

CCCN

A n a l y s i s



**Adult social
care funding &
the Spending
Review**

August
2019

OVERVIEW

The funding of adult social care services in England has never been more prominent in the national spotlight. The concurrent challenges of a growing demand for services, declining council resources for almost a decade, and catastrophic care costs borne by individuals and families have catapulted social care up the political agenda, with the new Government the latest administration to promise a long-term funding solution to our crisis hit system of care.

While the reductions in funding for social care have been well documented, since changes to local government finance system in 2013/14 it has been increasingly difficult to identify how much of local government's core grants are intended to fund adult social care services in England; and the extent to which they are covering the rising costs faced by councils.

This County Councils Network (CCN) analysis piece therefore seeks to shed new light on the current level of government funding for adult social care services in England and the extent to which it is now covering the rising costs of providing care.

Firstly using new calculations this report estimates the level of direct Government funding for adult social care services in England for 2019/20. Secondly, using recent 'spending need' estimates by PricewaterhouseCoopers (PwC) for CCN, it evaluates the extent to which these government grants are now covering the real costs of providing adult social care.

With uncertainty over the funding for services next year, it also outlines the potential funding scenarios for councils as the Government finalises its' one-year Spending Round, due to be announced on Wednesday 4th September.

The government has acknowledged that the social care system desperately needs long-term funding reform; and CCN strongly welcome this renewed commitment.

Our analysis reinforces the urgency of reform, showing that just 42% of national costs are met through direct funding from Whitehall. For CCN member councils this is as low as 30%. While council tax will continue to play a role in funding services, the burden on local residents is unsustainable going forward.

Most immediately, however, are the challenges of funding of services next year. This paper reveals that unless the government uses the one-year Spending Round to provide urgent clarity on funding adult social care services, Whitehall support for services face the worrying prospect of a further dramatic decline next year. Failure to provide all current grants would see Whitehall covering just 26% of costs nationally, and less than a fifth (18%) in shire counties.

But certainty over funding and the continuation of Improved Better Care Fund, Social Care Grant and Winter Pressures Grant wont be enough.

Our analysis shows that faced with escalating costs, further resources are required to ensure councils can continue to fund services at their current levels, ahead of a long-term solution in the government's expected green or white paper.

RECOMMENDATIONS

- **The Spending Round must confirm the continuation of all existing resources for adult social care.**
- **With adult social care costs due to increase a further £652m next year, the Government should use the Spending Round to fully fund these inflationary and demand-led costs through an increase in the social care grant.**
- **Government must urgently publish its proposals for the long-term reform of adult social care funding and seek cross-party consensus on reform. This should build on the proposals set out in CCN's Sustainable Social Care paper published in 2017.**

SUMMARY

- The funding of adult social care services, for both older and younger people, has been buried in a complex and opaque system of different formulae and grants, alongside an overall shift in the way councils are funded; with direct grant funding for services significantly reduced, with councils expected to fund more services from local revenues such as council tax.
- Our analysis assesses the three main elements that make up grant funding for Adult Social Care (ASC) – formula grants, other grants and temporary funding streams for 2019/20. Total grant funding for all council types in England this current year stood at £6.9bn. Overall, counties share of total grant funding is 34.3% (£2.5bn). This share of funding is significantly below counties level of overall spending need for adult social care services (47%).
- In 2019/20 temporary funding streams for adult social care stood at £2,392bn. CCN member councils receive the largest combined total of additional resources (£933.6m) from these grants last year, but the lowest amount when compared to total spending need for services (11.8%) – and on a per head basis is 28% lower than the England average.
- Temporary grants now represent 39% of all direct government support for adult social care services in CCN member councils, compared to 34% nationally. With no confirmation that these grants will continue next year this effectively means that over a third of funding for adult social care services in England is 'at risk'. Of the top 30 councils most reliant on these grants as percentage of their overall estimated grant funding, 23 are CCN member councils.
- Compared to 2015/16 spending need rose 15.6% nationally in 2019/20. It is set to increase to 20.2% next year and 42.5% by 2024/25 to meet the costs of providing services. CCN member councils see above average rises across the period, peaking at 43% in 2024/25. Over the period CCN's share of total spending need ranges from 47.3% in 2015/16 to 47.5% in 2024/25.
- Overall Government funding this financial year (2019/20) is meeting 42% of the costs of providing services. There is a large variation between council types, with just 30% of costs met through grant funding in CCN member councils and almost the double the rate in Metropolitan districts (59%).
- The increase in estimated spending need across different types of councils in 2020/21 will add a further increase of £652m in costs to councils nationally, with CCN member councils representing 48% (£315m) of this cost increase. This represents the additional costs councils face to 'standstill' and not make additional reductions to services.
- CCN has considered four potential funding scenarios for ASC in the next financial year using the analysis of grant funding and PwC spending need estimates. All presume there are no further cuts ('cash flat') to the core government grants as analysed. Under Scenario 4 there is included an 'extended social care grant'. This includes the 2019/20 'one off grants' for Winter Pressures and ASC element of the social care grant, plus £652m additional funding for ASC, in line with the estimated increase in costs faced by councils. This is distributed via the adult social care relative needs formula.
- Our scenario analysis shows if Government did not continue the temporary grants currently in the system, Whitehall funded support for social care would fall to covering just 26% of total estimated costs next year, with it less than one fifth (18%) of costs in CCN member councils. Alternatively, if Government rolled over all grants, and provided an additional £652m, this would increase Government support to 52%, and 32.5% in CCN member councils.

