

ADULT SOCIAL CARE EXPENDITURE IN THE DECADE OF AUSTERITY – SCOTLAND COMPARED WITH REST OF U.K.

INTRODUCTION

This additional **submission to the Independent Review of Adult Social Care**, supplementing Social Work Scotland's main submission, has two aims:

- (1) to provide a brief analysis of the most recent local authority expenditure data for Adult Social Care in Scotland, from the published financial returns¹;
- (2) to establish whether Scottish social care expenditure has fared better or worse than in England or in Wales over the period of austerity, using available data from the Public Expenditure Statistical Analyses (PESA) for "personal social services"² published annually by HM Treasury³.

The financial data is augmented where relevant by available service and activity statistics to help paint a fuller picture.

SPEND ON SOCIAL CARE IN SCOTLAND, 2018-19 AND 2019-20, AND 2020-21 BUDGETS

Before presenting an analysis of the PESA data it is worth setting out the most recent Scottish financial data on local government adult social care in Scotland. This shows that the provisional net outturn for 2019-20 is expected to be **almost £2.5 billion for adult social care**, out of total net expenditure on social work and care services of over £3.5 billion.

Local Authority Expenditure on Social Work Services/ Social Care in Scotland

Year Gross or Net Source Status	2018-19	2018-19	2019-20	2020-21
	Gross ⁴	Net ⁵	Net	Net
	LFR03	LFR03	POBE	POBE
	Actual	Actual	Provisional Outturn	Budget Plans
	£M	£M	£M	£M
Service Strategy	47.5	-1.6	19.9	30.9
Children & Families	974.2	933.3	944.0	939.3
Children's Panels	0.9	0.7	0.7	0.8
Older People (aged 65+)	1,997.8	1,390.5	1,439.7	1,476.3
Adults with physical or sensory disabilities (aged 18-64)	266.8	198.0	228.0	232.0
Adults with learning disabilities (aged 18-64)	848.4	577.8	619.6	617.8
Adults with mental health needs (aged 18-64)	186.8	99.3	114.8	122.8
Adults with other needs (aged 18-64)	70.4	38.7	41.0	41.5

¹ Available at: <https://www.gov.scot/collections/local-government-finance-statistics/>

² Until relatively recently, "personal social services" was the term used mainly in England for what Scotland termed "social work services" – both terms have largely given way to "social care" when used as an umbrella term for services.

³ HM Treasury, Public Expenditure Statistical Analyses 2020, CP 276, July 2020. Expenditure on "personal social services" is a subdivision of section 10 on "social protection" in PESA Chapter 10 *Public expenditure by country and sub-function*.

⁴ From "Gross Expenditure Adjusted for LFR purposes" row on LFR03 return

⁵ From "Net Revenue Expenditure on a Funding Basis" row on LFR3 return

Year Gross or Net Source Status	2018-19	2018-19	2019-20	2020-21
	Gross ⁴	Net ⁵	Net	Net
	LFR03	LFR03	POBE	POBE
	Actual	Actual	Provisional Outturn	Budget Plans
	£M	£M	£M	£M
Criminal Justice Social Work Services	121.4	10.3	110.6	111.0
TOTAL SOCIAL WORK SERVICES	4,514.3	3,246.9	3,518.4	3,572.4
<i>of which</i>				
Children & Family services	975.0	934.0	944.8	940.2
Adult Social Care	3,370.3	2,304.2	2,443.2	2,490.4
Criminal Justice Social Work	121.4	10.3	110.6	111.0
Adult Social Care + Service Strategy	3,417.8	2,302.7	2,463.0	2,521.3

The 2020-21 Budget Plans were mostly completed by councils in March 2020 and are likely to include very little of the additional spending required to deal with Covid-19.

The table shows a number of apparent anomalies in relation to “service strategy”⁶ and criminal justice social work⁷ which we have attempted to clarify in footnotes. In practice, most of the spend that councils record under “service strategy” relates to adult social care, so the final row includes this line with the total spend for on older people and on younger adults aged 18-64.

Both financial returns (LFR3 and POBE) currently provide a service breakdown for each of the “client-group” rows in the table. However, the more detailed LFR03 return on actual expenditure has been radically reduced for the delayed 2019-20 returns submitted in September 2020, partly to reduce the burden of collection in response to Covid pressures on local authorities, but also as a result of an incomplete review of the social care expenditure data collection⁸. Net expenditure will not be available for each of the five Adult Social Care sub-groups, shown above, and much of the service expenditure information will be lost.

The table below shows the latest available data on actual net expenditure⁹ for local authority provided or funded adult social care; the shaded area shows the data which will be no longer

⁶ “**Service Strategy**” used to be a relatively stable category for certain generic functions: policy development and strategic commissioning; registration and inspection; and complaints. Since Health & Social Care integration the category has become less stable, as it now includes some of the financial transfers between councils and IJBs; this makes it difficult to give any specific meaning to the net “expenditure” of -£1.6M shown for 2018-19.

⁷ **Criminal Justice Social Work** includes pre-sentencing reports, supervision of community payback orders and other non-prison court sentencing, diversion from prosecution, and prison social work. It is not part of Adult Social Care. Gross expenditure included spending financed by Scottish Government specific grants for CJSW – specific grant income is excluded from net expenditure on the LFR03 returns but seems to be included in net expenditure on the POBE returns. In 2020-21, I understand that LAs are receiving just over £100M for criminal justice social work - £86.450M within the local government funding settlement plus a top-up of £13.665M outwith the settlement. These figures don’t quite square with the POBE.

⁸ This ambiguity means it is unclear which changes are permanent and which temporary.

⁹ For reasons of space, I have not presented LFR03 data on gross expenditure, or on **income from charging**. The latter is important as 2018-19 is the final year before **Free Personal Care** was introduced from 1.4.19 for people under the age of 65. The impact of FPC on council income will be reflected in the cut-down 2019-20 LFR03 returns from councils (the delayed return date is 9.12.20), however this will now only be available for Adult Social Care as a whole, not for the five client-groups.

available from 2019-20. (Social Work Scotland had already expressed concerns about the loss of key financial information in our submission to the Scottish Government's consultation¹⁰).

Total net expenditure in 2018-19 was £2.3 billion: 60% was spent on older people, 25% on people with learning disability, 9% on people with disabilities, and much smaller amounts on people with mental health problems (4%) and "other needs" (2%), mainly people with alcohol and drug misuse problems.

