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Rt Hon Jeremy Hunt MP  
Secretary of State for Health & Social Care  
39 Victoria Street  
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## Social care and the South East: Green paper proposals

Dear Jeremy

### 1. South East social care background

- 1.1 As you prepare to publish your green paper on social care for the elderly, South East England Councils (SEEC) members want to highlight opportunities for working with local authorities to address the challenge of rising costs and rising demand.
- 1.2 Social care pressures are particularly acute in the South East as our area has the UK's largest and fastest rising number of residents aged 75+. Our current population of over 75s is 805,000 and is expected to almost double to 1.5 million by 2039.
- 1.3 SEEC members tell us that the cost of providing social care is the largest single cost for county and unitary councils. For many this is already unsustainable financially, so further increases in demand risk pushing the system into meltdown. The LGA estimates councils nationally have a social care funding gap of some £2.3bn and expects the gap to reach £5bn by 2020.
- 1.4 Our residents value locally-tailored care services highly but fail to understand the differences between NHS and social care funding – for example why the NHS is free and nationally-supported but why social care is means-tested and funded via council tax?
- 1.5 At SEEC, we are clear that all tiers of local authorities have an important role to play in shaping a sustainable social care system. Some authorities do this by commissioning or providing direct care services while others help reduce demand pressures – on both social care and NHS – through preventative work to ensure good quality housing and promote healthy lifestyles.
- 1.6 The proposals below follow debate by SEEC members. SEEC is the cross tier voice of South East local authorities, representing 9.1 million residents. We are a voluntary membership body bringing together county, unitary and district councils to promote the views and interests of all tiers of local government in the South East, an area comprising 74 local authorities.

### 2. Our proposals

- 2.1 **A structured review:** To help reach consensus on a long-term, sustainable solution for funding social care, we support creation of a formal review, e.g a Royal Commission. This should bring together cross-party politicians from national and local government, with local authority directors of adult social services and NHS representatives. A time limit is important as swift resolution is required but this cannot be at the expense of involving politicians, practitioners and public in a national debate. There are 3 key issues that SEEC wants a review to address:
  - A national funding solution for social care
  - A review of the boundaries between social care and NHS
  - A green paper that addresses all adult social care services.

## **National funding solution for social care**

- 2.2 SEEC supports work to explore a long-term, national funding solution for the nation-wide problem of social care. Funding care locally is unsuitable as council tax varies significantly by local authority and bears no relation to care demands. In the South East in particular, our councils receive less central Government funding than metropolitan areas, which means our residents pay a higher proportion of council costs through their council tax. Relying on them to fund the South East's expected dramatic rises in care demand is both unsustainable and unfair.
- 2.3 The severity of the funding problem means no options should be automatically ruled out. SEEC wants to see a review, such as a Royal Commission, to consider:
- a) Whether it is equitable for healthcare to be free and social care to be means-tested.
  - b) Ways to raise social care funding via national taxes or insurance, as happens in other countries. Options to explore include:
    - o Working individuals to contribute to future care costs through compulsory arrangements – e.g extending National Insurance, a new tax deducted at source, or an auto-enrolment scheme similar to that used for pensions.
    - o Potential for new personal finance products to help people save for long term care costs. This should extend beyond previous ideas about equity release from property. However, some form of property equity release – with a financial cap on the amount to be released – could be offered as an option for those who are no longer working and therefore not contributing through other taxes. Any proposals for voluntary savings or insurance would need to address the problem of gaps in funding for those who choose not to contribute.
- 2.4 A long-term, national funding solution for social care is important to give individuals greater clarity on costs but it is also vital to help secure the future of the care market. In the South East, high costs and councils' inability to afford care home fees are encouraging care providers to leave the market. Increasingly private care homes are focusing on self-funders, with only around 30% local authority admissions, leaving a gap in provision. Figures recently presented to SEEC estimate that, nationally, 16% of the 7,497 care companies registered with Companies House are exhibiting signs that they are at risk of failure. This is up from 12% last year. Higher numbers of care home closures will create a shortage of capacity, leading to a lack of care for individuals and more delayed transfers from NHS.