Background

The figures used in this analysis have been drawn from two specific sources, alongside internal national data analysis where specifically referenced.

Firstly, government grants for adult social care are based on analysis undertaken for County Councils Network (CCN) by LG Futures. Below we provide an overview of the methodology for the analysis. LG Futures only provided the methodology and calculations for CCN. **All interpretations of data and views presented in this document are those of CCN, not LG Futures.**

Secondly, data for estimates on council 'spending needs' are drawn from a recent report by PwC for CCN. The full technical report for this research, including modelling methodology and full spending need analysis, can be found downloaded via www.countycouncilsnetwork.org.uk/download/2262/

Methodology

Analysis was carried out to estimate the share of adult social care funding within core spending power for 2019/20. Within core spending power the Settlement Funding Assessment figure was broken down into its original components, including formula funding, going back to 2013/14.

The share of funding that could reasonably be attributed to younger and older ASC was estimated for each component of core spending power. This was based on these services' share of assessed need, as measured by the Ministry of Housing, Communities, and Local Government's (MHCLG) Relative Needs Formula (RNF). The exact method used varied for each funding stream. For example, Care Act funding within the Settlement Funding Assessment was split between younger and older adults, based on their respective shares of adult social care RNF, while the New Homes Bonus was apportioned to services based on their shares of total RNF.

Table 1 provides a summary of the revenue streams and assumptions used to allocate resources to adult social care and between younger and older adults for the year 2019/20. The following sections provide further details if required. * Relates to the *upper-tier* component of this funding within SFA only.

Table 1	
CSP Component	Method Description
Formula Funding after damping*	Share of upper-tier Formula Funding in 2013/14
Council Tax Freeze Grant 2011/12*	Share of upper-tier RNF
Council Tax Freeze Grant 2013/14*	Share of upper-tier RNF
Council Tax Freeze Grant 2014/15*	Share of upper-tier RNF
Council Tax Freeze Grant 2015/16*	Share of upper-tier RNF
Learning Disability Funding*	100% younger adults
Efficiency Support Grant 2014/15*	Share of upper-tier RNF
Efficiency Support Grant 2015/16*	Share of upper-tier RNF
Care Act Adult Social Care 2015/16*	Share of adult social care RNF
Care Act Funding Reform 2015/16*	Share of adult social care RNF
Negative RSG*	Share of upper-tier RNF
Improved Better Care Fund	100% older adults
New Homes Bonus	Share of total RNF
New Homes Bonus returned funding	Share of total RNF
Rural Services Delivery Grant	Share of total RNF
Winter pressures Grant	100% older adults
Social Care Support Grant	Share of all social care RNF
Compensation for under-indexing multiplier	Share of total RNF

The three elements of adult social care funding

The funding of adult social care services, for both older and younger people, has been buried in a complex and opaque system of different formulae and grants, alongside an overall shift in the way councils are funded; with direct grant funding for services significantly reduced, with councils expected to fund more services from local revenues such as council tax.

In recent years, successive governments have also responded to concerns over the sustainability of adult social care by introducing an array of 'one off' and temporary funding streams. These include the Improved Better Care Fund (iBCF), several 'social care support grants', and the 'social care precept'.

This analysis recognises there are three main elements that make up grant funding for Adult Social Care (ASC) – formula grants, other grants and temporary funding streams for 2019/20. This section considers each element in turn to estimate the total grant funding accessible to councils.