2018-19 Local Authority Net Expenditure on Adult Social Care (LFR03)

	Older People (aged 65+)	Adults with learning disabilities (aged 18-64)	Adults with physical or sensory disabilities (aged 18-64)	Adults with mental health needs (aged 18-64)	Adults with other needs ¹¹ (aged 18-64)	TOTAL ADULT SOCIAL CARE (excluding Service Strategy)	
	£M	£M	£M	£M	£M	£M	%
Assessment & Care Management	182.0	51.1	29.1	33.0	14.9	310.0	13%
Home care	428.9	174.0	37.0	19.8	2.1	661.8	29%
Accommodation-based services	592.8	159.9	56.5	22.1	4.4	835.7	36%
Day Care	45.6	100.0	12.6	7.3	2.7	168.1	7%
Equipment and adaptations	18.1	0.5	8.3	0.0	0.2	27.1	1%
Direct Payments	32.4	34.2	30.4	2.6	0.1	99.7	4%
Other services ¹²	90.7	58.0	24.1	14.5	14.4	201.7	9%
Net Expenditure	1,390.5	577.8	198.0	99.3	38.7	2,304.2	100%
%	60%	25%	9%	4%	2%	100%	

"**Accommodation-based services**" are mostly care homes accounting for £836M in 2018-19, over a third (36%) of Adult Social Care spend. Older people's care homes accounted for 71% of this spend and over a quarter (26%) of all Adult Social Care spend.

Accommodation-based services accounted for 44% of the £1.4bn social care spend on older people in 2018-19, and 27% of spend on adults aged 18-64, relatively more of whom can be supported at home.

The financial returns do not split service expenditure by sector of provider. According to the most recent **care homes census**¹³, at March 2019 there were 35,630 adults in Scottish care homes of which over three-quarters (77%) were in private sector homes, an increase over the 70% figure for

¹⁰ See our response at: <https://socialworkscotland.org/consultation/social-work-scotland-response-to-the-scottish-government-review-of-local-authority-financial-returns-social-work-services/>. It has not been clear which changes are permanent, based on a stalled review with no published report, and pragmatic, temporary changes to reduce data collection due to Covid-19 pressures on the LA and SG staff involved.

¹¹ "**Adults with Other Needs (aged 18-64)**: This subservice should include adults with addictions / substance misuse, HIV / AIDS, asylum seekers and refugees", SG LFR Guidance 2018-19.

¹² "**Other services**" are here: support services (£102M), eg HQ and admin; support for carers (£13M); supported employment (£7M); and "other community-based services" (£79M), eg meals services, advocacy. The spend on support for carers will be an undercount as it is unlikely to include replacement care (services provided to the cared-for person in order to support the carer).

¹³ <https://beta.isdscotland.org/find-publications-and-data/health-and-social-care/social-and-community-care/care-home-census-for-adults-in-scotland/>. Data from Table 1 in the associated spreadsheet, published October 2020.

March 2010. For care homes registered for older people, 81% of the 32,445 residents at March 2019 were in private sector homes, up from 75% in 2010. **The volume of care home provision in Scotland is therefore largely determined by market forces.**

Public Health Scotland statistics show that the numbers of residents in care homes of older people fell from 33,941 at March 2010 to 32,008 at March 2018, a fall of -6%. The following year there was an increase to 32,445, a fall of -4% from March 2010 to 2019. This reduction will be influenced by the policy of supporting older to live in their own homes for as long as possible; however, given the overall expenditure reductions discussed later, and the ongoing increases in the numbers of older elderly people, who have the highest rates of need, the underlying reductions in bed capacity are more likely to be due to the effects of austerity on falling profits in the private sector.

Beds and residents have also fallen for younger adults aged 18-64. Resident count fell by 22% from March 2010 to 2019, from 4,101 to 3,185. While there are equal demographic pressures for younger adults, due to larger numbers of people with disabilities, this change is most likely to reflect the long-term policy of replacing care home provision by support at home.

Home care is the second largest category of spend, at 29% of the total for Adult Social Care – relatively higher for older people and people with a learning disability (31% and 30% of spend) than for the other groups (averaging at 18%). Public Health Scotland¹⁴ estimates that 59,885 people in Scotland had home care during the 'census week' (last week in March 2019), receiving an estimated 734,220 hours in that week – an average of 12.2 hours per person per week. There has been a long-term trend of reducing numbers of *people* receiving home care, but increasing the total *hours* (apart from austerity-related reductions in 2016 and 2017): this policy change partly reflects the extent to which home care has become a key service enabling early hospital discharge. Concentrating resources on higher-level need is also a response to the ageing population, but raises serious questions about what preventative support is available to older people in particular with lower-level needs who would have been eligible for home care in the past¹⁵.

In 2019, home care provided by the private sector only (but purchased by local authorities) accounted for 42% of the total (on a person basis), while local authority provision accounted for 46%. While home care has been increasingly privatised since the mid-1990s, it did not have the kick start provided by the UK Government in the mid-1990s when DHSS funding for private nursing and residential home placements was transferred to local authorities. Like residential care provision, private sector home care is a relatively low paid sector of the economy.

People receiving publicly-funded home care at March by sector of provider, at March 2019

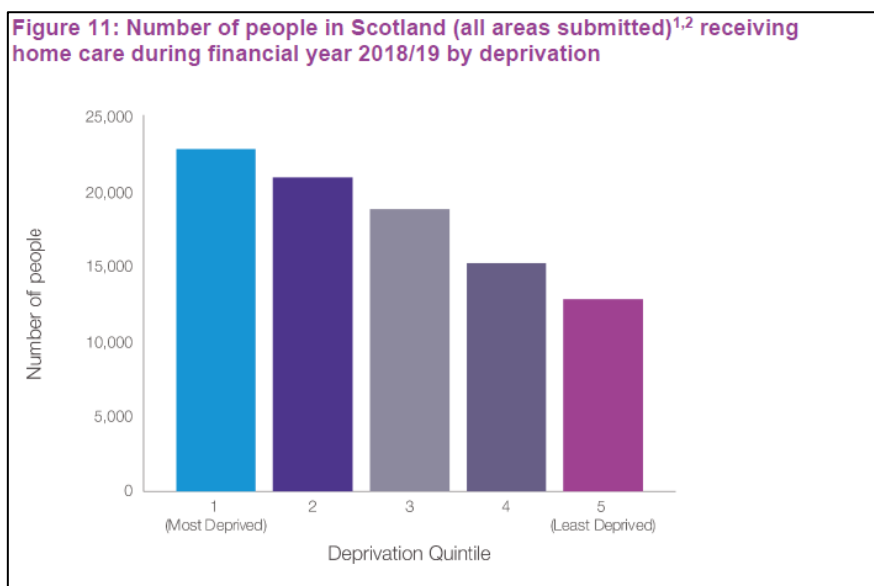
at March 2019	Local Authority only	Private only	Voluntary only	LA and Private	LA and Voluntary	Other combination	TOTAL
Younger Adults	2,950	4,910	2,895	240	80	185	11,260
Older people	24,580	20,080	1,630	1,810	270	245	48,615
Total	27,535	24,995	4,525	2,050	350	430	59,885
Younger Adults	26%	44%	26%	2%	1%	2%	100%
Older people	51%	41%	3%	4%	1%	1%	100%
Total	46%	42%	8%	3%	1%	1%	100%

Note: The data has not been corrected for missing returns. Source: see note 14.

¹⁴ Public Health Scotland Social Care Insights Dashboard - Home Care: at <https://scotland.shinyapps.io/phs-social-care-home-care-201819/> Not corrected for missing returns.

