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government data. See standalone methodology

# Financial challenge | How long can this go on?

Remaining years' worth of reserves based on preceding year's usage: single-tier and county councils in England

More than 10% of single-tier and county councils would have the equivalent of less than three years' worth of reserves left if they continued to use their reserves at the rate they did in 2016-17



## Notes

- 1 Analysis is based on the level of total reserves (excluding schools and public health) at the end of each year in each authority divided by the level of appropriations in that year.
- 2 We exclude authorities where in any given year remaining levels of reserves were worth five or more years' based on the preceding year's rate of use, or where authorities had added to their reserves.
- 3 Single-tier and county councils includes unitary councils, metropolitan districts, London boroughs and county councils.

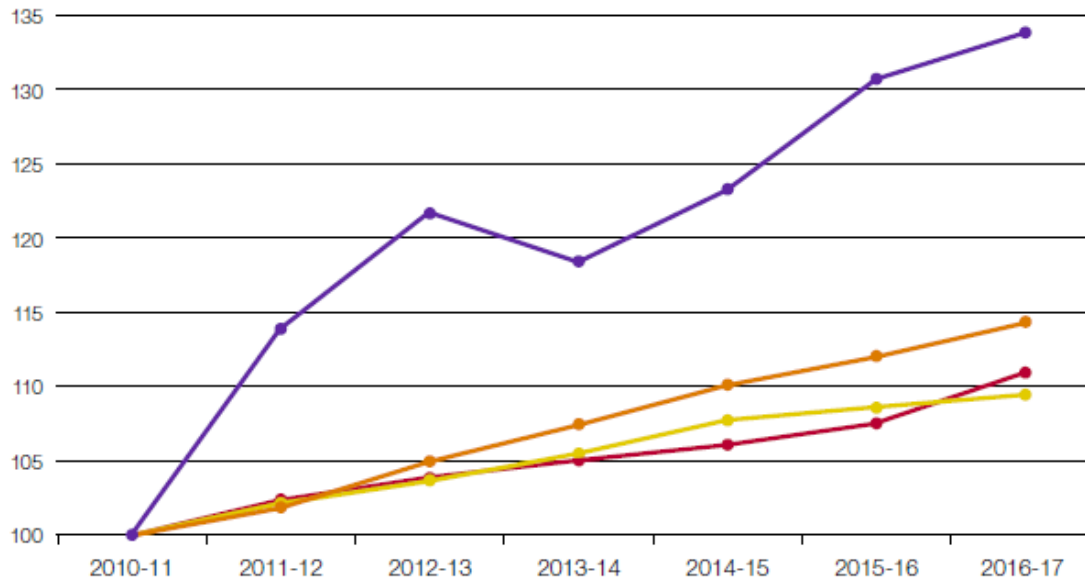
Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government data. See standalone methodology

# Demand challenge | Demand is increasing across the board

Change in demand in key local authority service areas in England

There has been growth in actual or potential demand in a range of core service areas

Change in indicator (%) (Indexed: 2010-11=100)



● Number of children looked after	100	102.4	103.9	105.1	106.1	107.5	110.9
● Estimated population in need aged 18 to 64	100	102.2	103.7	105.5	107.8	108.7	109.5
● Estimated population in need aged 65 and over	100	101.9	105.0	107.4	110.1	112.0	114.3
● Households accepted as unintentionally homeless and priority need	100	113.9	121.8	118.4	123.3	130.7	133.9

Source: National Audit Office analysis of departmental data. See standalone methodology

# Demand challenge | It is the frail elderly who are driving emergency admissions

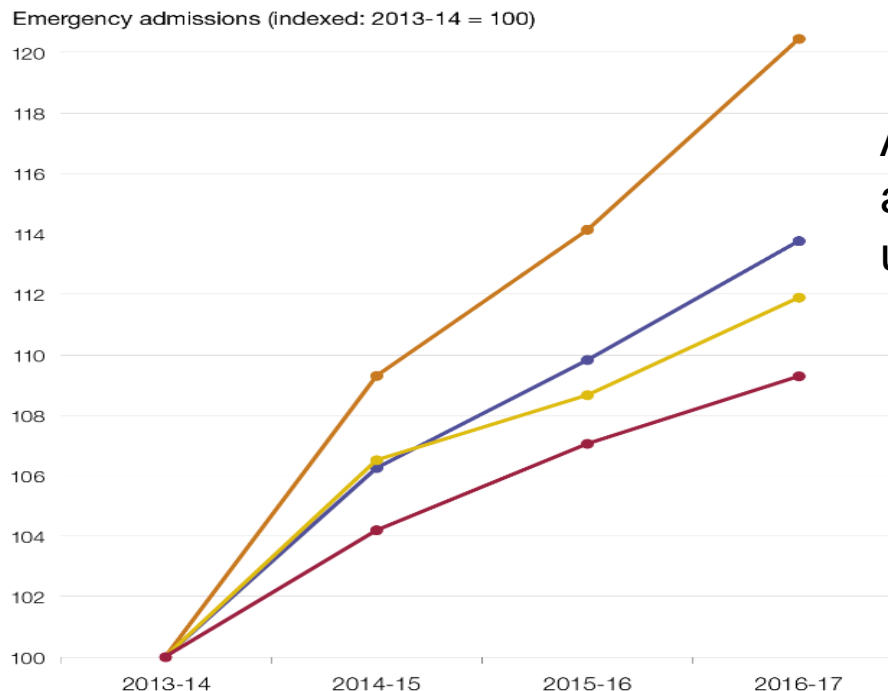
Growth in emergency admissions in England 2013-14 to 2016-17 by type of patient

People admitted at risk of frailty are showing the highest growth in emergency admissions

This is not population growth:

Population 65+ rose by 6.2%

Admissions rose by 12%



Avoidable admissions up 14%

- Emergency admissions for patients of all ages
- Emergency admissions for patients aged 65 and over
- Emergency admissions for patients aged 65 and over at risk of frailty
- Emergency admissions for patients that NHS England considers could be avoided with effective community care and case management

**Notes**

- 1 Our frailty risk indicator includes emergency admissions for patients aged 65 and over with diagnoses for delirium, dementia, functional dependence, falls and fractures, incontinence, pressure ulcers and senility.
- 2 2016-17 data are provisional.

