

Further information

The projects within the C&P programme are organised in clusters. See the PSSRU website for details and cluster leads, or contact Anji Mehta (a.mehta3@lse.ac.uk) who will direct your inquiry appropriately.

Research Programme Summary

Commissioning and Performance

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PSSRU research within the Commissioning and Performance (C&P) programme is addressing some of the key policy questions emerging from recent government initiatives, including the 2007 Green Paper on Social Care, the 'Putting People First' 2008 Concordat for Adult Social Care, and the current debate on the future funding arrangements for the social care system.

Hence, projects within the C&P programme are evaluating:

- Policies aimed at ***promoting choice and the personalisation*** of services, through for instance the evaluation of the Direct Payments Development Fund, which included surveys of local authorities and support organisations. Members of the C&P programme also contributed to the IBSEN project, which evaluates the Individual Budgets pilots in England (see page 24).
- Optimum ***balance of care***, by examining the nature of the interaction between social and health care services. This strand of activity includes the evaluation of the National Partnership for Older People's Projects (POPP), of the local POPP project in Kent, the evaluation of the Brighter Futures initiative in Kent, and the quantitative analysis of local-level data on health and social care utilisation. This strand of work is generating some of the first quantitative estimates of the interdependence of costs and benefits of the health and social care systems.
- ***Local variations in social care*** patterns. Using local authority-level quantitative data, the project explores the extent to which local factors (such as levels of need, costs of services, local policy priorities and other socio-economic characteristics of local authorities) explain the very significant heterogeneity in local patterns of use of social care services in England. Recently, the programme has explored factors associated with local variations in the use of direct payments, in older people's expenditure levels and in the balance between community and residential care services.
- Costs and benefits of ***new care technologies***. Members of the C&P programme are contributing to the Whole System Demonstrator evaluation, which examines the implementation and impact of telecare and telehealth across health and social care in three pilot authorities in England. In addition, the programme is evaluating accessible technology for older and disabled people in a number of European countries, within the MonAMI project.
- In connection with the forthcoming Green Paper on care and support, members of the C&P programme are looking at the equity and efficiency implications of alternative funding arrangements for the social care system.

Selected publications

Fernández, J.L. and Forder, J. (2008) Consequences of local variations in social care on the performance of the acute health care sector; *Applied Economics*, 40, 1503–1518.

Matosevic, T., Knapp, M., Le Grand, J. (2008) Motivation and commissioning: perceived and expressed motivations of care home providers; *Social Policy and Administration*, 42, 3, 228–247.

Davey V., Snell, T., Fernández, J.L., Knapp, M., Tobin, R., Jolly, D., Perkins, M., Kendall, J., Pearson, C., Vick, N., Swift, P., Mercer, G.,

Priestley, M. (2008) Schemes Providing Support to People Using Direct Payments: A UK Survey, PSSRU, London School of Economics and Political Science, London.

Forder, J. (2007) Self-funded Social Care for Older People: An Analysis of Eligibility, Variations and Future Projections, Background Paper for the Commission for Social Care Inspection State of Social Care 2007 Report, PSSRU Discussion Paper 2505, PSSRU, London School of Economics and Political Science, London.

Variations in local levels of social care expenditure for older people

José-Luis Fernández

The proliferation of targets and the development of sophisticated frameworks for the monitoring of performance in public services is testimony to a desire to enhance the ‘consistency’ with which resources are used locally, and so to reduce differences in access to services. And yet, there is very significant variation across English local authorities in many aspects of social care provision.

The question is the extent to which such variability can be justified on the grounds of local accountability and responsiveness to local preferences and to exogenous factors like population need, or whether it reveals significant variations in performance and territorial inequity. Researchers within the Commissioning and Performance programme at PSSRU LSE have been examining factors linked to local variability in a range of indicators of social care provision. We summarise below the results of the analysis of variability in social care expenditure for older people.

Figure 1 Distribution of local authority gross social services expenditure on older people standardised by population over 65 – average for 1998–99 to 2004–05

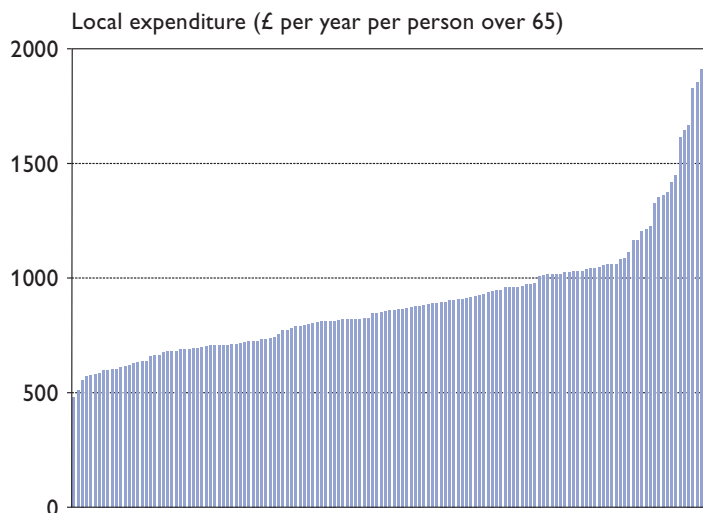
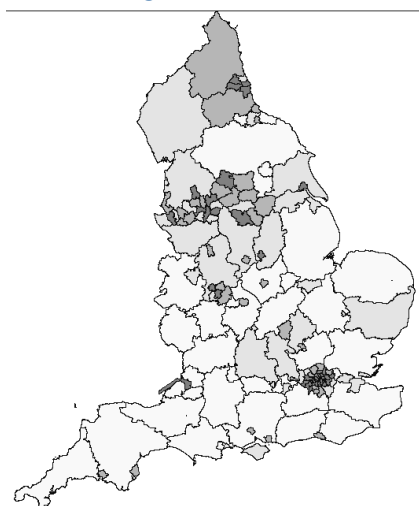


Figure 2 Distribution (quartiles) of levels of per capita (65 plus) gross social care expenditure for older people in England



Note Darker shades indicate higher levels of expenditure

As shown in Figure 1, there is significant heterogeneity in local levels of social care spending per older person in England. Furthermore, this variability exhibits significant spatial ‘concentration’, with marked regional differences in service provision (see Figure 2). Using quantitative panel methods, we have modelled the influence on local expenditure levels of factors outside the direct control of policy makers (need and local supply factors), of local preferences (as indicated by local political control), and of local policy spillovers (the degree of *interdependence* in patterns of expenditure between adjacent councils).

The results suggest that to a very large extent, spending levels can be linked to key (rational) factors such as local levels of need, wealth, supply conditions and local preferences.

Overall, social care expenditure was found to be primarily determined by factors outside the

control of local policy makers, and particularly to levels of central funding and local supply conditions. Political control was shown to mediate the relationship between local tax base and service expenditure levels (labour authorities showing higher levels of spending, other things being equal).

The evidence for strategic interdependences between authorities, on the other hand, appeared much weaker. The spatial patterning of local levels of expenditure was found to respond, almost entirely, to the spatial distribution of demand and supply factors, rather than to local interactions in local policy decision making.

In conclusion, the fact that need and cost factors appear to be the principal factors explaining local variability in expenditure suggests a degree of defensibility in local expenditure decisions, and is a finding consistent with the criterion of territorial justice. However, together with the observed local disparities in service provision, the findings also underline the need to improve the methods for allocating central government grants, and in particular the methodology used for accounting for variations in the cost of services faced by authorities.