



ADSS Cymru

Yn arwain Gwasanaethau
Cymdeithasol yng Nghymru

Leading Social Services in Wales

**ASSOCIATION OF DIRECTORS OF SOCIAL SERVICES
CYMRU**

**Delivering Transformation Grant
Programme 2018-19**

**REPORT ON INNOVATIVE FUNDING MODELS
TO MEET SOCIAL CARE NEEDS**

EXECUTIVE SUMMARY

January 2019

Delivering Transformation Grant Programme 2018-19 INNOVATIVE FUNDING MODELS TO MEET SOCIAL CARE NEEDS

Executive Summary

This Report from the Association of Directors of Social Services Cymru (ADSSC) has been produced as part of the Welsh Government's Delivering Transformation Grant programme for 2018/19. It covers the findings from the Work-stream on *Innovative Funding Models to Meet Social Care Needs*. The objectives for this work were agreed so as to develop a clear local government perspective on the challenges, demands and pressure points over the next 15 years that will impact on social care services; examine the practical content of a "social care promise" for the future and what new models of service will best enable effective, high quality services to be provided to people. This work was also expected to provide advice on how any additional resources for delivery from new funding models such as a social care levy or social care insurance fund could best be prioritised.

A clear methodology for the Work-stream was agreed following initial dialogue with Welsh Government and the Welsh Local Government Association and involved research and analysis of Regional Well-being plans and Councils Social Care Plans. An engagement programme was taken forward involving a small Leadership Group and a wider Workshop of stakeholders from across the sector. This helped shape a consultation paper that was issued widely for a period of four weeks for comment on the key issues outlined above. Analysis and synthesis of the responses was completed to inform the findings set out in this Report. Those involved in this process were made aware that the limited time available for completing this work meant it could only be regarded as formative in nature and would inform Welsh Government consultation in 2019.

The broader context for this work has been from Professor Gerald Holtham who has proposed a Wales Social Care Insurance Fund. His Report (June 2018) provides a comprehensive analysis of the economic case for his suggested approach and related options. The report concludes that "A reasonably moderate tax on incomes or increase in basic income tax could provide the funding required to alleviate social care concerns for the elderly". A Welsh Government Inter - Ministerial Group on the Funding of Social Care has been established to consider the future models of funding social care. This Work-stream – and this Report – explicitly do not consider funding models or the various options available, but do centre on demand, spending priorities and the "Social Care Promise" and will therefore also provide part of the solution for any workable funding model in future years.

In relation to the question "*What do you see as the main demands and pressures on all Social Care services in Wales over the next 5, 10 and 15 year-period?*" we found that the current and predicted pressures, particularly those arising from an ageing population, and the implications for the NHS, underscores the need for a robust funding model for social care in the future. We believe that there is an urgent need to develop a reliable model to align predictions of demand and supply with the investment of resources required to implement the vision for social care set out in *Healthier Wales*. This model will also need to be capable of longer-term service planning. It has been widely documented - and reiterated through our engagement and consultation - that Social Care in Wales faces a range of problematic issues and gaps in funding that need to be addressed. We consider that these deficits must be tackled as a priority and as a foundation for any programme of transformation and innovation for the next 15 years.

On the question of “*Over the next 5, 10 and 15 year-period what are the main trends in service requirements you anticipate and how do you think the types provision may change?*” we received a range of interesting and informative contributions about different emerging trends and changing requirements for people across the whole social care spectrum as well as related fields. However, the research and consultation were not able to identify with any clarity how and when and at what pace innovation and new technologies and changes in service requirements will occur over the next 15 years. We believe that there is a need for better data-collection and research on emerging models and the changing requirements. There is a good case to develop a National Foresight Strategy and implementation programme that could be informed by the emerging Transformation Grant proposals.

