PLUGGING THE GAP

THE SOCIAL CARE CHALLENGE

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Plugging the Gap

The UK is facing the largest public sector spending cuts since the 1970s. Faced with the challenges this brings, there is a need for rapid and focused thinking. If citizens are expected to 'do more' we are going to need new kinds of services in order to support them to this end. As further tough policy and funding choices are made, can new forms of community engagement and social enterprise help to bridge the gap, ensuring that the most vulnerable and poorest are not left behind?

Through a series of papers published in 2012, Plugging the Gap will address these questions and develop ideas for practical responses to the shrinking state and cuts to services. The project will focus on how local services, citizens, networks and community assets can be better deployed to plug the gap of a shrinking state, while speaking to longer term questions around the shape of services and citizens roles in delivering these. It will seek to generate debate and action amongst RSA's 27,000-strong Fellowship and broader stakeholders and identify opportunities and barriers to innovation in austerity.

In this paper Jonathan Carr-West argues that while radical changes are needed, many local authorities are not waiting for long-term decisions on funding to be decided but are already innovating in social care.

About the author

Dr Jonathan Carr-West is a director at Local Government Information Unit (LGiU) where he leads the policy team, which seeks to strengthen local democracy by leading new thinking and practice on how local communities can have more influence over the areas they live in and the services they use and how local government can help them to do so. The unit's work includes policy development and piloting, research and consultancy, best practice dissemination, learning and development and media comment and lobbying.

Some of Jonathan's particular interests are in participative democracy, the evolving nature of communities and behaviour change. He has recently led the unit's work on adult social care including the 2012 Local Government APPG Inquiry into the future of care. Recent publications include *People, Places, Power* (2010), *Independent Aging* (2011), Risk and Reward (2011) and *Care Now and for the Future* (2012).

Introduction

This paper is published as part of the RSA's Plugging the Gap series. The RSA's approach informs our work on how we respond to austerity, reduced public spending and the challenges these bring; whether this is increased unemployment, slow growth or the changing shape, role and size of the state. These require us all not just to seek new ways of doing things in the short term, but also to ensure that we remain focused on our longer-term aspirations and are tapped into broader trends, so that we emerge from the current fiscal crisis 'facing the right way'.

The funding squeeze should prompt us all to ask not just what can we do differently, but whether there are new things we should be doing

It is only right that arguments continue about where the impact of the economic crisis and reductions in public spending are being felt most keenly, about the speed of deficit reduction and the optimum level of debt and size of the state. But while they have taken on an urgency in the current environment, even before the financial crisis, there was a broad consensus behind a need for a fundamental shift in public service productivity but that this depended on better leverage of individual and community self-help.

For the right this would happen through increased localism, as the state withdraws the centre. For the left, change would occur through redesigning the state as an agent of empowerment. For the RSA the question is this: faced with having to make rapid, top down cuts, are local authorities not just making short-term efficiency savings but re-thinking and re-engineering how they approach services with an emphasis on engaging local people and developing community-based provision?

The risk is that the economic climate and the hardship it is causing, crowds out important questions about the extent to which modern public services can meet our needs and expectations. In the face of cuts, there is some understandable suspicion that issues like citizen empowerment – and talk of the Big Society – serve at best as distractions. But as cuts continue to bite, engaging the public in delivery, and being clearer about the desired outcomes we want, becomes even more pressing.

The funding squeeze should prompt us all to ask not just what can we do differently, but whether there are new things we should be doing. Business as usual – however many efficiency measures are made – will not do. We need to continue to ask deeper questions about what longer term outcomes we seek and the role of individuals, communities and the market – alongside public and voluntary services – need to play in achieving these.

Before the credit crunch of 2008, the RSA had been exploring how public services – largely developed in the post-war period – needed to be reshaped if they were to respond to the modern world, the changing expectations and needs of the public and the major challenges of the 21st century. This paper draws on work of the 2020 Public Services Trust hosted

by the RSA, in particular the 2020 Public Services Commission, which it hosted and which published its concluding report in autumn 2010.

