

ADASS Budget Survey – Executive Summary: 02 July 2014

1. Despite everything that is being done to prioritise Adult Social Care – **the cash invested in Adult Social Care will reduce by a further 1.9% in 2014-15 (equivalent to £266m)**. This is the third year of continuing cash reductions and the fifth year of real terms reductions in spending. Since 2010 spending on Social Care has fallen by 12% at a time when the population of those looking for support has increased by 14% requiring **savings of 26% to be made, totaling £3.53bn over last 4 years**.
2. This further cash reduction in 2014-15 is likely to lead to *fewer people receiving support* – following a pattern highlighted in the National Audit Office report on Social Care which has already seen an 18% reduction in the people receiving support from 1.57m (10/11) to 1.33m (12/13).
3. Even with all the budget reduction pressures Councils face, they have continued to prioritise Social Care and secure increasing value through:
 - **protecting investment in prevention** – with the cash sum largely the same in 2014-15 compared to 2013-14 – at £923m – although still only 6.8% of the net budget;
 - **funding 83% of demographic change of £391m**; and
 - **seeking further efficiency savings of £679m** – a 4.9% saving.
 - **Use of NHS Transfer to protect front line services** that benefit both health and Adult Social Care (49% allocated to protect services in 2014/15 compared to 32% in 2013/14)
4. Despite this priority, the impact of the 26 % real terms reduction in central government funding to 2014-15 – **will result in further service reductions of £138m in Social Care** - at a time of increasing hope through the Care Act for those we support and those who care for them.
5. The future cash reductions that Local Authorities will experience – the 10% further reduction in Central Government funding in 2015-16 - will further dent this hope – resource reality outweighing the policy promise of the new legislation. Social Care accounts for an increasing proportion of LA spending – **now 35% of LA spending** in 2014-15 compared to 30% in 2010-11 (*excluding ring fenced Education*).
6. So Councils are increasingly concerned about the future as result of this planned reduction in funding. For 2015-16, even with the Better Care Fund - (*although not new money across health and social care*)- for the first time - significantly more Directors agree than disagree that:
 - **Fewer people will be able to access support; Councils will face increasing legal challenge;**
 - **Providers will face financial difficulty with increasing risks of provider failure or worse;**
 - **The NHS will come under increasing rather than reducing pressure.**
7. Councils welcome the commitment to fully fund the implications of the Care Act. Without this commitment – the above adverse impacts can only worsen putting an intolerable strain on those we support, their carers, providers and the NHS. An immediate concern is the cumulative impact of 5 years of spending reductions on the organisational capacity of social care. The £23m for 2014-15 is much appreciated but more is needed to make the most of the potential that the Care Act and Integration has to offer. **More resources are also needed to increase investment in prevention. £3.53bn of savings over the last four years has left no scope for such investment.**