

'THE LIVES WE WANT TO LEAD' – THE LGA GREEN PAPER FOR ADULT SOCIAL CARE AND WELLBEING

September 2018



Overview

It is widely acknowledged that a reform of the social care system is needed. The last significant reform was the Care Act 2014 which created a single modern piece of legislation for adult care and support in England¹ and aimed to put wellbeing and prevention at the heart of service delivery.

In his March 2017 Budget statement, the Chancellor of the Exchequer announced there would be a Social Care Green Paper with an expected date of Summer 2017. A number of announcements have followed, including the former Health and Social Care Secretary Jeremy Hunt outlining seven key principles that would guide government thinking around the green paper².

In June this year, it was announced that the green paper would be delayed until the Autumn. Following this delay, the Local Government Association (LGA) has published its own green paper, posing a series of consultation questions on how to reform and fund the health and social care system.

The focus of the green paper is to consider options for securing both immediate and long-term funding for the health and social care system as well as making a case for a shift in approach from acute treatment to community prevention. It also looks beyond social care in isolation and considers the importance of housing, public health and the role of other council services, for example bus services and library service provision in supporting wellbeing and prevention. The paper also considers the role that local council partners, families and communities have to play.

Plymouth City Council is seeking to provide a full response to the LGA green paper which will form the basis of a report to government, and also to respond to the government social care green paper in the Autumn.

Summary of key issues

The continued absence of a sustainable, long-term solution has brought care and support services to breaking point and is impacting on local government's ability to sustain universal local public services such as roads and waste collection due to a need to prioritise statutory duties around children and adults social care.

Continued lack of funding has meant that Councils struggle to even 'meet the letter of the law' of the Care Act let alone implement some of the wider principles. Also Part 2 of the Act relating to the implementation of the 'Dilnot Cap' (a cap on the amount an individual is expected to pay for social care services) was never taken forward.

The LGA have estimated that:

- Under the current system it is estimated that approximately 1.4 million people are not having their needs fully met and there is a heavy reliance on the work of unpaid carers, often family members.
- Councils spend over £15 billion on social care every year. Just to be able to continue delivering the current level of services to their residents, it is estimated that they need to spend an extra £3.5 billion on adult social care in their annual budgets by 2025.

¹ [Plymouth City Council Implementing the Care Act Cabinet Briefing February 2015](#)

² <https://www.gov.uk/government/speeches/we-need-to-do-better-on-social-care>

- Due to spending an increased proportion of their budgets on adult social care, Councils will have to make cuts to other services, like children's centres, libraries, parks and rubbish collection.

The green paper considers some of the changes needed to reform the wider health and social care system including:

- A shift in focus to prevention and early intervention and investment in public health to deliver the wider prevention agenda
- Innovation – better use of data and digital technology to drive innovative new solutions
- A sustainable model for funding health and social care
- Council services (and those provided by local partners) support people's wellbeing and the long-term funding of these services needs to be considered alongside the funding of social care.
- Whole-person integrated care should be a founding pillar of a future care and support system - local government leadership is highly effective in driving forward an inclusive, place-based approach to improving health and social care services and outcomes.

In Plymouth

Figures for Plymouth show³:

- A total of 12,600 people over the age of 65 are predicted to have a long-term limiting illness where their day-to-day activities are limited a lot. This is expected to rise to 14,900 in 2025. 16,000 people aged 18-64 in Plymouth are predicted to have a moderate or serious physical disability, expected to remain around this level by 2025.
- There are approximately 15,700 people over 65 unable to manage at least one self-care activity on their own, projected to rise to 18,500 by 2025.
- There are over 26,500 people in Plymouth aged 18-64 estimated to be suffering from common mental health problems including depression, anxiety, and obsessive compulsive disorder. This is forecast to reduce to 26,200 in 2025.
- 3,300 people over the age of 65 are estimated to be living with dementia in Plymouth. By 2030 it is expected that this number will have risen to 4,050.
- There are approximately 7,400 people over 65 in Plymouth providing unpaid care to another person, projected to rise to 8,300 in 2025.

Healthy life expectancy in Plymouth (the average number of years a person can expect to live in good health) is significantly lower than the England average for both males and females. Men in Plymouth can expect to live on average the last 19.5 years of their lives in poor health whilst for women it's their last 23.0 years⁴.

Like the rest of the country, Plymouth is experiencing an ageing population. A 33.7 per cent increase in the number of people aged 65 or over is forecast between 2016 and 2034 (an additional 15,900 individuals). Those aged 85-89 and 90 and over will have percentage increases of 91.0 per cent (an additional 3,600 individuals) and 104.6 per cent (an additional 2,400 individuals) respectively.

