

# Nursing Times

## Further calls to tackle 'serious funding gap' in social care

19 July, 2016 By [Nicola Merrifield](#)



Renewed calls to address the “serious funding gap” in social care have been made after a survey of directors of adult social services in England revealed their ability to charge higher council taxes will not be enough to cover the new national living wage.

In the spending review at the end of last year the government announced local councils would be allowed to raise council tax by up to 2% to help fund social care from 2016-17.

At the same time, it said a new national living wage of £7.20 an hour for workers aged 25 and over would be introduced from April 2016, up 50p from the current minimum wage of £6.70 for this age group.

”Services are already being cut, and the outlook for future care is bleak”

Harold Bodmer

[The survey of all 151 adult social services directors](#) published last week found the new council tax precept will generate an estimated £380 million extra this year - less than two thirds of the more than £600 million needed to cover the national living wage.

The Association of Directors of Adult Social Services, which conducted the survey, found that while the overall national budget for social care in 2016-17 had risen from £13.65 billion to £13.82 billion, due to the precept, there was wide variation between councils.

Just under half – 70 - of the 151 adult social service directors reported a fall in budgets for this year. A total of 52 had to cut services to balance budgets and 62 had to use financial reserves from last year to plug shortfalls.

ADASS found directors planned to make £941 million savings overall for 2016-17 – around 7% of adult social care budgets.

ADASS president Harold Bodmer said councils were working hard to protect adult social care budgets but that factors including increasing demand, people having more complex needs and the national living wage meant reductions were having to be made.

He called for the government to give the same protection and investment to adult social care as the NHS.

"The systematic underfunding of social care by national and local government has created dangerous market instability"

Nadra Ahmed

"Services are already being cut, and the outlook for future care is bleak," he said.

"We're at a tipping point where social care is in jeopardy, and unless the government addresses the chronic underfunding of the sector, there will be worrying consequences for the NHS and, most importantly, older and disabled people, their families and carers," he added.

Organisations representing care homes echoed his comments, highlighting the shortfall between the council tax precept and money required to pay staff the living wage.

The National Care Association urged the government to tackle the "serious funding gap" in the sector, while Care England said the report made it "abundantly clear that the investment in social is not there".

National Care Association executive chairman Nadra Ahmed said: "Sadly, the systematic underfunding of social care by national and local government has created dangerous market instability.

"Independent commentators are alluding to the collapse of the independent social care market, which could, in turn, mean that thousands of vulnerable people will struggle to access care and support at a time when they are the most in need."