

October 2005

SIGOMA
SOCIAL SERVICE SOLUTIONS

**Your chance to deliver a brighter future for those
most in need**

S o c i a l
S e r v i c e
S o l u t i o n s

Your chance to deliver a brighter future for those most in need

A chance for progress

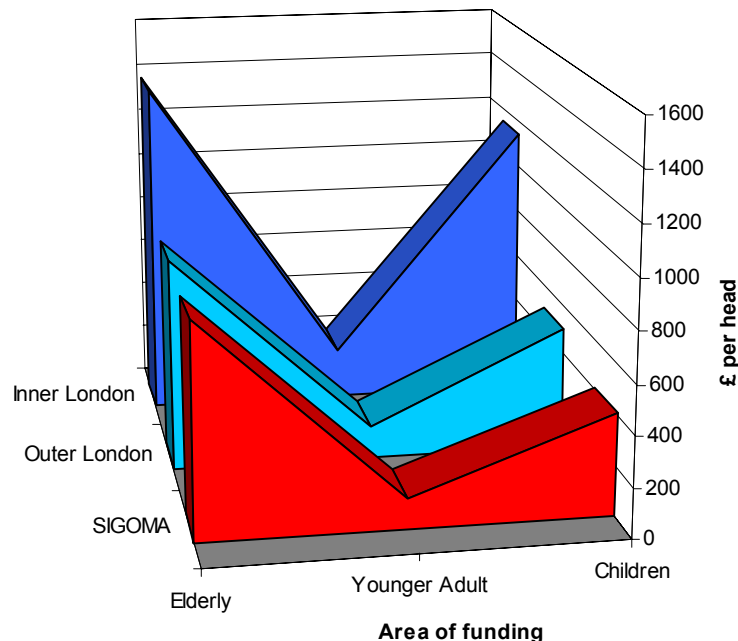
The Government is consulting on some potential changes to the way that Social Services are funded. Their proposals could make a real difference to the most vulnerable people in our towns and cities, especially the young. Our communities need to see the Government push ahead with its plans to update the way that social services are funded.

Background: a 15 year legacy

In the past, social service funding was excluded from the Government's regular review and update of local authority funding. A promise was made to make sure that social services would be the focus of future reviews. Keeping the Government to their promise and updating the way that social services are funded is crucial to the well-being of local communities:

- local resources for social services are currently based on data from 1991;
- funding patterns bear little relationship to current need; and
- allocations to individual councils are currently implausible.

Current formula spending share (FSS) per child/younger adult/elderly for social services¹