The Commission started its work before the financial crisis hit. However, its deliberations took place against the backdrop of economic crisis. It articulated a longer-term vision of post-Beveridge public services and made the case for why this vision was not a luxury – to be set aside in times of austerity – but necessary if we are to emerge from the lean years on the right path. It concluded that public service reform should be driven, and its success measured, by the extent to which services increased social productivity: the degree to which services enable people to contribute to meeting their own needs individually and collectively. The Commission argued for the need for three major changes to take place in the way we reform and deliver public services: a shift in culture; a shift in power; and a shift in finance.

It argued for a culture of democratic participation and social responsibility with services doing much more to engage and involve people and their communities in securing better outcomes. The state alone – big or small – cannot achieve this and neither can the market. By way of illustration, the Commission argued that rather than allow cash strapped public realm services such as libraries, parks and leisure centres to close, wherever possible these should be run as mutuals by local people.

The Commission concluded that the current Whitehall model could not deliver the integrated and personalised public services that citizens need. It recommended that citizens not just be enabled to participate more, but allowed to take more control of the money spent on services such as long-term care, health and skills, backed up by choice advisers or mentors.

Underpinning these changes – both of which 'implicate' ordinary people more in the delivery and value of public services – should be a shift in finance so that communities become more aware of the cost of services and use them responsibly. The Commission argued for further use of payment by results and the extension of social impact bond approaches to preventative services.

The Plugging the Gap project takes these themes and some of the Commission's core insights and attempts to apply them to discreet areas. At the heart of the notion of social productivity is the empowerment of local citizen and community.

Increasing the social productivity of public services – particularly in times of austerity and where resources in some areas are being squeezed significantly – requires better participation and stewardship by local citizens, enabled not just by local authorities but by the range of organisations working at the local level. Indeed, part of the justification for the government's Big Society strategy was recognition that the community and voluntary sector are often effective at engaging with service users and the broader community, particularly 'harder to reach' groups.

Since 2010, the RSA's Connected Communities programme has been exploring new forms of community regeneration. It has emphasised the need for 'whole person' approaches and, in particular, those based on a deeper understanding of the powerful role that social networks could play in helping individuals and communities to make positive change.

All the Plugging the Gap papers chime with this agenda. The first, by Clare Tickell, Chief Executive of Action for Children asked what, in the

face of cuts and persistent problems, could be done to better support vulnerable families with complex needs.[1] Nicola Bacon explored the potential of projects aimed at strengthening community resilience.

Here, Jonathan Carr-West sets out the evidence of a gap in social care funding and argues that as well as rapid agreement on future funding, meeting our future needs will require radical shifts towards prevention and in the powers of Health and Wellbeing Boards. He gives examples of local authorities that are already making changes to plug that gap in social care – focused on financial advice, carer support, joined up services or effective commissioning – and argues that these examples need to be emulated and can be achieved at little or no cost.

The Social Care Challenge

We have the opportunity to lead longer, more productive and more enjoyable lives

We are all living much longer. Life expectancy in the developed world is increasing at a rate of two years per decade with the result that we will see an hundredfold increase in the number of elderly people over the next 70 years. There is a huge amount to celebrate in this. We have the opportunity to lead longer, more productive and more enjoyable lives. But we also have to ask ourselves some tough questions. How do we want to spend our old age? Most of us will want to spend our final years in our own home living independently, but infirmity and chronic illness means that nearly all of us will need care of some sort and many of us will require residential care. How do we ensure the quality of this care? How do we pay for it?

Looking after this ageing population is one of the key public policy challenges of our time. It is clearly an issue for central government, but the Local Government Information Unit (LGiU) is primarily interested in the challenge for local government. For it is local government that leads on the commissioning and delivery of social care and it is local government, we argue, that must lead the way in creating the integrated preventative system we need for the future.

