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**The case for social care reform – the wider economic and
social benefits**

Executive Summary

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Executive Summary

In recent years, there has been a growing awareness that aspects of the adult social care system are fundamentally broken. This is not the fault of people working in adult social care, nor of current or previous policy makers. It simply stems from the fact that we have a 1940s system that is now no longer fit for purpose in the early twenty-first century. Although this may seem a harsh diagnosis, dissatisfaction with current approaches has been building since the 1990 community care reforms, culminating in the recent ‘Big Care Debate’. While different stakeholders may not always agree on the best way forward, there is clear consensus – from government, policy commentators, think tanks, patient groups and others – about the nature of the problem and the key drivers, including:

- Rising demographic pressures
- Changes in family and social structures
- The impact of new technology
- Rising public expectations
- Increasing concerns about the potential for a ‘post-code lottery’

Against this background, this review argues that spending on adult social care should not be seen as ‘dead money’ or a ‘necessary evil’. Instead, it is a form of **social and economic investment** that has the potential to achieve better outcomes for users of services and their families whilst also generating significant savings in other parts of the welfare state.

Reasons for reforming adult social care

As a result, this review identifies **five key rationales** for adult social care reform that have often underpinned previous and current debates. According to our analysis, adult social care reform is necessary in order to:

- Maintain social and public expectations that the state will provide a degree of collective support to its most vulnerable citizens.
- Support people to be safe, be well and to have greater choice and control. Under this approach, decent social care is not a ‘professional gift’ from the state, but a citizen right for all.
- Enable people to remain independent and in control for as long as possible so that emerging and initial needs do not deteriorate into a future and costly crisis.
- Provide support to those in need so that they can contribute fully as active citizens.
- Reduce some of the negative impact on families and individuals who care for others – so that they can have a good life in their own right, but also so that they can continue caring and contributing to society and the economy in other ways.

Types of reform

In addition, the review identifies **five key mechanisms** for reform that have been used in the past, are being promoted at present and may well influence future policy.

These include:

- Strategic commissioning
- Greater collaboration between health and social care
- Greater personalisation of support
- Greater use of IT
- Workforce reform and a reduction in costs associated with unfilled vacancies, use of agency staff and absenteeism

Future scenarios

Building on these ten factors, the review uses categories from the previous Wanless review of NHS funding to explore **three scenarios** for future funding:

- *Slow uptake*: under this approach, future policy and practice remain very much as they are now. Despite a stated commitment to more radical change, the commitment to reform is often rhetorical rather than reality.
- *Solid progress*: while the stated aims of policy remain similar, there is a much more concerted effort to improve outcomes and deliver savings through more radical change. In practice, the intended benefits are not fully realised to quite the extent that was envisaged and thinking retreats back towards previous approaches.
- *Fully engaged*: there is a sustained commitment to genuine change, motivated by a desire to realise in full the benefits for the health and social care system and for wider society. Although some of the evidence base is currently contested or unclear, the outcomes surpass expectations and the mechanisms of reform start to really deliver.

Future spending

Using our three scenarios, we conclude that **doing nothing is not an option**. On existing trends, the real costs of adult social care could double within two decades – and this would be the case for current services (which have already been strongly criticised for failing to fully and appropriately meet need).

If ‘doing nothing’ is not an option, then neither is continuing with current policy priorities but failing to fully embed them in mainstream services. Under our ‘solid

progress' scenario, the overall costs of the system would continue to rise, albeit rather more slowly than for the 'slow uptake' scenario.

Given current financial, demographic and social pressures, it is imperative that policy for adult social care aims for the sustained commitment to change that gives the best chance to deliver the **'fully engaged' scenario**. If this scenario were to be fully achieved (and this requires a very demanding series of assumptions), our analysis suggests that we may see costs of adult social care contained at close to their current level. Even making significant progress in this direction could deliver a significantly lower trajectory of cost increase, as well as significant benefits for other departments and services.

Broader impact

In addition to the impact on future social care spending, this review argues that social care reform/investment also has the potential to reduce spending in other areas of the welfare state:

- It may be possible to save £1.00 on emergency beds days for every £1 spent on prevention ('solid progress') and £1.20 saved for every £1 spent ('fully engaged').
- If some of the gains from high performing integrated sites could be achieved more generally, there may be scope to achieve 2.7 million fewer hospital admissions among the over-65s each year (a 22% reduction overall).
- Supporting social care service users to engage in paid employment could generate additional earnings of £400 million each year (of which over £50 million would be paid in tax and National Insurance) plus a reduction in benefits spending of £150 million ('solid progress'). This would double under a 'fully engaged' scenario.
- Greater support for carers could lead to additional earnings of £750 million for working carers ('solid progress') or £1500 million ('fully engaged'), with extra revenue gained through tax and National Insurance.

Emerging messages for implementation

In practice, there is wide and arguably unacceptable variation in levels of spending on adult social care and the composition of this spending across the country, with scope for more efficient use of resources through greater prevention, rehabilitation, personalisation and joint working with the NHS.

In the face of this evidence, one of the policy challenges is how to generalise best practice, and particularly to free up resources that are spent in more institutional forms of support (for example, hospitals) for use on care closer to home, prevention, personalised support and independent living. In our view, this might best be tackled through greater transparency in existing variations in use of resources, with the Care

Quality Commission and/or the Audit Commission publishing available data and raising further awareness of inequities in care. The regulators also have a major part to play in drawing attention to these issues and stimulating action at a local level to reduce the variations that exist. It is also essential that lessons are drawn from areas that have made most progress and are shared more systematically.

As this and other work suggests, there are different ways of making improvements in care and shifting resources away from institutional provision and into the community. It would therefore be unhelpful for government to prescribe a single pathway to reform and this should remain a matter for local choice making use of the legislative flexibilities already available. Instead, government should be prescriptive about the desired outcomes of care and hold local authorities/PCTs accountable for delivering these outcomes. Intervention by regulators and others should then follow from the consistent failure to deliver acceptable outcomes of care. It is likely that a basket of outcomes will be needed encompassing not only the use of health and social care services, but also outcomes that matter to service users themselves.

Next steps

Ultimately, this review suggests that doing 'more of the same' is unlikely to be successful – only radical and sustained reform will be sufficient to respond to current pressures and deliver the outcomes that users and families deserve.