Life has changed since 1991, funding needs to follow

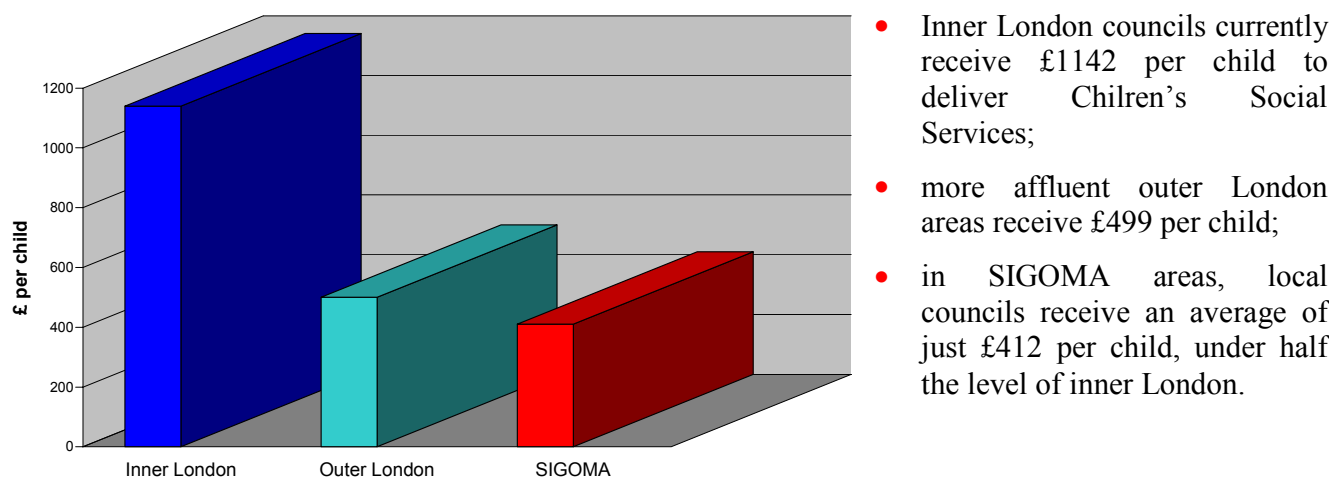
SIGOMA
A Voice for Urban Areas

Children's Social Services

Every child matters and every child deserves an equal chance

Every Child Matters: Change for Children brings a programme of radical change to the whole system of children's services and the 2004 Children's Act gives them a new status at both national and local level. However, current levels of funding for children highlight the way that the most vulnerable communities in our towns and cities are still being let-down by the current system.

Children's Social Services FSS - £ per Child 2005/06 (0-17 years)²



Current resources are not meeting the needs of our children:

- Almost half of the most deprived neighbourhoods identified in the Government's child poverty index lie within SIGOMA authorities, just 12% are in outer London³;
- The number of children looked after by SIGOMA authorities is around 108 per 10,000 (under 18 years), broadly similar to that of London at 111⁴;
- The number of teenage mums continues to be highest in SIGOMA authorities – some 31 per thousand (15-17 year olds) compared to 27 in Inner London and 18 in Outer London⁵.

Salford case study⁶

Both Salford in Greater Manchester and the London Borough of Lambeth have the same levels of looked after children. Yet Salford receives £471 per child to deliver children's social services, whilst Lambeth gets £1247 – almost three times as much.

London authorities rightly point out that their levels of need are increasing. But need in SIGOMA authorities has always been higher and remains so – we have been trying to make a difference without resources for over ten years. ***Just think what could be achieved if the right levels of funding were available.***

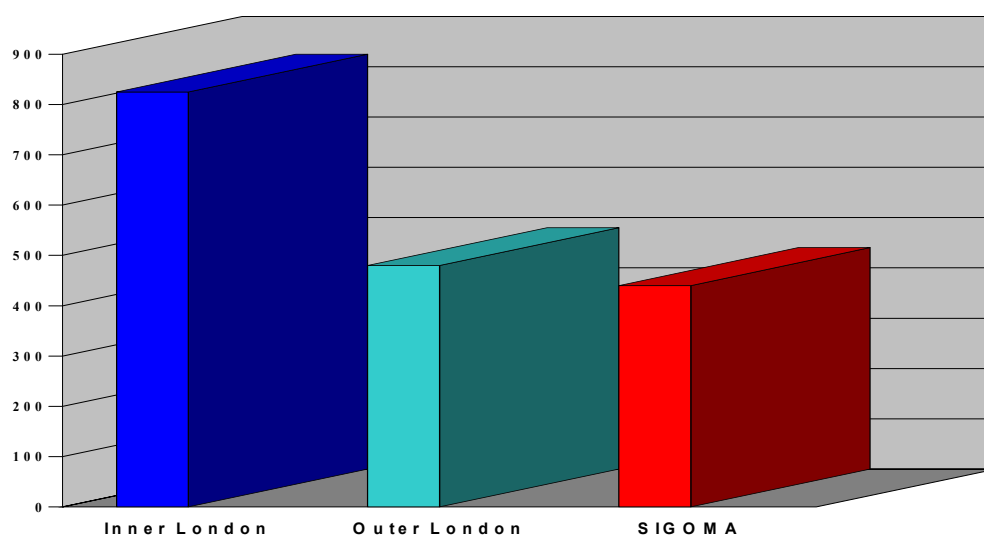
Breaking the cycle of poverty means tackling poverty where it occurs

'Our historic aim to end child poverty forever ... is a twenty year mission, but I believe it can be done' Tony Blair 18 March 1999.

Realising the impacts of funding reforms

- The changes proposed by the Government will still leave London with higher levels of funding which have not been justified;
- but would at least begin to redress the balance for other areas.