In July 2012, we supported the All Party Parliamentary Group (APPG) for Local Government in its Inquiry into the future of adult social care. This paper draws heavily on the findings of that inquiry.[2] It argues that there is a significant funding gap that can only be resolved in the long term through the creation of an integrated, preventative system. Achieving this will be challenging, but there are grounds for optimism in the innovative approaches that councils across the country are already taking to 'plug the gap' and lay down the ground work for a system that will provide us all with the care we deserve in our old age.

The funding gap

It is important to note that there is no consensus of the scale of the problem when it comes to funding our current and future needs. Earlier this year, Paul Burstow MP, Minister for Social Care, told the House of Commons Health Select Committee that the government had moved £7.2 billion into social care from health and expected councils to find 3 percent savings through efficiencies. "There is no gap in the current spending review period on the basis of the money that we are putting in plus efficiency gains through local authorities redesigning services," he said.[3] Many commentators disagree. The King's Fund for example estimate that there is a substantial funding gap in adult social care which they calculate at £1.2 billion by 2014.[4]

In its inquiry into the future of social care, the APPG for local government took evidence from over 80 councils and other organisations about whether there was a care funding gap in their locality and, if so, what their estimate of its scale was. They also heard evidence about changing demand, shrinking resources and the extent to which people felt able to make savings through efficiencies.

Estimates submitted by local authorities show a rapidly emerging divergence between demand and resources. LGiU calculate that increases in the number of people with care and support needs is resulting in a 4.1 percent per year increase in spending. This increase in cost is compounded by a reduction in funding for local government. The figures provided by local authorities to the APPG suggest that this is resulting in a reduction to adult services budgets of 4.4 percent a year.

So this means that an average adult services department faces a theoretical budget gap of 8.5 percent. It must be emphasised, however, that local authorities are already taking action to mitigate this divergence between demand and resources. Evidence submitted to the inquiry indicates that local authorities are deflecting an average annual cost increase of 4.1 percent as a result of investment in preventative services and service redesign. This investment is helping to mitigate the cost of rising demand and budget reductions.

Taken together, we see that savings of 4.1 percent against a theoretical budget gap of 8.5 percent leaves us with an overall budget gap of 4.4 percent per annum. This is equivalent to £634 million. Therefore, authorities are in a position where savings from prevention and service redesign are adequate to keep pace with either rising demand, or budget cuts, but not both.

Extrapolating out from the real budgets of real local authorities trying to deliver their social care obligations paints a worrying picture. Even after the extra money from government and the savings that Paul Burstow called for, a clear funding gap remains. This problem is urgent.

There has been a lot of comment about Barnet Council's 'graph of doom', which shows that if the current arrangements continue, by 2026 the local authority will have no funding available for any other service apart from children and adult services. The council has projected that, irrespective of the savings it has planned, demographic change – more children and more elderly people – will soak up every available penny. The APPG's report shows that this scenario is worryingly common.

Dilnot and its discontents

So what can we do about this funding gap? The most developed set of proposals for funding reform currently under consideration are those of the Dilnot Commission[5] which was charged with making recommendations on how to achieve an affordable and sustainable funding system for care and support for all adults in England, both in the home and in other settings.

The centrepiece of the reform package is a proposal to share the costs of care in later life between individuals and the state, with individuals paying for their own care until they reach a 'cap', after which the state pays for their care.

An individual's lifetime contributions towards their care costs are currently potentially unlimited. Dilnot proposes capping these somewhere

between £25,000 and £50,000. This is a 'limited liability' model of social insurance: those who can afford it are expected to pay the 'excess', but no-one will be expected to lose all their savings and assets in order to cover the costs of sustained high-level care and support (often in residential care).

Amongst other recommendations, the Commission proposed that the level of assets which people should be able to retain while being eligible for state funding for residential care should increase from £23,250 to £100,000.