## **Review the boundaries of NHS and social care**

- 2.5 SEEC members are keen to see a review that eliminates current silo-working and encourages joined-up support and care for individuals across health and care needs. There is significant potential to share good practice from local authority initiatives, build in greater accountability and direct spending better to maximise effectiveness. For example to:
- a) Reduce NHS pressures by directing greater spending towards preventative public health work by local authorities. The case for this has been made by SEEC member council Sevenoaks DC, showing that the NHS contributes only up to 20% towards people's health; lifestyle choices affect a further 30%; and the rest is influenced by social and environmental factors. With adequate funding, local authorities can directly or indirectly influence lifestyle, social and environmental factors through their housing, leisure and library services to promote physical and mental health and counter loneliness. Recognising the value of this work is essential to designing a seamless service that promotes wellbeing before clinical needs are identified and offers cost-effective community-based alternatives to acute or hospital care.
  - b) Avoid unnecessary NHS acute admissions. The National Audit Office<sup>1</sup> identified that 24% of the 5.8 million NHS emergency admissions in 2016-17 were avoidable. Adequate funding for local authorities to provide prevention and effective local social care could help reduce the number of avoidable acute admissions.
  - c) Rebalance spending to increase investment in public health to support local authorities' preventative work, with a focus on clear outcomes-based targets around reducing NHS and social care demands. This could be funded by redistributing some of the money currently allocated to NHS acute services.
  - d) Allow greater sharing of budgets between NHS and social care to meet an individual's needs in the most effective way. It must be possible to fund the right care for individuals without raising

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<sup>1</sup> [Reducing Emergency Admissions](#), National Audit Office, 2 March 2018.

administrative or bureaucratic barriers around 'cost shunting' between parts of the system. Pooling of budgets would need more careful design than the Better Care Fund, which many local authorities believe is flawed, with perverse incentives. Pooling has only worked in particular areas of current shared responsibilities, for example short-term provision of intermediate care to prevent acute admissions. Pooling does not address long-term care needs which are around 75% of council social care spending and where provision of free care is means tested.

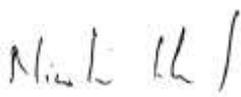
- e) Provide support and incentives for local authorities to facilitate delivery of specialist housing for older or disabled residents, enabling people to stay at home longer or move into supported living or extra care housing rather than costly residential care homes. Supportive measures could include allowing land value capture to help fund provision of older people's accommodation or extra care housing as part of an area's essential infrastructure (current CIL and Section 106 contributions do not cover these demands). Government could also encourage councils to earmark a portion of all large housing sites for extra care housing. Such moves could bring significant wider benefits for the housing market. Rapport Housing and Care, one of the specialist providers in SEEC's area, estimates that – nationally – 36% of the 11.4m over 65s would like to downsize and that, if more specialist retirement properties were available, this could free up some 4 million family-sized homes. The South East has 1.75m residents aged over 65 and if 36% were to downsize – some 630,000 people – this could free up a significant number of homes. However, research by Keepmoat/ Engie estimates that only 2% of England's housing stock is retirement housing – that's equivalent to only around 700 of the 36,000+ homes built in the South East last year. The research also estimates that availability of extra care housing could reduce the cost of social care packages by an average £2,400 per person per year, while postponing entry into residential care by a year could reduce non-core costs by an average £26,000 per person.
- f) Maximise the benefits of local provision and local knowledge that local authorities can bring to delivering social care, particularly allowing older or disabled people to remain near family or friends. Local government is the best option for delivering social care as it has the experience of delivering these services on the ground. Councils also bring democratic accountability and transparency to decision-making, investment and outcomes. A new system should build on this experience to give councils a clear role in making sure that services reflect the needs of local people. There are many good practice examples from the South East to illustrate the value that councils bring and how their work reduces NHS pressures and delays care home admissions. For example:
- o Work in Hampshire on extra care housing, which allows adults of all ages to stay close to support from family and friends as their needs increase.
  - o Use of telecare in Surrey, which allows people to remain in their own homes by installing IT or telephone links that give them quick access to healthcare and support when required.
  - o District-county partnerships in Kent promote wellbeing, healthy lifestyles and home adaptations, enabling people to stay independent for longer.

### **Green paper to address social care for adults of all ages**

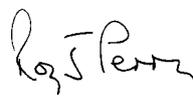
2.6 SEEC members see the distinction between care for older people and for working age adults as unnecessary, so we urge Ministers to take a holistic approach to all forms of social care. Local authorities are seeing increasing demand and costs across all age groups and, in many cases, build care packages using the same tools – active lifestyles, home support and adaptations, extra care housing or residential placements. A whole system approach to adult social care would avoid artificial or unhelpful distinctions between adults who need support regardless of their age.

2.7 We would be pleased to discuss any of our proposals with you in more detail.

Yours sincerely



**Cllr Nicolas Heslop**  
SEEC Chairman &  
Leader Tonbridge & Malling BC



**Cllr Roy Perry**  
SEEC Deputy Chairman &  
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