Proposed Children's Social Services FSS - £ per Child (0-17 years) ⁷



Why we need these changes in our towns and cities:

- the difference between levels of need and levels of funding is evident – updating the way that children's social services are funded will begin to redistribute resources to reflect today's needs and undo the current unfairness;
- funding will start to move to those areas whose need has been consistently higher overall rather than based on marginal changes;
- there will always be disagreement on technical issues, but there cannot be any justification for continuing with a technical solution that is 15 years out of date
- key programmes like Every Child Matters and the Children's Act are introducing massive reforms to local services – a realistic and up to date funding system will help to ensure that local change programmes are successful.

It is crucial that change takes place, pressure on social service budgets cannot be managed for much longer

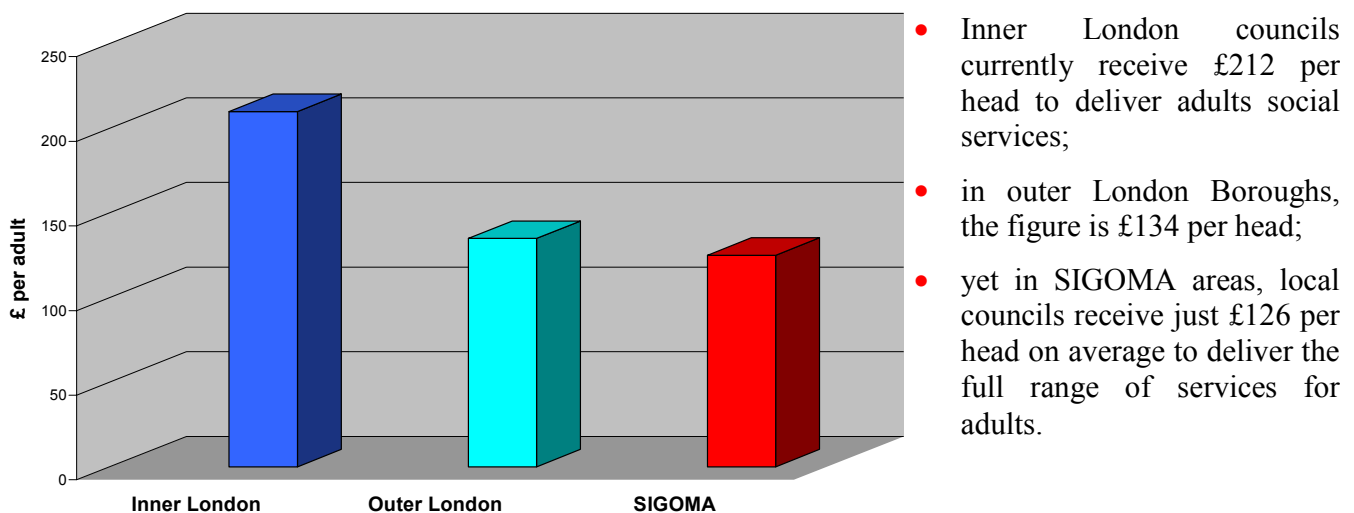
We are determined to make a step change in the quality, accessibility and coherence of services so that every child and young person is able to fulfil their full potential. Ministers responsible for coordinating the delivery of children's services 2004⁸.

Younger Adults Social Services

Independence, well-being and choice for every adult

The recent Green Paper on adult social care highlights the fact that the demand for services are growing. Our population is getting older, more people need support, more children with complex disabilities are surviving into adulthood and the number of people with mental health problems are increasing. The Paper looks to find better ways of providing support. At the same time, though, levels of basic funding for adult social services bear little relation to the current needs.

Adults Social Services FSS - £ per younger adult 2005/06 (18-64 yrs) ⁹



Resources bear little relationship to need in urban areas:

- social services in SIGOMA areas saw a total of 136,000 adult clients in 2003/04, a rate of 172 per 10,000 people (18-64 year olds)¹⁰;
- inner London social services saw 30,500 clients, or 165 per 10,000 people (18-64 year olds) whilst outer London areas saw 42,200, a rate of around 139 per 10,000¹¹;
- 40,400 of adult social service clients had some form of mental health problems in SIGOMA areas in 2003/04, a rate of 51 per 10,000 adults (18-64 year olds), compared to 45 per 10,000 adults in outer London¹²;
- councils in SIGOMA areas support 15,220 clients aged between 18-64 in care homes, a rate of about 19 per 10,000 people (18-64 years), across London the rate is fairly similar at 21 per 10,000¹³; and
- drug and substance abuse is a major issue for all our areas – each SIGOMA authority has an average of around 1030 problem drug users on treatment programmes in its area, compared to an average figure of 1070 in inner London authorities and 360 in outer London areas¹⁴.