³ Projecting Older People Population Information System (POPPI) / Projecting Adult Needs and Service Information (PANSI)

⁴ Plymouth Report 2017

An ageing population suggests an increasing need for care and support services and also an increasing burden placed on the working age population. Plymouth currently has an estimated dependency ratio⁵ of 52.9, i.e. roughly half of the population is of working age and supporting the other half of the population. This is projected to increase to 62.8 by 2034⁶. As the ratio increases, there is an increased pressure on the economically active part of the population to maintain the welfare of the economically dependent. Care and support is often provided by spouses, partners, family members, friends, and neighbours.

Plymouth City Council currently has around 4,824 people accessing long term support during the year (2017/18), with 3,117 aged 65 and over. 3,512 receive community-based services whilst 1,312 receive residential or nursing care.

Future funding of Adult Social Care

The LGA paper outlines a number of options to change the current health and social care system including free personal care for anyone who needs it with no means test or a cap and floor policy setting out a cap on the maximum cost an individual could face. However, any changes to the current system will need to be funded.

LGA research predicts that local government overall faces a funding gap of £7.8 billion by 2025 just to sustain current, and much reduced, levels of service. This includes a gap of £3.56 billion for Adult Social Care, more than five times the amount spent annually on councils' park services and close to the total cost of councils' waste management for a year (3.6 billion). Some of the consequences resulting from a continued lack of funding according to the LGA are a reduction in quality, provider market stability and a rise in unmet need.

The use of the council tax precept is not seen as a sustainable solution as it shifts the burden of funding onto councils and their residents. Secondly, the value of the precept varies greatly based on the strength of a council's tax base. Plymouth City Council has exercised its powers to raise additional council tax from the precept and has applied the maximum 2% in 2016/17 and a revised 3% maximum for both 2017/18 and 2018/19. However, in an authority like Plymouth, with a low council tax base, the precept that the government allows brings in a small amount in comparison to the growing need in adult social care.

The paper summarises a series of key proposals for funding the social care system (see table below). They are not suggesting a preferred option but believe a mix of options is likely to be required. The main options are a new Social Care Premium for people over the age of 40, or a 1% increase on Income Tax, National Insurance or Council Tax. Whether or not these options will be considered in the government's green paper is yet to be seen.

Option	Further Detail	Amount raised 2024/25 (estimated)
Social Care Premium	An earmarked contribution to which individuals and employers contribute for over 40s.	Dependent on model used
1% on Income Tax	Basic	£4.4bn

⁵ A dependency ratio is a simple ratio of those of non-working age to those of working age (age 15-64). As the ratio increases there may be an increased burden on the economically active part of the population. Dependency ratios estimate the number of the non-working age population that are dependent on every 100 people of working age for support. They do not take account the proportion of people actually working within each age-group.

⁶ Plymouth Report 2017

	Higher	£1.5bn
	Top Rate	£450m
1% on National Insurance	All rates	£10.4bn
1% increase in Council Tax		£285 million
Means-Testing Universal Benefits	Means test or better target benefits such as winter fuel payments or free TV licences	£1.9bn
Charging for accommodation costs in Continuing Health Care	Means testing accommodation costs for people who receive continuing health care in a residential setting	£200m

Figure 1: Potential funding options (full details available in the LGA green paper page 58/59)

Our system response so far

In response to the unprecedented challenges facing the whole health and social care system nationally, from 1st April 2015 NEW Devon CCG and Plymouth City Council brought together their health and wellbeing commissioning resource for Plymouth creating “one system and one budget”. This resource is being used to jointly commission improved health and wellbeing outcomes and establish system-wide sustainability, without the distraction of organisational boundaries. This represents a hugely bold and innovative step.

Commissioners, informed and supported by clinicians and public health experts, have collectively developed an integrated commissioning approach through the development of four Integrated Commissioning Strategies, which direct all commissioning activity and deliver the Healthy City element of the Plymouth and South West Devon Joint Local Plan. This means that our commissioners work across the health and social care system and are now co-located to enable closer working and delivery.

The progress that the Plymouth System has made towards system integration was acknowledged in the recent Care Quality Commission (CQC) Local System Review with Professor Steve Field, Chief Inspector of Primary Care Services, noting:

“The review of Plymouth’s services - and how the system works together – has found some shining examples of shared approaches. The system leaders had a clearly articulated, long-established vision of integration which translated well into local commissioning strategies. Leaders were consistent in their commitment to the vision with whole system buy-in.”

Plymouth’s integration journey since 2015 gives an excellent platform from which to build on. Cabinet recently agreed the strategic commissioning intentions for the Plymouth health and wellbeing system for 2018-20. At the heart of these remains a focus on meeting the needs of the whole person, promoting independence, wellbeing and choice with ‘home first’ acting as the central philosophy and services integrated, local, accessible, seamless and responsive. In order to realise these aims, it is essential that the national health and care system is organised to support this and is adequately funded on a sustainable, long-term basis.