Adult social care in England: overview
<table>
<thead>
<tr>
<th>Key facts</th>
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<tbody>
<tr>
<td><strong>£19bn</strong></td>
<td><strong>9%</strong></td>
<td><strong>64%</strong></td>
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<tr>
<td>spending on adult social care managed by local authorities, 2012-13 (includes £2.5 billion user contributions)</td>
<td>of adults in England limited ‘a lot’ in day-to-day activities by illness, disability or old age, 2011</td>
<td>of local authority adult social care service users very or extremely satisfied overall with their care and support, 2012-13</td>
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<td>152</td>
<td>5.4 million</td>
<td>1.5 million</td>
<td>£19bn</td>
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<td>unitary and upper-tier local authorities in England responsible for adult social services</td>
<td>unpaid informal carers, 2011</td>
<td>people working in adult care, 2012</td>
<td>9%</td>
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<tr>
<td>5.4 million</td>
<td>1.5 million</td>
<td>£10 billion</td>
<td>£55 billion</td>
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<td>estimated spending on care and support by self-funders, 2010-11</td>
<td>estimated value of informal care and support, 2011</td>
<td>of adults live in local authorities that set their eligibility threshold to meet substantial or critical needs only</td>
<td>64%</td>
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<td>87 per cent</td>
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Summary

1 Social care (‘care’) comprises personal care and practical support for adults with physical disabilities, learning disabilities, or physical or mental illnesses, as well as support for their carers. The government’s objectives are to enhance adults’ quality of life, delay and reduce the need for care, ensure positive care experiences, and safeguard adults from harm.

2 Publicly funded care makes up only a minority of the total value of care, and this proportion is decreasing. Most care and support is provided unpaid by family, friends and neighbours (informal care), while many adults pay for some or all of their formal care services. Local authorities provide a range of universal and preventative services, many of which are available without assessment of need. Local authorities typically only pay for individual packages of care for adults assessed as having high needs and limited means. They commission most care from the private and voluntary sectors, with home care and care homes the most common services.

3 Legislative and other changes are increasing adults’ role in shaping their own care and support, diversifying the types of care available and changing how adults access it. In 2012, the Department of Health announced new legislation, the Care Bill. The Department designed the bill to rationalise local authorities’ obligations, to introduce new duties based on individual wellbeing and to mitigate pressures on self-funders and carers. From April 2015, the bill will change how local authorities assess and fund adults’ care needs. From April 2016, it will introduce a limit on an individual’s contributions to meeting their eligible care needs. The government wants to continue reducing public spending while maintaining spending on care and support, and improving outcomes for adults, as need for care rises.

4 Adults’ care needs are often multiple and interrelated with other needs. Adult social care is therefore part of a complex system of related public services and forms of support (Figure 1 overleaf). How well services meet adults’ needs depends on all parts of the system working together. For example, good medical management of long-term conditions can prevent a person developing care needs, and welfare benefits can maintain independent living.

5 This report, the first in a series on adult care, describes the care system. It highlights the main risks and challenges as the system is changed radically, some of which will be covered in more detail in future years. We provide a glossary of care-related terms, used throughout this report, in Appendix Three.
Summary
Adult social care in England: overview

How well adults’ needs are met depends on all parts interacting effectively.

Source: National Audit Office
Key findings

Rising care needs and falling state spending

6 Adults’ care needs are rising. Adults with long-term and multiple health conditions and disabilities are living longer. The number of adults aged 85 or over, the age group most likely to need care, is rising faster than the population as a whole (paragraphs 1.22 and 1.23).

7 Local social, economic and demographic factors lead to variation in the level of need in each local authority: some of these factors are outside a local authority’s control or can only be influenced long term. Our analysis showed that these factors explained most variation in how much local authorities spend on care for older adults and some of the variation for younger adults. Need for care is also linked to an adult’s health, the quality of their housing and the effectiveness of other support and services, in preventing needs developing. Local authorities’ spend on care depends on local need but also on local policies and priorities, as well as the local authority’s commissioning and financial management skills (paragraphs 1.24, 1.35 and 1.36).