¹⁵ This issue deserves much more attention than can be given here.

While people who need social care may come from any socio-economic group, levels of need are much higher in poorer households and communities. This is illustrated in the chart below for home care, from Public Health Scotland's recent publication *Insights in Social Care*¹⁶



Public Health Scotland relate this to the higher levels of chronic illness in poorer areas:

People living in the more deprived areas have substantially greater provision of home care than people living in the more affluent areas. From the Scottish Burden of Disease study it is known that people who live in poorer areas in Scotland are more likely to have more years of ill health¹⁷. This may be a contributory factor to the demand for services as people may require more assistance to live at home.

This has implications for resource allocation within Scotland, which we cannot go into here¹⁸.

“Assessment and Care Management” is the third largest category of net expenditure, at £310m in 2018-19, or 13% of total Adult Social Care spend. Most of this expenditure relates to the assessment and review of people’s need for social care, by social workers and other assessing staff. We do not have complete data for Scotland on the number of people assessed or reviewed in the year¹⁹, so cannot estimate the unit cost or know how this varies between the five ASC “client-groups” for which expenditure data is currently available. What we can see is that Assessment and Care Management, as a percentage of total service spend varies from 13% for older people and 15% for people with a physical disability, to 9% for people with learning

¹⁶ *Insights in Social Care: Statistics for Scotland. Support provided or funded by health and social care partnerships in Scotland 2018/19.* Public Health Scotland, 29 September 2020. At: <https://beta.isdscotland.org/find-publications-and-data/health-and-social-care/social-and-community-care/insights-in-social-care-statistics-for-scotland/>. The data is not adjusted for missing data from Orkney, or incomplete returns from other councils.

¹⁷ <http://www.healthscotland.scot/health-inequalities/impact-of-ill-health/impact-of-deprivation-on-health>

¹⁸ The Scottish Government’s Grant-Aided Expenditure (GAE) methodology for grant allocation to councils has not been reviewed since 2007.

¹⁹ *Insights in Social Care: Statistics for Scotland*, now the main publication for Adult Social Care, contains nothing on assessment as such. Public Health Scotland (ISD) collects person-based digital returns from LAs. The data on support and services includes “Social Worker” [defined as “an assigned Social Worker, Support Worker or Allocated Worker who is provided or funded by your Local Authority”]. However, this statistic *excludes* people who “have been assessed but do not require a care plan or social care service”, therefore, it would seem that the count of 126,400 people supported by a social worker in 2018-19 will be an under-count of persons assessed in that year, quite apart from the fact that this figure has not been adjusted for what may be significant numbers of missing returns. Data source: <https://scotland.shinyapps.io/phs-social-care-people-supported-201819/>.

disabilities – which will be because the cost of their other services is relatively high. By contrast, the fact that Assessment and Care Management accounts for 38% of spend on people with “other needs” (including addictions), and 33% for people with “mental ill health”, seems genuinely to reflect the complexity of needs.

Day care expenditure was £168m in 2018-19, of which nearly 60% was for people with a learning disability. Spending on **equipment and adaptations** remains small at £27m or 1% of adult social care expenditure. Finally, it is worth noting that the **Direct Payments**, while growing, are less used by older people, representing 2% of total spend in 2018-19, compared with 6% and 15% for people with learning and physical disabilities respectively.

The earlier table (on pages 1 and 2 above) also showed **year on year increases** for total Adult Social Care expenditure, from the actual expenditure of **£2.3bn** in 2018-19, to the provisional 2019-20 outturn of **£2.4b**, and the 2020-21 Budget Estimates²⁰ of nearly **£2.5bn**. These apparent increases may or may not survive the fuller accounting associated with the final actual expenditure on the LFR03 returns. Were they to do so, then the year-to-year increase would be 6% in 2019-20, which is above one-year inflation and demographic increases, and 2% in 2020-21 (excluding most Covid-19 related extra spend), which is below the combined increase needed for inflation and demography – more 4% per year according to the Scottish Government’s estimates²¹, which are based on 3.5% annual growth for demographic changes, 0.5% for relative price effects, plus annual inflation (measured by the GDP deflator) – see Social Work Scotland’s supplementary submission on the impacts of demography on adult social care spending requirements.

ADULT SOCIAL CARE EXPENDITURE SINCE 2010-11

We turn to the second aim: to establish whether Scottish social care expenditure has fared better or worse than in England or in Wales over the period of austerity, using available data from the Public Expenditure Statistical Analyses (PESA) for “personal social services” published annually by HM Treasury.

PESA has been used because the data for the UK nations is readily available and is considered to be broadly comparable²². Data for Northern Ireland has not been included in the main analysis, largely because their PESA time series for personal social services expenditure shows a large drop between 2010-11 and 2012-12 which seems likely to be due to changes in the organisation or administration of social care, or the recording of relevant expenditure²³. It should also be noted that PESA data is not as detailed as the various local authority returns on which it is largely based, so it is not possible to consider spending trends on the different groups of people using social care services, apart from a simple split between older people and other adults.

Our understanding is that the PESA data on personal social services comprises net expenditure (current plus capital) by local authorities on social work services²⁴. **Figures for the last date shown, here 2018-19, should be treated as provisional** – they are usually revised in the PESA publication for the following year²⁵, so should be treated as provisional. Further information on PESA, together with the data tables used, can be found in an **Appendix** at the end of this paper.

²⁰ The 2020-21 Budget Plans were mostly completed by councils in March 2020 and are likely to include very little of the additional spending required to deal with Covid-19.

²¹ Scottish Government (2018) Health & Social Care Medium Term Financial Framework, page 10.

<https://www.gov.scot/publications/scottish-government-medium-term-health-social-care-financial-framework/>

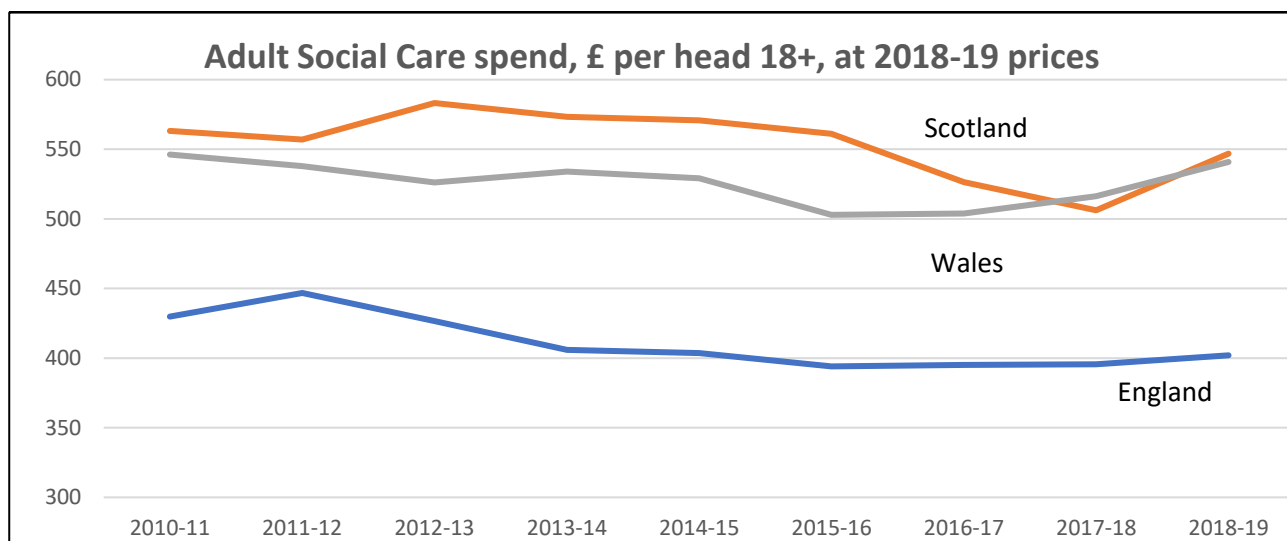
²² PESA data on UK social care expenditure was used by the Institute for Fiscal Studies in their work on *Securing the future: funding health and social care to the 2030s*, IFS and The Health Foundation, May 2018.