Dilnot's recommendations provide a well thought out way forward in the medium term that commands much support across the care sector. They comprehensively address some aspects of the problem: protecting individuals from catastrophic care costs and going some way to addressing a commonly perceived unfairness whereby a dementia sufferer will lose all their assets, while a cancer sufferer will receive free care. The proposals also provide clarity around risk that should allow the development of insurance and other financial products that will help people pay for the proportion of their care costs.

However, implementing these recommendations in full would require a significant investment from central government. The Commission estimates that its recommended changes to the funding system would require £1.7 billion in additional public expenditure (0.14 percent of gross domestic product (GDP)) if the cap on individual contributions were set at £35,000, rising to £3.6 billion (0.22 percent of GDP) by 2025/6.

One of the most significant problems with implementing Dilnot's proposals as they currently stand is the extent to which their impact varies depending on the average value of the local housing market. The most significant way in which people currently contribute to their own care is by drawing on equity in housing that they own. In areas where house values, and thus average equity, are higher people are currently contributing more to fund their own care than they would if Dilnot's cap were applied. Implementing Dilnot would therefore transfer cost from these individuals to the local authority.

Hampshire County Council, for example, told the APPG inquiry that the costs to the authority of implementing Dilnot would be in the range of £65.8 million to £106.5 million per annum with one-off costs of £11.6 million. This should be seen in the context of an overall adult services budget of £310 million.

In contrast, in areas of low housing value, it is Dilnot's proposal to raise the asset threshold after which people fund their own care, which will increase costs for the council. If the threshold is raised to £100,000 then all those with house values between £23,500 and £100,000 will have to be funded by the state. Sheffield City Council have argued that an asset disregard of up to £100, 000 might have a significant impact for northern councils with low-value housing markets. Approximately 30 percent of Sheffield's owner-occupied housing has a value of less than £100,000.

Moreover, the protection against care costs is not as complete as it first appears for two further reasons. First, because the local authority only has to pay care costs at their standard maximum level after the individual has reached the £35,000 cap, but many people will be receiving care that costs more than that and will have to make up the difference from their

own resources or move to a cheaper facility. Second, because Dilnot does not change the lower means threshold of £14,250, people with assets of between £14,250 and £100,000 will still have to make some contributions towards their own care. This is known as the taper and it is currently set at £1 per week for each £250 of assets over £14,250. So under Dilnot someone with assets of £100,000 would still find themselves liable for £343 a week in costs. These factors further increase the regional variance in the impact of Dilnot's proposals as the cost of care varies significantly around the country.

It is clear that there will still be a need to inject significant extra resource into the care system

The White Paper published by government in July 2012 approved the principle of a cap on individual's contributions and a change to the asset threshold but deferred a decision on the detail of funding reform until the next spending review. News reports in August suggested that the government had decided to adopt Dilnot's recommendations, including the £35,000 cap, in a care and support bill in autumn 2012, but this remains unconfirmed. Whatever the outcome of these deliberations and whether or not the Dilnot recommendations are adopted, it is clear that there will still be a need to inject significant extra resource into the care system. The current economic climate and reductions in public spending, means it is not politically feasible to do this entirely through state funding, or entirely through individual contribution.

Achieving sustainability in the long term therefore will require a re-orientation of the system towards prevention to generate efficiency savings and create better outcomes for care recipients.

A system fit for the future

> "If we don't provide that early intervention and support that actually enables those things, to enable the person to feel comfortable to live independently, we get driven down the route to high levels of crisis intervention."[6]
>
> **Maria da Silva, Chief Operating Officer for Whittington Health**

There is near unanimity amongst experts in this field that any system that is viable for the long term must be significantly geared towards prevention. This is crucial both to drive down the cost of services and to deliver better outcomes for service users. The APPG inquiry heard evidence that made it clear that local authorities are already doing a lot of innovative work to drive a preventative agenda. As we saw earlier they are already saving 4.1 percent a year by investing in preventative services and service redesign. Examples of this innovation include 'reablement' services from Essex County Council, telecare in Trafford and integration across the PCT and local government in Bristol.

These sorts of examples point towards a virtuous circle of funding and function whereby funding drives prevention, this generates savings and these in turn bring further resource into the system to cope with growing demand.