Modern care services need to be based on a modern funding system

We need new and better ways of providing support. Ways that reflect the world we live in today, not ones rooted in the past. Secretary of State for Health, 2005¹⁵

Tackling the wider health needs of towns and cities

Towns and Cities in SIGOMA areas have a recognised health challenge:

- SIGOMA areas have some of the highest levels of Incapacity Benefit and Severe Disablement Allowance claimant rates, averaging about 10% of adults aged 18-64 years¹⁶;
- in outer London, levels of incapacity benefit and disablement allowance are less than 6% of the adult population, whilst they are 7.7% in inner London¹⁷.

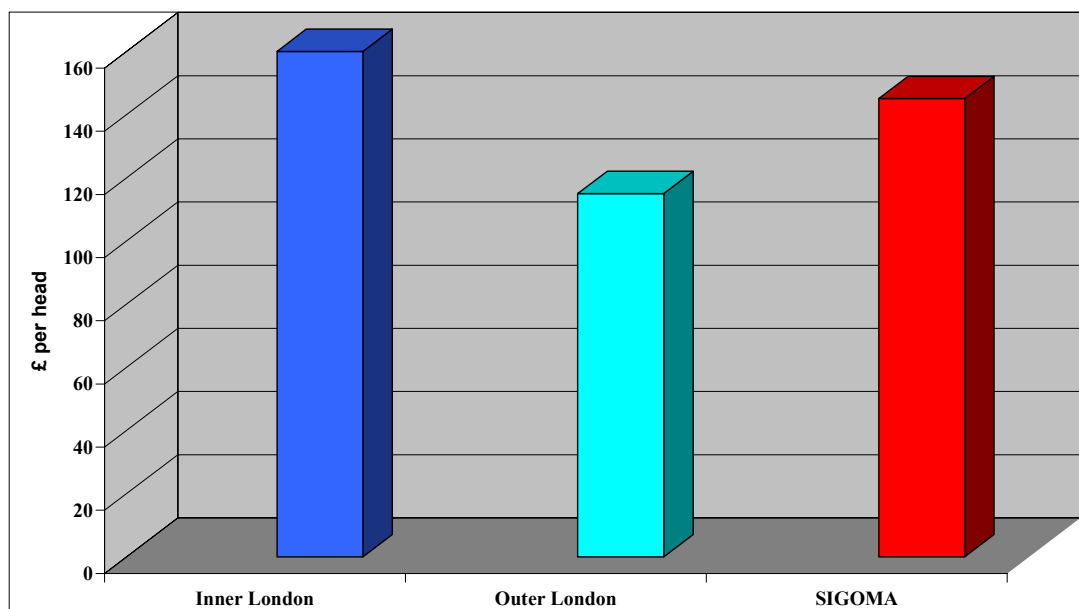
But the lack of a responsive funding system for social services is compounded by the current pace of change policy for Primary Care Trust funding:

- the Government's own figures¹⁸ show that in 2006/07, PCTS in our areas will still receive some £216 million less than their target funding levels; whilst
- at the same time, PCTs in London will continue to get £520 million more than their funding targets.

A health double whammy: social services and local health services both face funding challenges

The changes proposed by the Government to social services funding will go some way to addressing the balance between London and other large urban areas.