8 Local authorities’ total spending on adult social care fell 8 per cent in real terms between 2010-11 and 2012-13 and is projected to continue falling. Older adults have experienced the greatest reduction, 12 per cent in real terms. Younger adults with learning disabilities have experienced the smallest reduction of 0.2 per cent in real terms. Our analysis shows that around three-quarters of the fall in spending since April 2010 has been achieved by reducing the amount of care provided, which could reflect the effective prevention of need for care, changes in eligibility criteria or reductions in service. The rest has been achieved through paying less to provide care, for example through reducing back-office costs, or through changes to and improvement in the commissioning of care. Central government’s intention in the 2010 spending review was to protect spending on adult social care but funding is not ring-fenced (paragraphs 1.28, 1.29, 1.37 to 1.39).

9 Local authorities have reduced the total amount of state-funded care provided through individual packages of care every year since 2008-09. They have developed service models that aim to prevent the need for long-term care. Local authorities report that they are relying on early action and prevention to reduce demand further. Over the last ten years, many local authorities have raised the eligibility level they set for individual packages of care. Eighty-five per cent of adults over 65 now live in local authorities which arrange services for adults with substantial or critical needs only. One per cent of adults live in authorities which provide for critical needs only. People who receive local authority arranged services may still pay in part or full for those services, depending on the outcome of a means test (paragraphs 1.10, 1.11, 2.3 and 2.4).
Increasing pressures on other parts of the care and health systems

10 Rising needs, reducing local authority spending, and reductions in benefits may be putting unsustainable pressure on informal carers and acute health services. Between 2001 and 2011, the number of informal carers (unpaid family, friends and neighbours) rose faster than population growth across all regions except London. Informal carers are doing more hours of care per week and are, on average, getting older. Delayed discharges into, and avoidable admissions from, social care settings place increased demand on acute services. Over the last three years delayed discharges due to social care have decreased but remain a significant problem for some hospital trusts. National and local government do not know whether the care and health systems can continue to absorb these cumulative pressures, and how long they can carry on doing so (paragraphs 1.6, 1.7, 2.22 and 2.24).

11 Local authorities are saving money by changing contractual agreements, paying lower fees, negotiating bulk purchase discounts and commissioning less care. Rates that local authorities pay for care home places for older people rose less than providers’ costs between 2009-10 and 2013-14. Some providers have reported problems meeting all but users’ basic needs and investing in staff skills and training. Others have been able to sustain their businesses at local authority rates. Around half of local authority directors of adult social care report that cost-saving is putting pressure on the financial sustainability of some private sector providers. Some providers charge self-funders higher fees than local authorities, sometimes for a premium service and sometimes to subsidise the lower fees that authorities pay. Since Southern Cross got into financial difficulties in 2011 there have been no significant business failures in social care. The Department of Health currently monitors the financial sustainability of the five largest providers. Subject to legislation the Care Quality Commission will, from April 2015, monitor the financial sustainability of the most difficult-to-replace providers (paragraphs 2.11 to 2.14).

Improvements to the care system are needed

12 Adults do not always transfer between health and social care services in a timely and efficient way. For example, one-fifth of emergency admissions to hospital are for existing conditions that primary, community or social care could manage. Research has shown that greater spending on social care is related to lower delayed hospital discharge rates and fewer emergency admissions. In previous reports we have shown there is scope to improve value for money by integrating services and programmes in end-of-life care and for adults with autism, dementia and rheumatoid arthritis (paragraph 2.22 and Figure 15).

13 All local authorities need to set the outcomes that care services aim to achieve. Contracts for services that local authorities commission from the private and voluntary sectors are frequently time or task based rather than outcomes based. They generally do not incentivise providers to rehabilitate or improve user independence. Moving to outcomes-based commissioning is not easy and some local authorities need to develop their commissioning skills and capacity (paragraphs 2.5, 2.9 and 2.29).
14 Safeguarding vulnerable adults from abuse and neglect remains a major risk throughout the sector. Between 2010-11 and 2012-13, safeguarding referrals recorded by local authorities rose by 13 per cent. Though this increase may reflect increased awareness of abuse, it may reflect overstretched resources and pressure within the system. In 2012-13, 36 per cent of safeguarding referrals were about alleged abuses by social care or health workers. In the same year, the Care Quality Commission reported that service providers were more aware of their safeguarding responsibilities and procedures. It is developing guidance to improve providers’ understanding of safeguarding (paragraphs 2.31, 2.35 and 2.36).