²³ The published PESA reports do not appear to explain this change – not surprising as PESA is focussed on much larger spending aggregates.

²⁴ The capital element will be small. It is also possible that some other, relatively small, spend directly by the Scottish Government has been included. Requests for clarification have been made - see next footnote.

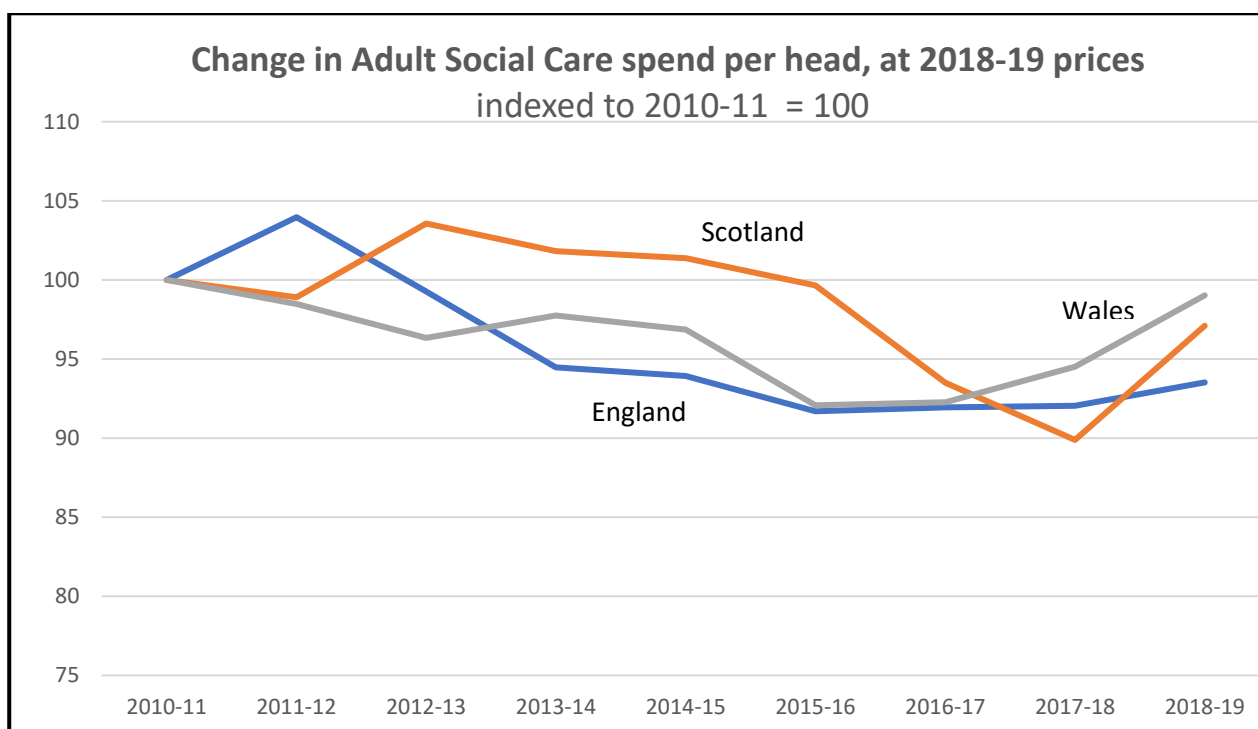
²⁵ There is reason to think that the 2018-19 figures, while published in May 2020, are actually Budget Estimates from the 2018 POBE returns - I have asked SG civil servants who have referred me to HM Treasury who have treated the request as an FOI, which is likely to be Covid-delayed.

Over the period of austerity, **Scotland has maintained higher spending levels per head on Adult Social Care than those for England**, and until 2017-18 had higher levels than **Wales**.



On these figures, Scotland spent between 25% more per head than England (in 2011-12) and 42% (in 2015-16); the provisional figure for 2018-19 is 36%. Public expenditure per head in Scotland, as in Wales and Northern Ireland, has been provided at a higher rate per head for a very long period of time, and according to GERS²⁶ in 2019-20 Scottish public expenditure at £14,829 per head was 12% higher than the UK figure, whereas the corresponding figure here for adult social care in 2018-19 is 28%.

The same PESA figures are shown in the graph below, indexed to 2010-11 to show the percentage change since then.

