



advice and support for older age
**Independent
Age**

**Independent Age's response to the Local Government Finance
Settlement 2019/2020**

January 2019



About Independent Age

We offer regular contact, a strong campaigning voice and free, impartial advice on the issues that matter to older people: care and support, money and benefits, health and mobility. A charity founded over 150 years ago, we are independent so older people can be too.

For more information, visit our website www.independentage.org

Registered charity number 210729

For more information about the submission please contact:

Jeremy.Bushnell@independentage.org

Introduction

This document sets out Independent Age's response to the local government finance settlement.

Our response focuses on two questions asked within the consultation, relating to the adult social care relative needs formula and the impact of the settlement on social care.

Question 2: Do you agree with the Government's proposed approach to allocating £410 million un-ringfenced funding for adult and children's social care according to the existing Adult Social Care Relative Needs Formula?

Social care quality, populations and social care needs change on a yearly basis and it is important that new funding is allocated according to accurate data. The current formula, last revised in 2013/14, means that funding allocation may not accurately reflect levels of need.

Some of the data used to calculate which local authorities are in need of more financial support than others is extremely out of date. The data that is used within the formula to identify population and care needs can be dated back to the 2011 census and 2013/2014 research. Social care quality/needs are extremely variable with monthly CQC data demonstrating how the state of social care in local authorities can change significantly every month, let alone every year.

The current formula is not an accurate interpretation of the current landscape and risks areas with high care needs failing to get the right support they should be entitled to.

The consequences of allocating essential funding based on inaccurate, old data are profoundly concerning. The social care sector is in crisis with local authorities having to reduce the amount of individuals benefitting from essential care to comply with financial pressures¹. Therefore, it is imperative that each local authority receives every penny it is entitled to, to ensure social care provision in the area meets the needs of its individuals. Without it, thousands of older people are at risk of failing to receive the care they desperately need and will be without the help they need to dress, wash or even eat.

We do acknowledge the lack of an alternative allocation formula but we would like to see the recommendations of the review of the Adult Social Care Relative Needs Formula March 2018² taken forward to address the current formula's

¹ ADASS, Budget Survey 2018, 2018

² PSSRU, The revision of the Relative Needs Formulae for adult social care funding and new allocation formulae for funding Care Act reforms, 2018

shortcomings and ensure that the data used is up to date and provides an accurate picture of the social care system as it exists today.

It is also imperative that in future funding provision the Government acknowledges the importance of fully funding both adult social care and children's social care. Both systems are in crisis and it is not acceptable that the Government is leaving local authorities to choose between these vitally important services.

Question 8: Do you have any comments on the impact of the 2019-20 local government finance settlement on those who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide supporting evidence.

A dangerous lack of funding

The 2019-20 local government finance settlement does not begin to address the funding difficulties that have been plaguing the social care sector for so long. The adult social care sector is currently facing a £1.5 Billion funding gap by 2020/2021³ and with an ageing population and no sustainable long term funding, this will only increase. The Association of Directors of Adult Social Services (ADASS) recently highlighted that only 34% of directors are fully confident that they will be able to meet their statutory duties this year⁴.

The implications of not meeting the needs of vulnerable older people can be devastating. Without access to social care, individuals are left without access to the toilet, to a bath or even food.

The amount of money outlined within this settlement is insufficient to seriously address these problems. Furthermore, this £620 million will not be used exclusively for adult social care. The £410 million social care grant can be used for children's services which are also facing considerable funding crises and therefore there is no way of guaranteeing that a considerable amount of this grant will be used to strengthen the adult social care offer.

The move to ensure councils can raise more money through local taxation in the form of business rates retention is also wholly inadequate given the significant funding shortfall. Analysis by IFS and our own research has shown that business rates and council tax simply do not generate the size of funding that is needed. IFS have shown that even with 75% business rates retention and annual 3% council tax increases, an average local authority would have to spend more than half of the money raised on adult social care to simply meet rising demand and

³ The King's Fund, Budget 2018: what it means for health and social care, 2018

⁴ ADASS, Budget Survey 2018, 2018

costs within the next 10 years⁵. Independent Age's research⁶ has already shown that business rates and council tax increases, as well as being insufficient in terms of the amount raised, are unlikely to gain the support of the public.

The current funding gap is centred on resourcing the system so that it can operate to the required standard. However, the current system, even fully funded is not fit for purpose and extensive research has shown that widespread system reform is needed to truly support our older population as they deserve. To do this the Government must use the finance settlements to inject substantial support rather than offering short term tokenistic measures which will not make the difference we know is needed.

The Government must outline a considerable reform to social care funding and put forward a commitment to providing a social care system that is based on a long term sustainable funding solution. Without this the Government will not help the millions of older people going without the high quality care they deserve and need.

Misplaced focus

The 2019-20 local government finance settlement has also demonstrated a dangerous lack of understanding of the importance and focus of social care work. Each of the financial provisions related to social care mentioned within this document focus on an end goal to alleviate pressures on the NHS.

- The £240 million – “social care services to help councils alleviate winter pressures on the NHS.”
- The £410 million – “to ensure that adult social care pressures do not create additional demand on the NHS.”

While alleviating NHS pressures is a benefit of fully functioning social care it is not the end goal. Social care provides essential care and support to millions of people when they are most vulnerable. Receiving high quality care that doesn't cost individuals catastrophic sums is essential to making the UK the best place to grow old in, but all too often this is an aim not being met.

By focusing on social care funding as a means to alleviating NHS pressures only, the Government is signalling that the aim of social care is to benefit the NHS. This is not the case and funding must be targeted appropriately at improving the social care system for the millions of service users in urgent need of help.

⁵ IFS, Observation: Without additional funding, many council services could face further cuts beyond 2020 as local tax revenues unlikely to keep pace with rising spending pressures, 2018

⁶ Independent Age, A taxing question: how to pay for free personal care, 2018