Changes intended to mitigate pressures and improve outcomes will be challenging to achieve

15 Local authorities and local health bodies are trialling and evaluating how to integrate health and social care, both to improve outcomes and save money. The Department of Health and the Department for Communities and Local Government recognise that there are significant challenges to integration and have established the £3.8 billion Better Care Fund, the Integrated Care Pioneers initiative and the Public Service Transformation Network. Currently, there is limited evidence for successful ways to integrate, and the timeframe for local areas to plan how to spend their fund allocations is tight (paragraphs 2.23 to 2.25).

16 The Department for Communities and Local Government is expecting local authorities to meet financial pressures through local efficiency initiatives and transforming services. As part of the spending round process, the Department modelled local government spending pressures and potential efficiency savings for 2015-16. The Department of Health and the Department for Communities and Local Government support local authorities to improve efficiency through part-funding sector-led improvement initiatives. Through the Better Care Fund, funding is being transferred from the health sector into pooled budgets managed jointly by local authorities and clinical commissioning groups, to enable integration and reduce pressures. The Department for Communities and Local Government acknowledges that local authorities have to make tough choices and anticipates that health and social care integration will contribute to meeting the pressures (paragraphs 1.32, 1.33, 2.24, 2.39 to 2.42, and Figure 18).

17 Local health commissioners are concerned about the impact of taking £2 billion from NHS acute care for the Better Care Fund. The Department of Health and the Department for Communities and Local Government do not know how quickly savings can be achieved across health and care through transforming services and greater integration. The Department of Health does not know how quickly the NHS can manage its funding reduction (paragraph 2.24).
18 The Care Bill is a significant change for local authorities, and difficult to plan for, because of short timescales, and a lack of information and evidence on what works in some areas. For example, the Care Bill is expected to increase local authorities’ responsibilities towards self-funders, about whom they currently have little information. There are gaps in data and a lack of evidence for what works in integration and reablement (intensive support after an injury or illness to help an adult regain skills, confidence and independence). This makes it difficult to plan care services or assess the impact of policy and spending decisions. Key stakeholders are satisfied with the amount of ongoing, regular engagement with the Department of Health as the care system changes (paragraphs 1.4, 1.7, 1.11, 2.5, 2.7, 2.10, 2.13, 2.15, 2.18, 2.23, 2.28, 2.29 and 2.36).

19 The cumulative impact of changes across the public sector could shift costs and demand between services without reducing overall public spending. The Department for Communities and Local Government and the Department of Health are working closely together to understand financial and service pressures in social care. However, not all other departments with local service policy responsibilities are fully contributing to understanding the cumulative implications of the changes to and reduced spending on health and social care, welfare and related local services. For example, changes to benefits for adults with disabilities and their carers will put further strain on care users’ ability to pay for their own care and for informal carers to provide support (paragraph 1.32).

Monitoring arrangements are changing

20 Central government is relying on new arrangements for monitoring, regulating and improving care services. These new arrangements are not fully established currently at pilot stage, or voluntary. Not all local authorities have enabled external scrutiny through publishing adult care performance information. The Care Quality Commission is moving to a risk-based inspection regime and is developing more ways to use available data to identify risks (paragraphs 2.29, 2.31 to 2.33, and 2.37 to 2.39).
Conclusion

21 Pressures on the care system are increasing. Providing adequate adult social care poses a significant public service challenge and there are no easy answers. People are living longer and some have long-term and complex health conditions that require managing through care. Need for care is rising while public spending is falling, and there is unmet need. Departments do not know if we are approaching the limits of the capacity of the system to continue to absorb these pressures.

22 The adult care sector is changing significantly and rapidly, and the Care Bill will introduce further major changes. Sector stakeholders support the Department of Health’s initiatives to improve outcomes for adults and reduce costs through efficiency measures and transforming services. The Better Care Fund is intended to enable local areas to begin integrating the care and health systems. However, compared with healthcare, evidence is weaker on which ways of commissioning and providing services are the most cost-effective. This hampers local authorities’ ability to improve care.

23 Current monitoring tells us that most eligible adults have satisfactory or better experiences of statutory social care services. However, new monitoring and improvement arrangements are not fully established. They rely on insufficient information across some user groups and providers. As the changes take effect, central and local government risk not knowing if: services are deteriorating to unacceptable levels; needs are not being met; care quality is improving; and public funding is achieving value for money.