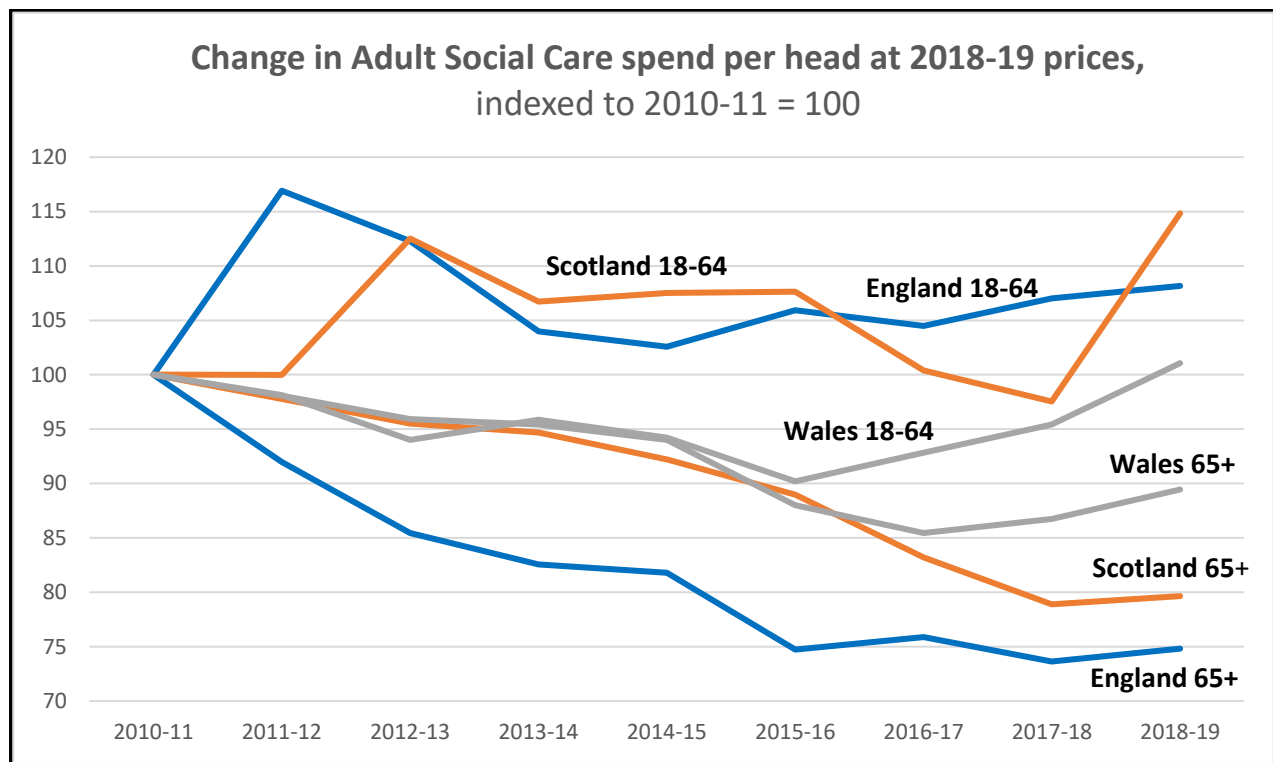


²⁶ Scottish Government (2020) Government Expenditure & Revenue Scotland 2019-20 August 2020. <https://www.gov.scot/publications/government-expenditure-revenue-scotland-gers-2019-20/>

Scotland's Adult Social Care spend per head fell in real terms from 2012-13 for five years before increasing significantly in 2018-19 (provisional figure). It is possible to calculate the net gains and losses over this period compared to 2010-11 as a common baseline at the beginning of the "austerity decade". This shows that England's lost expenditure totalled £7,220m or £168 per head by 2018-19, whereas Scotland fared relatively better, with lost expenditure of £350m or £80 per head. (Perhaps surprisingly, Wales lost £179 per head, or £440m over the period – because ASC spend per head in real terms in each year was lower than in 2010-11).

Of course, these figures are sensitive to the baseline year, and would be higher for Scotland had the peak spending year of 2012-13 been chosen. Moreover, as we discuss later, these figures do not take into account the **rising demand due to demography** and other factors.

PESA subdivisions for adult social care are discussed further in the Appendix – but they really only support a division between spend on older people and spend on other adults. This data shows that services for adults aged 18-64 have fared far better in all three GB nations over the decade of austerity, compared to spend on older people's social care.

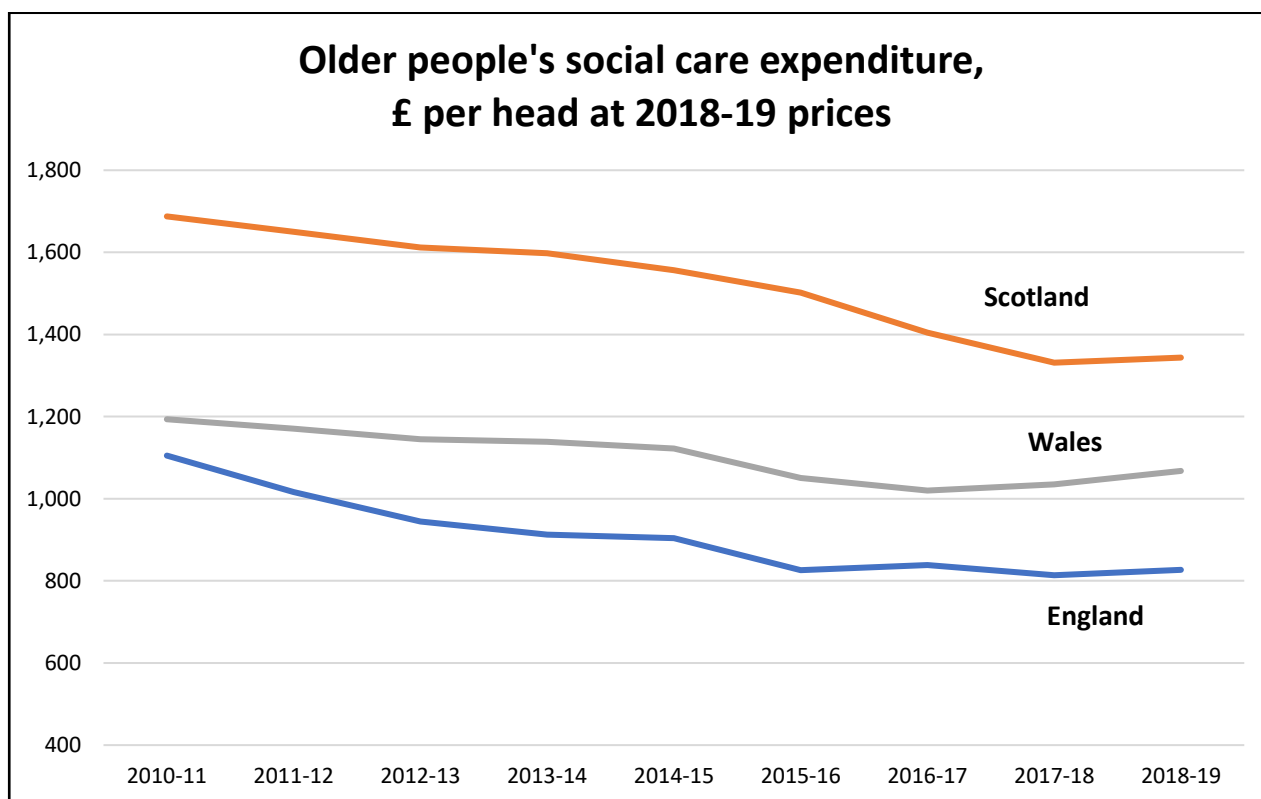


SOCIAL CARE EXPENDITURE ON OLDER PEOPLE SINCE 2010-11

Total spending on older people's services has borne the brunt of austerity across the three nations. In terms of net expenditure at constant 2018-19 prices:

- England spent £8.641bn in 2018-19, £1bn less than in 2010-11 (-11%);
- Scotland spent £1.379bn in 2018-19, £119m less than in 2010-11 (-7%); and by contrast
- Wales spent £696m in 2018-19, £31m more than in 2010-11(+5%).

However, all three nations spent less in terms of spend **per head** of populations 65+, at constant 2018-19 prices:



England spent £278 less **per head** in real terms on older people's social care (-25%) in 2018-19 than in 2010-11, and Scotland spent £344 less per head (-20%)²⁷. Wales fared better with losses of £126 per head (-11%).