In many ways, this is a common sense point. We know that a hospital admission for a broken leg costs many hundred times more than the £30 grab rail that prevents the fall. Too often in the current system accident and emergency admissions function as a safety valve. This is not only grossly inefficient, it is failing vulnerable users forced to wait for a critical

incident before their needs are addressed. When a two-week stay in hospital can cost up to £14,000, it is clear that a move towards prevention can unlock huge resource.

Of course, this is not a new idea. The Health Select Committee in its recent report recommended a move toward a more preventative system and it has been a consistent feature of plans for reform for the last two decades at least.[7] But despite all the good work that we have seen they are doing, neither local authorities nor care providers can achieve a fully preventative system by themselves.

So, what seems like common sense still requires political bravery and structural and budgetary reform to achieve. This is even more important in the context of cuts and the wider impacts these have in the short to medium term. Serious consideration must therefore be given to passporting money across from NHS to prevention in the next spending review.

The APPG argued that if even the amount of money currently underspent within the NHS budget (£1.5 billion in 2010) were to be re-allocated towards integrated preventative services, we would be able to close the care funding gap we have identified.

It is difficult to pin down these figures with precision based on current data. Numerous studies show how significant savings can be released and an indicative figure may be derived from a 2010 evaluation of Department of Health-funded Partnership for Older People Projects, which ranged from low-level services to more formal preventative initiatives. It found that every extra £1 spent delivered an average £1.20 additional benefit in savings on emergency bed days. The savings flowed from a 47 percent reduction in overnight hospital stays and a 29 percent reduction in the use of accident and emergency departments.[8] If these figures are correct, then the additional £634 million required to close the care funding gap would generate a further £760 million saving within the NHS.

There are, of course, still significant barriers and challenges to making integration work effectively. The financial pressures on health and social care may give an added incentive but could make collaboration more difficult. The different funding regimes for health and social care will remain a significant barrier to integration. The Health and Social Care Act could, itself, hinder integration, with more competition further fragmenting service delivery. Local commissioners, including councils, will need to balance the government's objectives of greater choice and competition with the government's other stated aim to deliver more integrated care.

But, despite these challenges, there is a strong belief in local authorities that Health and Wellbeing Boards have the potential for achieving a step change in joining up health, public health, social care and related services. Yet the powers of these boards are limited and their role is seen by the government as being a key influencer on decisions around integration and commissioning, rather than being able to direct those decisions.

New local models creating a single commissioning process need to be developed to replace a system where services and budgets for many people, particularly the elderly and those with long-term conditions, are fragmented and incoherent. Health and Wellbeing Boards could and should be developed as the holder of a single, integrated budget.

Plugging the gap

We are some way off this integrated preventative utopia. Health and Wellbeing Boards, already perhaps being loaded with an unrealistic weight of expectation, would need significant extra powers to really influence this agenda. Historically conflicting incentives and priorities have stood in the way of effective service co-ordination and real political will is needed to make sure that this does not continue to fragment the system.

Despite these daunting challenges, there are grounds for optimism. Across the country we see local authorities beginning to lay the groundwork for a future system, demonstrating that there are things that can be done, indeed that are already being done, to help 'plug the gap' and deliver effective care to older people despite budgetary pressures. While it is outside the remit of local authorities to resolve the long-term questions about the funding and design of the social care, there are steps they can take right now to manage demand and ensure choice and efficient provision of care services. This involves an evolution of their role to focus on three core components.

- Independent living: helping to manage demand for expensive care services by helping older people stay in their own homes for longer through the provision/commissioning of preventative and re-enabling services.
- Financial independence: reducing costs to the state and giving citizens more autonomy by helping them to manage their resources more effectively to pay for their care.
- Market shaping: using commissioning power to shape and maintain a vibrant local market of care provision, allowing people real choice.