Proposed Adults Social Services FSS - £ per younger adult (18-64 yrs)¹⁹



Change needs to happen now to ensure fair access to care

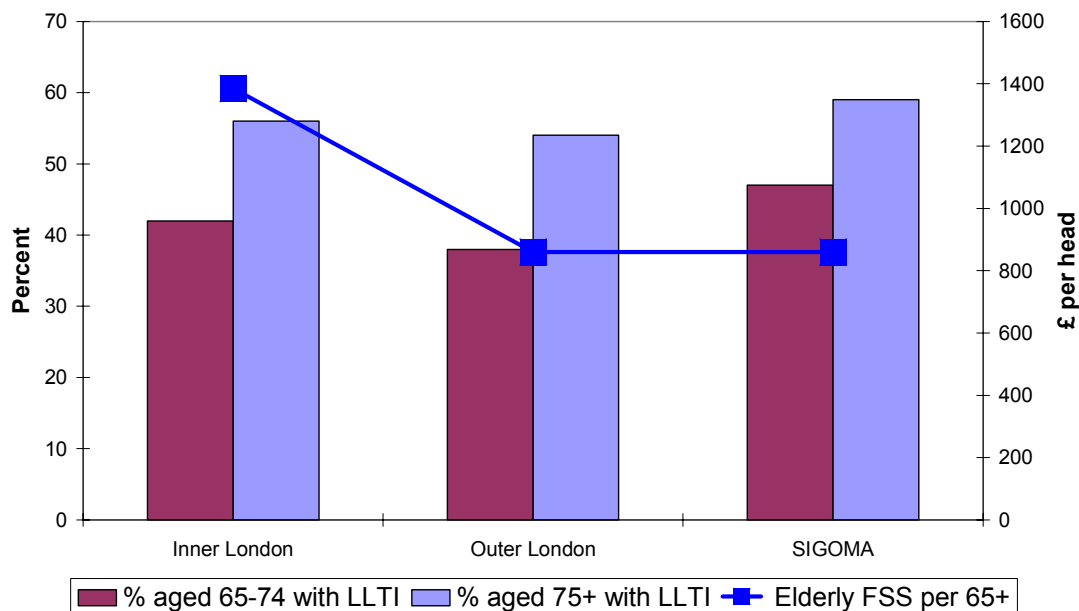
*It is clear that if we make better use of the funding we have available across the system, we can free up resources to improve quality and capacity. Independence, Well-being and Choice – green paper on adult social services 2005*²⁰.

Elderly Social Services

Our elderly deserve a better deal

- It is significant that London local authorities are not disagreeing with any technicalities of the research on the elderly funding block, despite the fact that it is following the same timeframe and process of the other social service areas.
- The fact that they will gain from the Government's proposals will have had some influence.

Comparison of elderly social services FSS per head (65 plus years) and limiting long term illness (LLTI) levels²¹



Again, current funding clearly fails to reflect today's society:

- 47% of 65-74 year olds in SIGOMA areas have a long term limiting illness compared to 42% in Inner London and 38% in Outer London; and
- 59% of over 75s in SIGOMA areas have a long term limiting illness compared to 56% in Inner London and 54% in Outer London²².

