

London Councils

The voice of London local government

Adult social care charging reform

Overview

The government is planning to introduce a new adult social care charging framework from October 2023 and recently carried out [a consultation on these reforms](#).

In the capital, around 150,000 Londoners receive support from adult social care services. London boroughs spend over £2.8 billion on adult social care annually, accounting for almost a third of their controllable expenditure. The viability of the sector depends on finding a sustainable long-term funding solution that is delivered and implemented fairly. However, London Councils has long warned that funding for the sector is not keeping pace with fast-growing levels of demand for support.

This briefing summarises London Councils' response to the government's consultation.

Boroughs' concerns

London Councils has significant concerns about the deliverability of the adult social care funding reforms. The plans are extremely complex and delivering both the fair cost of care and charging elements of the reforms simultaneously – whilst dealing with continued high demand resulting from the pandemic, soaring costs of inflation and significant shortages of staff – will be immensely challenging.

Boroughs have serious doubts regarding the deliverability of the reforms by October 2023 and the cost envelope provided by government. London Councils believes the options set out in the consultation require more development and should be based on further evidence, having been thoroughly tested with the sector, in order to implement fair and sustainable reform.

To summarise, London Councils' key concerns raised in its response to the charging reform consultation were as follows:

- **Financial sustainability of local government:** London boroughs' overall resources are 22 per cent lower than they were in 2010 in real terms and the overall funding landscape continues to be very uncertain. Adult social care has provided the greatest source of financial concern for many years. A two-year local government finance settlement which increases funding in line with inflation next year would provide greater certainty.

- **The overall sufficiency of adult social care funding:** Boroughs welcomed the Prime Minister's commitment to investing more in adult social care during the Conservative leadership election. Over the last decade, the government's short-term approach to funding social care has failed to provide stability and hindered the strategic planning of services.
- **Deliverability of the adult social care funding reforms:** Boroughs have significant concerns about the deliverability of these reforms, both in terms of the capacity of councils and the government to deliver them by October 2023, as well as the simultaneous implement of the fair cost of care and capping reforms. These concerns are echoed across the sector as highlighted by the [Levelling Up, Housing & Communities Select Committee's ongoing inquiry](#).
- **High degree of complexity of the proposals:** The proposals make it extremely difficult for the lay person to follow how the underlying formulae and the variables within them were selected. Such complexity and opacity prevent the appropriate scrutiny of funding decisions and could potentially be seen as a barrier to fairness.
- **Lack of transparency and engagement with the sector in developing these proposals:** Boroughs are disappointed that the proposals haven't been designed over a longer period of time in collaboration and dialogue with social care and finance colleagues across the country.
- **Proposals for the under 65s means test formula:** Boroughs are very concerned about the option presented to distribute funding for adults under the age of 65 based on a formula designed to reflect costs in the over 65s. It is clear from the wider options set out, that more time is required to develop a robust formula.

London Councils' policy asks of government

- Confirm details of a two-year local government finance settlement as soon as possible to provide funding certainty. This should include increasing local government funding in line with inflation next year for all funding streams other than council tax to protect vital local services from significant cuts.
- Set out how the government plans to meet adult social care pressures as soon as possible, including how adult social care will be funded long term now that the Health and Social Care Levy is being repealed.
- Push back implementation of the adult social care funding reforms to 2024 to allow more time to get the reforms right – including through assessment of the 'trailblazer' local authority pilots' experience – and ensure social care is properly funded.
- Fully fund any reforms to the funding distribution so that no local authority is financially worse off as a result. If this requires an increase above the £5.4 billion earmarked at the Spending Review 2021 then the government should deliver this prior to the next Spending Review.

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London Councils represents all 32 London boroughs and the City of London.