The APPG Inquiry heard evidence from local authorities that were developing innovative approaches in each of these areas. Taken together these set out a road map for how councils and their partners can take a lead in preparing for a better system and in delivering quality services in the face of rising demand and falling resource.

Independent living

Local authorities clearly recognise the value of intervening early, working with partners in health to build holistic support for older people and supporting individuals to remain in their own homes. The LGiU has argued, that the scale of the demographic challenge means that local government will increasingly be required to invest in the capacity of individuals and communities to support the needs of the burgeoning number of older people.

There is now a significant evidence base demonstrating not only their value to individuals' quality of life, but their financial benefits in off-setting costs to public services further down the line

Preventative approaches that maintain independence are vital in addressing this. There is now a significant evidence base demonstrating not only their value to individuals' quality of life, but their financial benefits in off-setting costs to public services further down the line. It is clearly both cost effective and beneficial to an individual's wellbeing to offer low-level preventative services to support independent living in their own home, rather than responding to the (often more costly) consequences when they occur. For example a Cap Gemini study in 2008 showed that spending on housing related support to older people had a two-fold return in savings on other services. Councils therefore need to ensure that housing and other support services connect effectively to social care to flag up problems, and implement simple solutions (those grab rails again).

Another key aspect of this changing role is identification of carers and enhancing support for them. Improving carer support is a significant opportunity for local government as carer breakdown can result in admission to adult social care, whereas effective care helps people stay in their own homes longer. Hertfordshire County Council, for example, already currently spends approximately £4 million per year specifically on services to support carers. However, with 17 percent of admissions to permanent residential care in Hertfordshire involving carer breakdown, the council has concluded that there is scope to significantly delay residential care admissions by investing in helping carers continue to care. It is estimated that additional services for carers could save £3 million over five years. Extrapolated out across the country this represents a serious saving.

This cannot be one-way traffic however, councils need to start from individual's priorities and care aspirations. By providing opportunities for co-production, local authorities can harness the additional resources, skills and expertise that individuals and communities can contribute to the delivery of care services, alongside those delivered by professionals. This may include making opportunities available for co-commissioning, co-design and co-delivery of services.

This approach gives service users the opportunity to become actively involved in the delivery of their own care in order to enable them to live independently for longer. Additionally, co-production can support the system of delivering social care and, in the long term, contribute towards making it more sustainable. This approach can be structured as in the example of Leeds City Council who have established 38 Neighbourhood Networks bringing together 6000 volunteers with over 17,000 older people to provide services including support on hospital discharge, dementia cafes, befriending, shopping, gardening, advocacy, luncheon clubs, walking groups, benefits advice, social activities and a wide variety of others.

Financial independence

Helping people remain financially independent has three key aspects. First, ensuring that older people remain economically active for as long as possible. Bradford City Council has developed a range of tailored support including job clubs for older people. The council requires providers to work with employers to prioritise the employment and skills needs of older jobseekers and, through West at Work and the Employment and Skills Board, includes targeting older job-seekers and workers as a priority group.

Second, ensuring that uptake of benefits in maximised. Sunderland City Council have argued that provision of benefits advice plays a vital role in helping to reduce or alleviate poverty, inequality and deprivation levels. The council funds both in-house and contracted advice services to ensure that residents can continue to access the advice and information that they need in the manner that is most appropriate for them to do so. In the year to February 2012, 2778 60 to 65 years old, 2,656 65 to 80 years old and 2,246 over 80 years old were provided with support.

Finally, ensuring that self-funders have access to the best possible advice. The LGiU has previously highlighted the fact that less than 7 percent of self-funding citizens are accessing or receiving expert and impartial care fees advice and information.[9] As Dorset County Council have observed, there is a disconnect between public expectation for access to a universal adult social care service, akin to the NHS, and the reality of means testing. The King's Fund argued in their evidence to the APPG inquiry that this is resulting in a situation where people are making "disastrous" decisions about funding their care. Partnership Assurance estimated that poor decisions about care funding are resulting in one in four self-funders falling back on state funded care at an annual cost of up to £1 billion for long-term care.[10]

The key to resolving this issue is receiving independent, expert and timely advice. The Association of British Insurers told the APPG inquiry that: "the future that we would like to see is where the consumer is aware of their care choices and makes informed decisions about how to get the care they want. This means that they have a financial plan in place to pay for the care they choose, whether it is in their own home, in sheltered housing, or in a residential care home. This process should be seamless for the consumer and their decisions throughout life should contribute and reinforce their financial plans for care".