The usual caveats apply: PESA data for the last year is provisional and is usually revised the following year; so comparisons between the first and last years of this time series are less useful than considering the time-series as a whole. Secondly, spend per head of the 65+ population is a cruder measure than an age-standardised figure²⁸, which gives greater weight to the very elderly whose need for services is much greater.

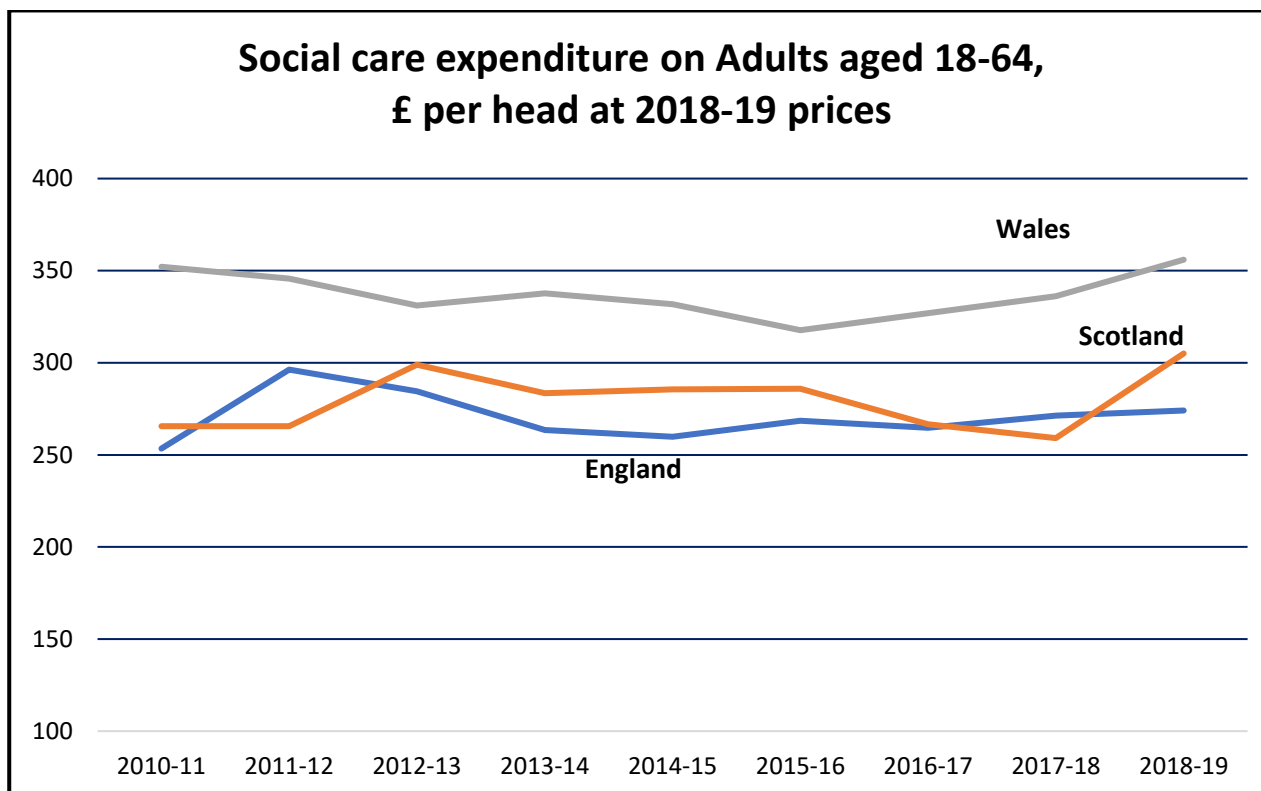
Nevertheless, older people are the age-group for whom the need for social care has increased the most, due to the very significant increases in the numbers of people aged 75+, 85+, and 90+ whose need for services is greatest. Yet, on these figures, spending in real terms has fallen per head for older people over the decade.

SOCIAL CARE EXPENDITURE ON ADULTS AGED 18-64 SINCE 2010-11

²⁷ Scotland's smaller percentage reduction than England yielded a larger loss per head because Scotland started the decade of austerity with a much higher spend per head.

²⁸ We don't have the data to do this – ideally, expenditure for single-year, or 5-year, age-groups

By contrast, while there have been ups and downs since 2010-11 in social care spend per head for adults aged 18-64, all three nations have ended up with slightly more spend in 2018-19. Scotland's spend per head increased by 15%, England's by 8%, and Wales by 1% (already from the highest base). Taking into account the fact that the 2018-19 figures are likely to be revised, the period is one of consolidated spend, rather than deep cuts. **Spend for adults aged 16-64 has been relatively protected, compared with the cuts in spending for older people.**



DISCUSSION

Inflation

We show the expenditure data at constant prices to account for inflation, using the Treasury's GDP deflator times series²⁹, as is standard practice in public expenditure analysis. However, this will not take into account any differences between social care pay³⁰ and price inflation, and the wider average for the economy as a whole. As far as we know, the Scottish Government Health & Social Care Department does not maintain pay and price indices for social care, so we have no alternative method of adjusting for inflation.

Additional spend associated with new legislation

In all UK nations, there continued to be new social work and social care legislation, which adds responsibilities to local authorities. While additional funding is usually made available, which may or may not fully cover the additional duties³¹, all the expenditure trends discussed in this paper include such funding, so if spend per head in real terms has declined, as it has very clearly for older people, this means that the mainstream funding for existing responsibilities will have declined even more, ii it could be shown separately.

Increasing need for social care – demography and inequalities

The analysis in this paper takes no account of the three main drivers for the increasing need for social care:

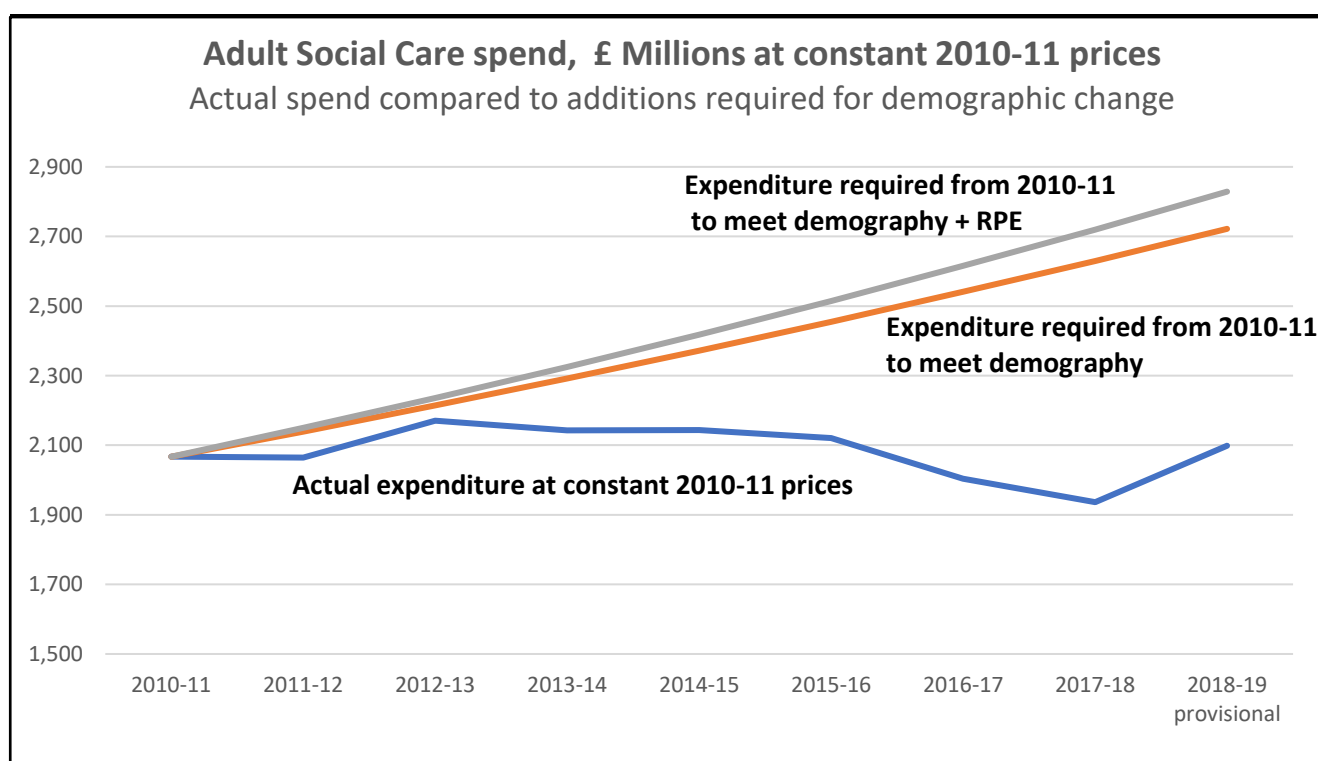
²⁹ We used the figures as published in an Annex to PESA 2020; they are also available via ONS

³⁰ Perhaps associated with Scottish Government support for paying the Real Living Wage

³¹ Social Work Scotland has long-standing concerns that the Carers (Scotland) Act 2016 is not fully funded.

- (1) Long term demographic changes: the increasing numbers of older people, especially in the 75+ age-groups who have the highest needs for care, and, in younger age-groups, more children and adults with disabilities living longer lives;
- (2) Widening income and health inequalities during the decade of austerity; and
- (3) The need for adult social care provision to help the NHS meet and manage the impact of increasing need for its own services due to the same factors above.

We consider the impact of demographic change on the need for social care expenditure in a separate supplementary submission which includes a review of the Scottish Government's *Health & Social Care Medium Term Financial Framework* (2018). That provides good reasons to agree with the Framework's estimates that 3.5% growth, year-on-year, is required to meet demography increases. As noted earlier, when relative price effects are added, the SG estimate increases to 4% per year. The graph below also appears in Social Work Scotland's other supplementary submission to the Independent Review:



Notes: Actual expenditure at constant 2010-11 prices, from HM Treasury PESAs³², with inflation based on GDP deflators in PESA 2020; Demography at additional spend of 3.5% per year, and Relative Price Effects (RPE) at 0.5% per year, as per Scottish Government's HSCMTFF (2018).

It shows the scale of the financial challenge to adult social care posed by demographic change, with expenditure in 2018-19 over £700m less³³ than what would have been required to maintain services at their pre-austerity levels compared to the needs of Scotland's adult population. Only spending in real terms at the higher slopes shown would have kept the ratio of service spend to population need constant over the period.

All social care services show socio-economic gradients (as shown earlier for home care). We do not have the data to model the effects of widening inequalities on the prevalence of need for care and support.

Savings

Throughout this period, councils have been keen to protect essential services and meet funding reductions from efficiency and other savings for all budgets, including those for adult social care.

³² *Public Expenditure Statistical Analyses*, 2016-2020 annual volumes, checked for consistency.

³³ Revalued to 2018-19 prices

No data exists on the extent to which efficiencies and good demand management has reduced the need to spend on social care, and how much of the actual expenditure reductions in real terms have reduced the volume and quality of care services available to local populations.

We believe that most, if not all councils, have implemented the savings and demand management measures recommended in many academic studies³⁴ and in successive Audit Scotland reports on social work in Scotland in 2016 and 2018, and in their work on health and social care integration³⁵. Progress in implementing the 2011 Christie Report³⁶ will have been hampered by the difficulty in sustaining investment in prevention alongside maintain essential care services in the absence of sufficient funding for double running costs.

There is a need for better and quicker research in Scotland and in the rest of the UK about “what works” for the all the various preventative initiatives in social care to reduce and manage current and future demand, including what would be required for successful replication in different localities.

Impacts on number of people using social care in Scotland

We do not have the comprehensive and reliable information on social care services that we need to assess the impacts of the reductions in expenditure in real terms.

The published data on social care services³⁷ is currently badged as “experimental statistics”, presumably because of the many gaps in the returns that have to be estimated. Estimates for 2017-18 and 2018-19, from the “interactive dashboard”³⁸ show recent increases in the total numbers of people receiving any support in the year, albeit with many caveats mentioned in the published report, which also states that these are under-estimates:

Number of people receiving Adult Social Care

Scotland (Estimated)	2017-18	2018-19	Change	
Number of People	230,115	245,650	15,535	6.8%
Number of People - adjusted	215,230	228,290	13,060	6.1%

The Insights in Social Care report (p17) states that

Contact with/supported by a social worker or support worker was the most frequent form of support reported (126,400 people from all areas submitted³⁹). Community alarms and/or telecare was the second highest by number receiving with a total of 125,120 people having an active community alarm and or telecare system in Scotland (all areas submitted). These service types can provide the reassurance and ability to get help when it is most needed, allowing people to live safely and as independently as possible at home. (p17).

As noted earlier, social care expenditure rose between 2017-18 and 2018-19; we do not have comparable information for the period since 2010-11 when expenditure fell in real terms. Some of that information will be in the Social Care Surveys undertaken by Scottish Government analytical services; the problem would be to establish whether annual changes were real, or artifacts of the

³⁴ To take but one example from a very large body of work in the UK:

https://ipc.brookes.ac.uk/publications/pdf/New_Developments_in_Adult_Social_Care.pdf

³⁵ <https://www.audit-scotland.gov.uk/report/social-work-in-scotland/>; https://www.audit-scotland.gov.uk/uploads/docs/report/2016/ir_181205_social_work.pdf; <https://www.audit-scotland.gov.uk/report/health-and-social-care-integration-update-on-progress>

³⁶ <https://www.gov.scot/publications/commission-future-delivery-public-services/>

³⁷ *Insights in Social Care: Statistics for Scotland. Support provided or funded by health and social care partnerships in Scotland 2018/19*. Public Health Scotland, 29 September 2020. At: <https://beta.isdscotland.org/find-publications-and-data/health-and-social-care/social-and-community-care/insights-in-social-care-statistics-for-scotland/>

³⁸ <https://scotland.shinyapps.io/phs-social-care-people-supported-201819/>

³⁹ “All areas submitted” means not adjusted for missing data, so these are under-counts

many adjustments needed to cope with incomplete or missing returns – presumably that is why no time-series have been published for the numbers of people receiving adult social care each year.