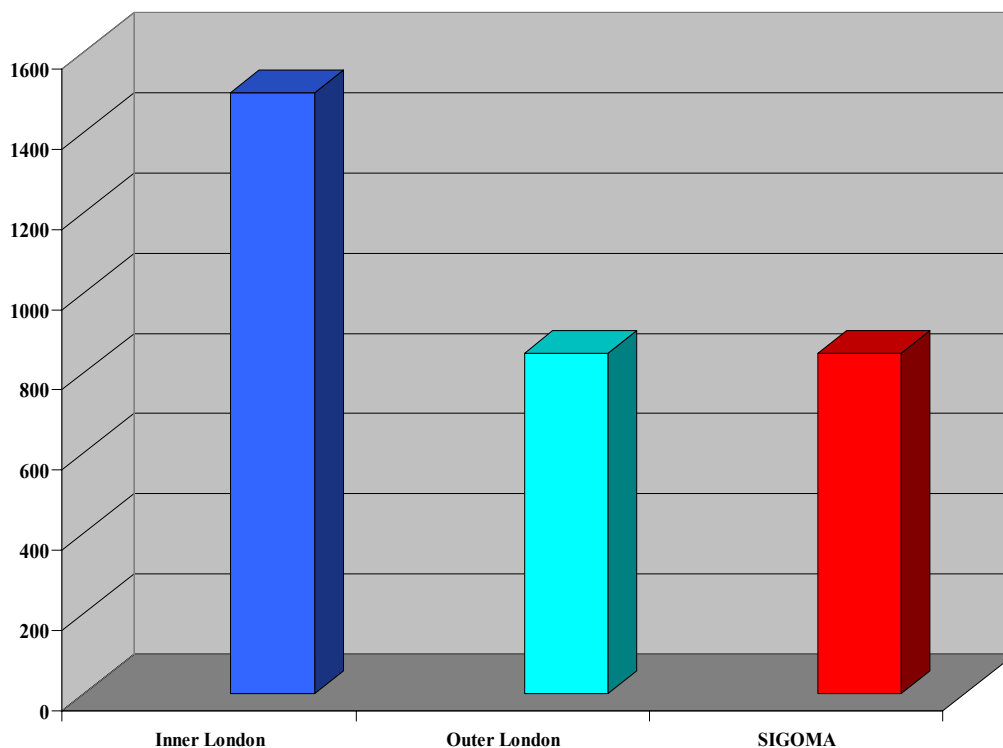
But the scope for progress is narrowing

- Two options for change were originally put forward as part of the consultation for changes to the deprivation and age top ups – one of which SIGOMA supported as it took account of the needs faced by our population at an early stage.
- The Government has now withdrawn that option which leaves population over 90 years old as the key driver of funding – with funding for SIGOMA authorities being reduced.
- Clearly within our areas, support is needed at an earlier stage than this – lower mortality rates and poorer health needs to be recognized – SIGOMA has pressed the Government to take account of such pressures.

Failure to change will mean no progress

- If the current options proposed by the Government for Elderly Social Service Funding goes ahead, the gap between London and our other major towns and cities will widen
- This is not acceptable.

Proposed Elderly Social Services FSS - £ per elderly person (65 plus years)



SIGOMA calls on the Government to deliver the brighter future to our communities

- Implement the proposals for children in full – resources are needed now
- Implement option SSA2 for young adults - solutions based on need are crucial
- Revise the option for elderly to support those in need at an earlier age

**Our most vulnerable
need you to help now**

SIGOMA

The Special Interest Group of Municipal Authorities

SIGOMA represents 35 metropolitan local authorities and 11 major unitary councils.

SIGOMA can be contacted on 01226 773101
Or c/o Barnsley MBC, PO Box 14, Town Hall Barnsley S70 2AQ

¹ Society of County Treasurers and Society of Municipal Treasurers (2005) Spending Share Indicators 2005/06 Somerset County Council.

² Ibid.

³ Income Deprivation Affecting Children Index from the ODPM Indices of Deprivation 2004.

⁴ Table 3, All children looked after during the year; Children looked after by local authorities, year ending 31 March 2004. ONS/DfES March 2005.

⁵ Under 18 conceptions data 1998-2003, ONS and Teenage Pregnancy Unit August 2005 (analysed to calculate numbers of mothers going to term).

⁶ Table 3, All children looked after during the year; Children looked after by local authorities, year ending 31 March 2004. ONS/DfES March 2005.

Society of County Treasurers and Society of Municipal Treasurers (2005) Spending Share Indicators 2005/06 Somerset County Council.

⁷ Formula Grant Distribution – Consultation Paper, ODPM, July 2005.

⁸ Every Child Matters – Change for Children, HM Government 2004 (p2).

⁹ Society of County Treasurers and Society of Municipal Treasurers (2005) Spending Share Indicators 2005/06 Somerset County Council.

¹⁰ P1 Tables, Number of clients aged 18-64 receiving services during the period by primary client type and service type April 2003 to March 2004. Community Care Statistics, DoH 2005.

¹¹ Ibid.

¹² Ibid.

¹³ Table S4, Council supported residents in CSSR and supported rest homes at March 2004 (18-64 years). Community Care Statistics, DoH 2004.

¹⁴ Table 2606, Number of Problem drug users in drug treatment programmes, Commission for Social Care Inspection Performance Assessment Data and Information, 2004.

¹⁵ Independence, Well-being and Choice: our vision for the future of social care for adults in England, DoH 2005 (p6).

¹⁶ Incapacity benefit and Severe Disablement Allowance Date at August 2004, DWP Information Directorate.

¹⁷ Ibid.

¹⁸ 2006/07 – 2007/08 PCT Revenue Resource Limits Exposition Book, DoH 2005.

¹⁹ Formula Grant Distribution – Consultation Paper, ODPM, July 2005.

²⁰ Independence, Well-being and Choice: our vision for the future of social care for adults in England, DoH 2005 (p40).

²¹ Society of County Treasurers and Society of Municipal Treasurers (2005) Spending Share Indicators 2005/06 Somerset County Council.

²² Compendium of Clinical and Health Indicators/Clinical and Health Outcomes Knowledge Base, from ONS.

Note: All population figures referenced or used in analyses are based upon Mid Year Estimates from the ONS for the year question.

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