In response to the question “*Over the next 5, 10 and 15 year-period what do you see as the priorities for any additional funding that may result from a social care levy in Wales?*” we have identified considerable need and a wide range of potential uses for funding raised via a social care levy. However, a “shopping list” approach would quickly dissipate the extra resources without achieving long term transformational change. There needs to be a strategic approach taken to this issue so that the added value for the public paying any levy is clear and undeniable. The estimates identified in the Holtham Report as the amount that could be raised by a social care levy is the best information available on additional growth monies that could be raised. The development of a demand and resourcing model as mentioned above would support work on this more complex task. Detailed modelling is required to assess what mixture of general taxation, council tax, charging and social care levy is required. By itself, a levy that raised from a 1% increase in income tax would yield £184m (disregarding behavioural effects) and would only fund 2 years of the costs of demography and workforce. The proceeds of any levy could be readily taken up in bridging the funding gaps but that a more strategic approach is needed. Shaping that strategic approach co-productively would in our view need to be the first step before applying any financial modelling.

We believe that the priorities for using any monies raised by a levy would be:

1. An Ageing Population - clear consistency between published ADSSC strategic objectives for Social Care and Health and the action to be included in the Framework for an Ageing Society being developed to deal with the implications of an ageing population, especially in relation to dementia and the growing numbers at 85 plus with complex needs.
2. The workforce – a range of actions to make social care across the sector an attractive career to ensure sustainable levels of recruitment and retention, particularly addressing the care sector as a “foundation sector”, national terms and conditions, adequate remuneration for social care workers and the “workforce for the future” with the skills to provide complex care in people’s own homes.
3. Prevention: A twin track approach which allows time and resource for preventative approaches to be developed and to become embedded while dealing with immediate demand. Additionally, i. a more developed preventative approach for children with a better range of community-based services to deal with complex needs including mental health and emotional support. ii. For older people - enabling people with complex physical and mental needs to be cared for at home for longer and with a wider range of accommodation options.
4. Service improvements – especially for carers given the predicted rise in the number of aged carers and in caring hours. Also addressing concerns about carers’ assessments and recognising the strong preventative impact of informal caring on the system.
5. Transformation and integration - further development of partnerships involving social services, primary and secondary care, housing, education, the third and independent

sectors as appropriate at the locality level applying the design principles in of *A Healthier Wales*.

In relation to the question “*What are your ideas and proposals for the practical content of any “social care promise” in Wales?*” we received wide support for the concept and a number of suggested models to take forward. The outline of a “Social Care Promise” illustrated at paragraph 35 does we think provide a reasonable starting point in a debate on this issue. Our view is that from the outset there must be a strong commitment to provide the necessary support and resources to make a “promise” happen consistently across all parts of the country. Any “promise” must have clearly defined benefits for all parts of the sector and take a balanced approach between the differing requirements. We consider that the concept of a “promise” must be further developed co-productively and with wide ranging engagement and be supported by a resourced associated Implementation Plan. As well as people using services, professionals, the workforce, providers and the third sector, it will be essential that there is early and meaningful engagement with the public using a variety of different methodologies and across all age groups including young people.

The workstream also examined innovative and transformative models of delivering integrated social care across other UK countries. 25 examples are summarised in the Report and general conclusions drawn. There is a clear requirement for innovation and transformation of social care in Wales and Workstream 2 will be reporting on that in due course. The examples of innovation gathered from elsewhere in the UK provide some useful information and potentially highlight how In Wales we could develop more consistent criteria for innovation and transformation and how these can be replicated and scaled up with investment. Additionally, developing an accessible database of innovatory practice in Social Care in Wales could be considered.

Although not published until later within this Work-stream’s timetable, the National Assembly for Wales Finance Committee’s Report into the Cost of Care for an Ageing Population provides a valuable contribution to this debate and is generally consistent with findings from our engagement and consultation. Local Government looks forward to working with Welsh Government and other partners on how these recommendations are followed up and implemented.

ADSSC were pleased to have undertaken this wide-ranging workstream that addresses some fundamental questions about the future of social care in Wales, and how it might be resourced and innovate to meet increasing pressures and changing requirements. This work has clearly been formative in nature and completed within a challenging time-scale. There would need to be further development of a number of the themes identified and conclusions reached in this Report before reliable policy decisions can be made. ADSSC and Local Government generally, look forward to working closely with Welsh Government as they lead the next stage of this important agenda which has significant implications for Society as well as people using and providing services.

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