

Rt Hon George Osborne MP  
Rt Hon Jeremy Hunt MP  
Rt Hon Greg Clark MP

03 December 2015

Dear Chancellor and Secretaries of State,

**RE: SOCIAL CARE SECTOR RESPONSE TO SPENDING REVIEW**

Because of the care funding crisis, the sector came together in an unprecedented way in September in order to submit a Spending Review statement to the Treasury. We said: *'listen to our message ... and demonstrate the value that our country justly places on getting it right for disabled and older people who need its care and support'*. Now we respond together as commissioners, providers and those who represent people needing essential care and support.

The sector was pleased to hear you recognise the above and acknowledge as part of the spending review that "The NHS cannot function without good social care". We welcome the attempts to address this.

However, we must press you to explore every possible means by which the more significant levels of funding are made available earlier to mitigate growing risks to individuals, their families and carers, to care providers and the NHS. The funding crisis is particularly acute now (before winter has even begun properly) and in the next couple of years.

We believe the package put forward for social care will not enable us to fill the current gap in funding, cover additional costs associated with the introduction of the National Living Wage, nor fully meet future growth in demand due to our ageing population. There are also additional pressures that arise from the costs of regulation, cost of emerging policy, pensions and many others. Without concerted action across government and the sector, the settlement is not sufficient, not targeted at the right geographies and will not come soon enough to resolve the care funding crisis.

It is essential to continue our conversations, initiated during the Spending Review period, with HM Treasury, the Department of Health and the Department for Communities and Local Government about how we can work together to avert this crisis and ensure that older and disabled people and their carers get the care they need, when they need it and in the care setting that is most wellbeing and cost effective.

We wish to explore the following:

- What happened to the £6bn originally which was earmarked for the full implementation of the Care Act (before additional money is raised from council tax)?
- What steps can be taken to ensure that the proposed 2% levy per year on council tax in the form of a social care precept delivers the money required to ensure the right levels of social care and does so equitably?
- What steps can be taken, given the wider spending review settlement for local government, to support councils to address the shortfall?
- What is the construct whereby the Treasury believe they have funded the National Living Wage and other pressures?

The settlement for social care is back-loaded with BCF funding not reaching levels of any significance until towards the end of this parliament. This has significant implications in terms of the vital support needed by older and disabled people and their carers. It also puts the delivery of the NHS 5YFV and the Care Act at risk. That makes no sense for older people, disabled people, their families or for taxpayers. We must target resources so that care can be delivered in the places and setting where people need it most in order to support people's independence and wellbeing.

If we do not collectively address the highlighted issues relating to levels of and phasing of funding there is the potential for significant and adverse impacts, including:

- *An increasing number of older people, disabled people and their carers without any, or without sufficient, support to meet their needs;*
- *An acceleration of the failure of domiciliary, residential and nursing home providers. This is likely to accelerate fastest in those areas of the country where providers are predominantly delivering support to state funded clients. These are exactly the areas of the country that additionally will raise the least amount of council tax. The impact of this will be the compounding of the number of people who do not have their needs met, or who are avoidably admitted or remain in hospital; and*
- *An increasing pressure on the NHS with more people admitted to hospital and more delays to get people home safely.*

As you made clear in your speech to parliament 'a civilised and prosperous society like ours should support its most vulnerable and elderly citizens.' This is a goal that we all share and we are keen to work with you and your colleagues to ensure that this becomes a reality. The sector is seeking an urgent meeting with the Treasury, Department of Health and Department of Communities and Local Government to find a way forward and to face the challenge to meet the needs of disabled and older people and their carers.

Yours sincerely,

**Ray James**  
President

**Frank Ursell**  
Chair

**Vicky McDermott**  
Chair

**Rob Webster**  
Chief Executive

Cc: Rt Hon Alistair Burt MP