Source: National Audit Office analysis of NHS Digital Hospital Episode Statistics



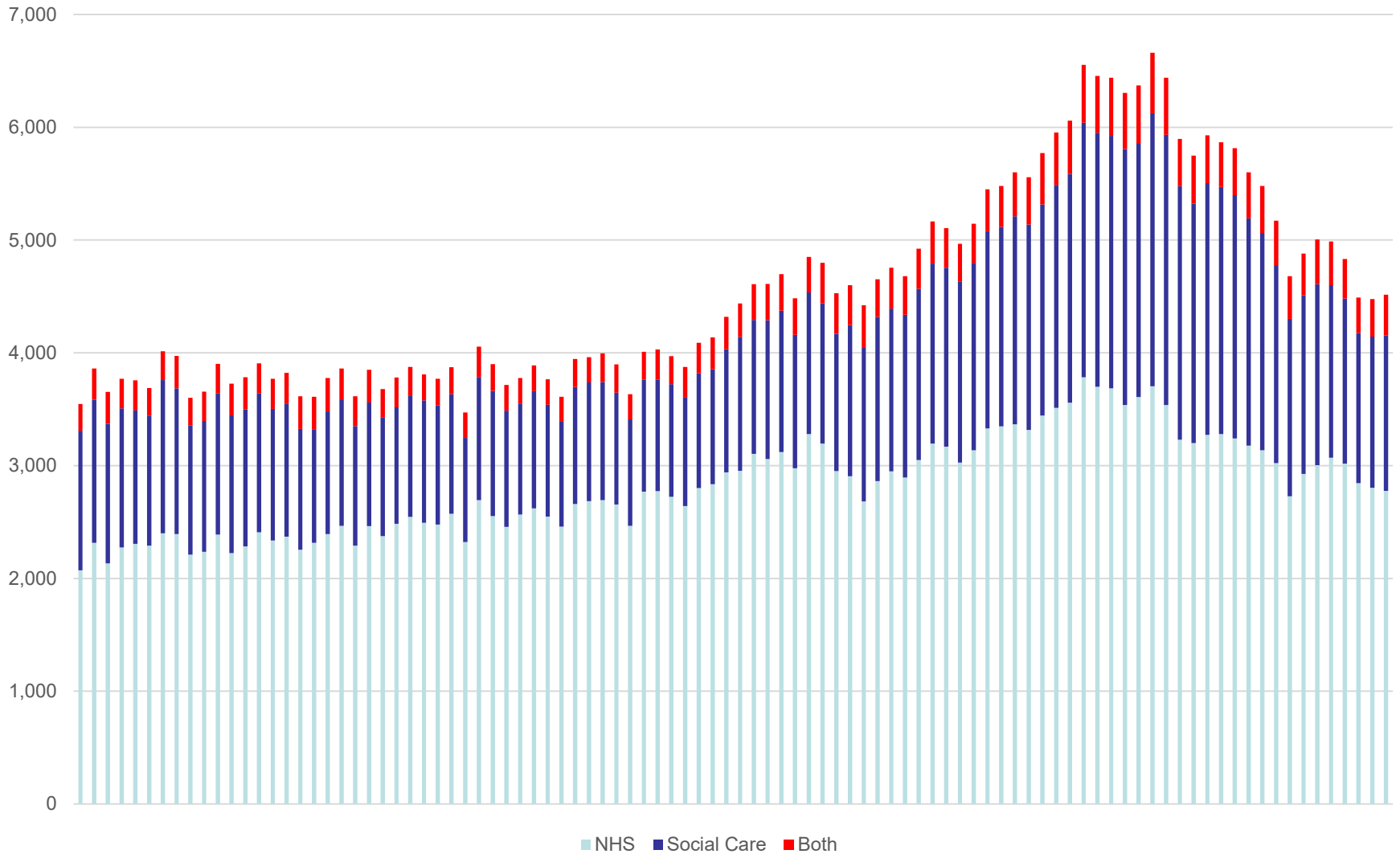
# Interface, prevention and iBCF |

**Key challenges for the interface include:**

- **financial pressures**, short-term funding arrangements and uncertainty about future funding
- **cultural and structural barriers**, including leadership and data sharing
- **strategic issues**: the relative lack of public understanding and importance of social care.

# iBCF | Friend, foe or just the future?

DTOCs 2010-2018



# WANTED BY THE FBI

BANK ROBBERY

UNLAWFUL FLIGHT TO AVOID CONFINEMENT - ARMED ROBBERY

Photograph taken October 24, 1945

Photograph taken April 3, 1945



**WILLIAM FRANCIS SUTTON**

# A way forward? | **Thoughts**

- The case for more money is clear
- Friends in high places and birthday presents
- The NHS will have a 10-year plan and resources - does ASC?
- Case for mutual interdependence
- Seat at the table based on contribution
- Future relationship with the NHS? “get into lockstep”
- Contribution to prevention

## Thank you

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