Acting as a market-shaper

In many local authorities, there has been a general move from direct provision to commissioning of services on behalf of local residents. As self-funders become an increasingly significant proportion of recipients of care, local councils will need to play an emerging new role as a market-shaper if they are to have a positive influence on the quality of care received by a significant proportion of local residents. Increasingly, people will look to local authorities as a trusted provider of independent, expert guidance in an increasingly complex care market place. In practice, there are a number of forms this market-shaping role could take, including:

- Setting strategic commissioning intentions, outlining the types of support and services required in the future, in the Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS) with health partners:
- Stimulating and supporting new provision of services including sharing risk with providers for unproven, innovative services;
- Driving up cost effectiveness to benefit all purchasers, including for people who fund their own care;
- Improving the quality of services and the standard of provision through workforce development and planning; and

- Developing an infrastructure for people to increase their choice and control of care and support services through information and advice services.

Market shaping is work in progress for many authorities but that there are already examples of how councils can use their commissioning power to stimulate and manage a greater diversity of care providers. This process is crucial to create a greater range of options that will allow councils to build upon and extend their current good practice in helping people live independently and manage their finances. Ultimately this will benefit local government and, most importantly, the older people who need care and support.

Conclusion

It is easy to take an apocalyptic view of adult social care. Certainly, some of the challenges we face are profound and enduring. We know that demographic trends are unlikely to change and that the numbers of elderly people requiring care will continue to grow at the same time as the number of working age people paying tax to support them is shrinking. Add to this, major reductions in the level of public spending, and we can see why so many local authorities are pessimistic about being able to provide care in the future.

Evidence drawn from the real budgets of councils across the country undermines the government's claim that there is no current funding crisis in adult social care. Many local authorities forecast a critical divergence of resource and demand by 2015. We need, then to come to an agreement on social care funding within the life of this parliament, but with even if the government does launch a care and support bill in autumn of 2012 that seeks to adopt Dilnot's recommendations on funding, this may be a tall order.

But funding reform, while vital, remains necessary rather than sufficient for an overall reform of the system. Unless it is accompanied by fundamental change of the system to focus on preventative care, that is the type of care commissioned by local authorities not by acute health services, we will, to put it crudely, be throwing good money after bad.

On one level preventative care is common sense, but in some ways this stands in its way as it makes it seem like something that will happen naturally, whereas in reality it requires a radical shift in focus and some tough political decisions about the allocation of budgets between acute and preventative care and the governance powers of Health and Wellbeing Boards. Again, there is little immediate indication of these nettles being grasped.

So far, so gloomy, but as we have seen, there are also initiatives happening in local authorities across the country that prefigures these big political decisions rather than waiting upon them. Some local authorities are managing the demand for care by helping people live independently for longer. Some are managing the cost of care by helping people stay financially independent. Some are stimulating innovation and increasing the range of options that are available both to individuals and to public agencies by shaping social care markets.

Taken together, this triple perspective of independent living, financial independence and market shaping constitutes a local pathway towards

improved care. Crucially the steps along this pathway: financial advice, carer support, joined up services or effective commissioning can all be achieved at little or no cost and can all be achieved right now. Where this innovation exists it must be supported, where it does not, it must be emulated. Each local authority should develop its own local strategy based on this tripartite approach so that they have a clear vision of how to achieve the best possible care within their resources.

Adult social care is big politics but it is also the stuff of every day lives and it is in these everyday level interventions that local authorities can plug the gap between an unsustainable present and the future we want and need.

Endnotes

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