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public health and social care



26.11.15

Social care services remain on 'brink of collapse', despite extra investment

Directors of adult social care services and council leaders say that they have "serious concerns" following the government's spending review, which appears to "promise more than it delivers".

The **Spending Review** creates a social care precept to give local authorities the ability to raise local taxes by an additional, ring-fenced 2% to help pay for social care service. Also, from 2017, it will make available social care funds for local government, rising to £1.5bn by 2019-20, to be included in an "improved Better Care Fund".

But ADASS president Ray James warned that "although the Treasury's recognition of the untenable position of social care budgets is very welcome, Ministers must know that the proposals do not deliver sufficient funding to meet the growing number of older and disabled people requiring increasingly complex care and support and the chancellor's welcome announcement of the living wage. Perhaps inevitably at this stage, there are many more questions.

"The Council Tax precept will raise least money in areas of greatest need which risks heightening inequality. Councils in deprived areas will have greatest social care needs, yet they will raise less than a third of what more affluent areas do through this approach."

He added that the Association does not believe that the funding for the next couple of years will anywhere near meet the costs of the national living wage and the increasing demand for social care.

Cllr Sharon Taylor, deputy chair of the LGA, said councils, the NHS, care providers and the voluntary sector have all united around the need for central government to fully fund adult social care as this is vital to protecting care services and easing pressure on the NHS.

"It cannot be solely left to local council taxpayers to fix our chronically underfunded social care system," she said.

"The additional provision of a £1.5bn increase in the Better Care Fund is good news but it is vital this is new money and must be spent on adult social care. We are concerned that councils will not see the benefit until towards the end of decade when services supporting our elderly and vulnerable are at breaking point now."

She added that if **all councils providing social care increased council tax by an extra 2% year** they would raise £1.7bn by 2020 with the average Band D taxpayer seeing an average rise of £96 in their bill. "These council tax raising powers do not represent guaranteed money as not every council will be able to or will want to raise council tax in this way," said Cllr Taylor.

Council leaders, commissioners of adult social care services and providers have already warned that the sector's cash shortfall **is growing by £700m a year**. The "chronic underfunding" of these providers could ultimately **drive 24% of care providers out of the market** and worsen the bed shortage crisis by 40,000 places.

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Devil in the detail

Clr Paul Carter, chairman of the County Councils Network, said the additional funding for adult social care services, including the new social care precept, expansion of the Better Care Fund and reforms to New Homes Bonus are positive announcements.

"But despite the government listening to our calls for more support in social care, I do expect the final settlement to be tough local government" he said. "There are clearly further substantial reductions in core grants and counties will have to continue to make significant savings over the coming period.

"As ever, the devil will be in the detail and the level of reductions for counties will only be realised during the local government settlement."

National Care Association chairman Nadra Ahmed OBE added that the chancellor has done "nothing to avert or indeed recognise the plight of social care" in the Spending Review.

"He has not diverted from the usual position of funding the leaky bucket that is the NHS and passed over responsibility for the thorny issue of social care to local authorities," said Ahmed.

In PSE's sister title NHE, Nigel Edwards, CEO at the Nuffield Trust, stated that despite the extra investment in social care, care services in England remain on the brink of collapse.

"The chancellor says he's addressed the problems of social care by allowing local authorities to increase their council tax bills by up to 2%. But even by his own admission, that will only raise £2bn a year by the end of the Parliament, and only if EVERY local authority does it – whereas we already know that the funding gap for social care will be £2.9nn a year by then," he added.

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