

Underfunding of social care and living wage costs puts care services in jeopardy

July 18, 2016 | By Jackie Brook | [Reply](#)



The **National Care Association (NCA)** is calling on the new government to tackle the serious funding gap in social care.

The **National Care Association** feels it is crucial to ensure that the sustainability and growth of social care is high on its agenda to prevent a collapse of the independent social care market, which would result in thousands of vulnerable people being left struggling to access care and support.

A recently released report by the Association of Directors of Adult Social Services (ADASS) reveals that a 2% council tax precept for social care will raise £380 million this year, whilst the estimated cost to councils of fully meeting the National Living Wage is £612 million. It is clear that short term measures will not address an issue which is a result of a lack of commitment and understanding of the value of social care to communities.

This extra money will not be enough to close the social [care funding](#) gap, which it is estimated will be somewhere between £2.8 billion and £3.5 billion by the end of the parliament, when the impact of the National Living Wage is taken into account.

National Care Association Executive Chairman, Nadra Ahmed OBE warns that *“Sadly, the systematic underfunding of social care by national and local government has created dangerous market instability, and 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.”*

The ADASS report warns that councils will have to save £941 million from their 2016/17 adult social care budgets. With costs rising and more people needing care and support, only 31% directors of adult social services are fully confident they can achieve these savings.