Appendix 1

The State of Care in County and Rural Areas – A brief summary

The below is a brief summary of the joint County Councils Network and Rural Services Network report examining the state of social care in county and rural areas.

Key Findings:

County and rural areas have the highest percentage of service requests – 58% – where no formal service is provided. Some 545,000 requests to county and rural unitary councils during 2019/20 resulted in advice or signposting, or no service being provided. Just 8% of all requests (77,000) resulted in long-term care support.

Some 47% of spending in county and rural areas is on working age adults in receipt of care. This is despite three quarters of demand for care services in county and rural areas coming from those aged 65+.

The data shows that there has been a long-term trend of shrinkage of the residential care home market even before Covid, with county and rural areas witnessing the closure of 272 residential and nursing care homes over the past three years.

Public and private fee polarisation has become more deeply embedded as a structural feature of the care home market, with private fees more than 40% higher than publicly paid fees for the same level of amenity, and in all probability the same level of care. This had led to a care home fee gap of £761m for counties alone in 2020/21 – the estimated annual cost of bringing local authority fees closer to self-funder rates.

Analysis in the lead up to the previous plans to implement a cap on care showed CCN member councils accounted for two-thirds of the total early assessment and review costs identified.

Funding and the costs of services has diverged dramatically over the past five years. As a result of growing demand for services and costs, the difference between funding and service costs has grown 20.8% over the period, some £1.2bn for county and rural unitary councils.

Future cost projections for the period 2020/21 to 2029/30 show that nationally total costs will rise by £6.7bn, some 38% just to keep services operating as they are presently without any increase the level or quality of services. County and rural unitary councils account for £3.3bn of this total increase in costs over the period, with estimated spending need rising 40% – higher than the national average and for metropolitan boroughs.

The report includes the following recommendations:

Increase funding in the Spending Review to meet rising cost and unmet need before 2023; Unless Government provides more funding at the Spending Review to meet rising costs; expand service provision to meet needs going unmet; and better support younger adults, further reductions to services will be required in county and rural unitary councils in the period leading up to reform.

Fully assess the impact of new duties for self-funders; It remains extremely uncertain that the funding announced to date will be sufficient to meet the costs arising from reform when the additional costs from establishing a ‘fair price for care’ are considered – estimated at £761m annual in county and rural areas alone. The impact of extending commissioning duties to self-funders to enable them to have their care arranged by councils, and access local authority contracts and fee levels, must be consulted on, and risk assessed, with appropriate funding and policy mitigation to prevent unsustainable financial costs and risks to councils and providers.

Enshrine in law a dedicated proportion of the new Health & Social Care Levy for care services; The nature of insufficient short-term settlements and temporary resources for social care have undermined efforts to transform services. It is therefore imperative the Government enshrines in law the proportion of the Health and Social Care levy that will be dedicated to social care. Without a proportion of funding being enshrined in law for social care, there is no guarantee that income from the levy beyond 2025 will be used to predominantly fund social care once the NHS backlog is cleared.

Support the social care workforce in county and rural areas; CCN and RSN welcome the emphasise on improving the workforce. However, the details of these proposals must recognise the particular challenges faced in county and rural areas and ensure that the workforce is adequately recognised and rewarded. This may involve specific policies and resources to allow county and unitary councils which have difficulty recruiting staff to work across long distances to be able to compete for labour with other industries such as hospitality and retail which have recently witnessed pay inflation.

Ensure fair funding and equality of service across the country; The Government needs to ensure that all citizens can access the similar levels of social care service regardless of where they live. A sustainable and fair distribution of resources between health and social care must be coupled with a fair formula for distributing between different councils. This must recognise the costs of service delivery in county and rural areas and also an understanding that reform to social care will change demand patterns and eligibility for support for self-funders, in the process creating new, specific pressures, for these councils. Any funding distribution must also recognise the already disproportionate burden placed on council tax to fund services in county and rural areas.

Manage the transition from residential to domiciliary care; To help support the transition from residential to more domiciliary care reform should help encourage the better development of mixed forms of provision such as retirement communities which offer specifically adapted housing with care on site enabling a more gradated approach to care needs among those ageing.

The full report is available [here].