Outcomes of unmet need

The reductions in adult social care expenditure in real terms, particularly for older people, during the austerity years when the needs for social care increased due to the ongoing demographic changes, and increasing inequalities, are bound to have increased unmet need.

This is discussed further in Social Work Scotland's other supplementary submission to the Review.

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The data sources

Chapter 10 of PESA includes net service expenditure data (current plus capital) on “personal social services”. The main source of this data is the local authority financial returns to the UK government and devolved administrations; however, the figures in Chapter 10 are part of a functional classification that is not restricted to local government spend⁴⁰, so may include some small amounts of other public expenditure on social care.

PESA provides a breakdown of personal social services expenditure into four groups, as tabulated below for the most recent year available, 2018-19:

2018-19	England	Scotland	Wales	N. Ireland	UK Total
	£M	£M	£M	£M	£M
10.1 Sickness and disability	8,827	1,032	631	381	10,871
10.2 Old age	8,416	1,379	696	542	11,033
10.4 Family and children	9,396	959	667	222	11,244
10.7 Social exclusion n.e.c.	696	0	45	0	741
Total PSS	27,335	3,370	2,038	1,145	33,888

Notes: The categories above are based on the UN and EuroStat *Classification of the Functions of Government* section for “social protection”, which covers mainly welfare benefits payments and social care. HM Treasury subsequently sub-divides these categories into “personal social services” (PSS) and “other”; only the categories with PSS spend are shown above.

Identifying adult social care expenditure

Clearly “adult social care expenditure” includes the first two categories. While personal social services spend on “family and children” is excluded for our purposes, it is worth noting in passing that it accounts for a higher proportion of PSS spend in England (34%) and Wales (33%) than in Scotland (28%) or Northern Ireland (19%)⁴¹. It tempting to also exclude the “social exclusion n.e.c.” (not elsewhere classified) category, used for smallish amounts of social care expenditure in England (3%) and Wales (2%); but, since this category has increased over time in England, we have decided to include it *pro rate* in adult social care, rather than risk understating expenditure.

2018-19	England	Scotland	Wales	N. Ireland	UK Total
	%	%	%	%	%
10.1 Sickness and disability	32%	31%	31%	33%	32%
10.2 Old age	31%	41%	34%	47%	33%
10.4 Family and children	34%	28%	33%	19%	33%
10.7 Social exclusion n.e.c.	3%	0%	2%	0%	2%
Total PSS	100%	100%	100%	100%	100%

Time series from 2010-11

2010-11 was used as the pre-austerity base year before funding reductions began to be used by the UK Government to bring down the deficit caused by the measures needed to end the banking crisis. This required using time-series data from different editions of PESA, from 2016-2000. For some time-series this can cause problems of comparability:

Users are strongly advised against simply splicing data together from different editions of PESA, as data is unlikely to be directly consistent due to changes in coverage and classification.

Departments and the devolved administrations maintain five years of live outturn data. (PESA 2020 page 6)

⁴⁰ Local Government expenditure is covered in Chapter 7 of PESA, but has no sub-divisions for social care. The functional classification used in Chapter 10 includes “Personal Social Services” as part of the *social protection* sub-function. PSS net expenditure appears to include relatively small amounts of capital expenditure.

⁴¹ Assuming that this isn’t an artifact of the somewhat different organisational arrangements in Northern Ireland compared to the rest of the UK.

The comparability was checked for each of the four Personal Social Services lines, by country, by tabulating the over-lapping 5-year series within each of the six PESA editions (the 2020 edition, plus the final corrected years in each of the five earlier editions). The results show that the nine-year time-series used in the present analysis is comparable⁴².

SCOTLAND	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Outturn £M									
Older People	1,296	1,307	1,346	1,391	1,405	1,388	1,350	1,320	1,379
Adults 18-64	771	789	903	872	891	903	866	858	1,032
Total Adult Social Care	2,067	2,096	2,249	2,263	2,296	2,291	2,216	2,178	2,411
At 2018-19 prices £M									
Older People	1,489	1,479	1,492	1,513	1,507	1,476	1,403	1,348	1,379
Adults 18-64	886	893	1,001	948	956	960	900	876	1,032
Total Adult Social Care	2,375	2,372	2,493	2,461	2,463	2,437	2,302	2,224	2,411
Per head of relevant population, at 2018-19 prices									
Older People	1,688	1,650	1,612	1,598	1,556	1,502	1,404	1,331	1,344
Adults 18-64	266	266	299	283	286	286	267	259	305
Total Adult Social Care	563	557	583	573	571	561	527	506	547
ENGLAND	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Outturn £M									
Older People	8,238	7,841	7,714	7,804	8,037	7,542	7,975	7,992	8,416
Adults 18-64	7,235	8,650	8,474	8,008	8,040	8,430	8,562	8,955	9,278
Total Adult Social Care	15,473	16,491	16,188	15,812	16,077	15,972	16,537	16,947	17,694
At 2018-19 prices £M									
Older People	9,464	8,872	8,552	8,489	8,622	8,021	8,286	8,162	8,416
Adults 18-64	8,312	9,788	9,395	8,711	8,625	8,966	8,896	9,146	9,278
Total Adult Social Care	17,776	18,661	17,948	17,199	17,247	16,987	17,182	17,308	17,694
Per head of relevant population, at 2018-19 prices									
Older People	1,105	1,016	944	912	904	826	838	814	827
Adults 18-64	253	296	285	264	260	268	265	271	274
Total Adult Social Care	430	447	427	406	404	394	395	396	402
WALES	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Outturn £M									
Older People	579	586	605	629	643	617	623	652	696
Adults 18-64	570	570	555	575	572	552	582	610	661
Total Adult Social Care	1,149	1,156	1,160	1,204	1,215	1,169	1,205	1,262	1,357
At 2018-19 prices £M									
Older People	665	663	671	684	690	656	647	666	696
Adults 18-64	655	645	615	625	613	587	605	623	661
Total Adult Social Care	1,320	1,308	1,286	1,309	1,303	1,243	1,252	1,289	1,357
Per head of relevant population, at 2018-19 prices									
Older People	1,194	1,171	1,145	1,139	1,122	1,050	1,020	1,035	1,067
Adults 18-64	352	346	331	338	332	318	327	336	356
Total Adult Social Care	546	538	526	534	529	503	504	516	541

⁴² If and only if each five-year PESA time-series itself is comparable, as HM Treasury claim. (A request for more information about which financial returns are used for the Scottish PESA PSS figures has been treated as an FOI so the response will be Covid-delayed).