1. Formula grants for social care

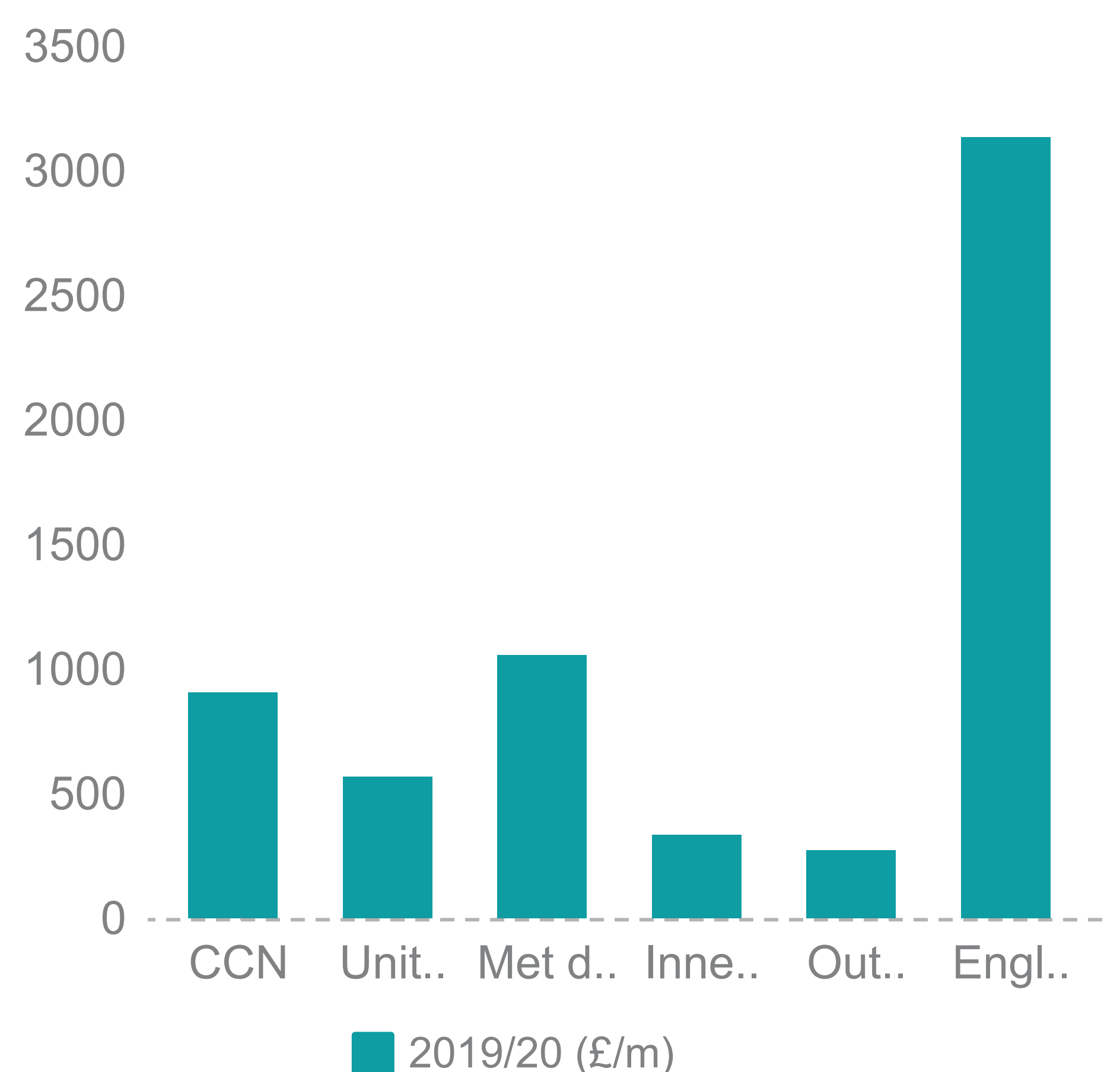
Since 2013/14 several funding streams have been rolled into the Settlement Funding Assessment including formula funding. One objective of the analysis contained in this paper is to assess the value of the original funding streams that made up the in this current financial year - 2019/20 - and to estimate the share of each authority's funding that could reasonably be attributed to adult social care.

A number of assumptions were required for this part of the analysis. One key assumption was the method used to estimate the value of adult social care funding that was originally within formula funding in 2013/14. A number of approaches could have been used, as MHCLG does not draw a clear link between an authority's assessed needs and its final funding. The approach employed here was relatively sophisticated, taking into account the use of 'thresholds' in MHCLG's model, but there is no definitive method that could be used.

Table 2 below shows the estimated levels of total formula funding for each type of council for the current financial year. CCN member councils account for 29.9% compared to 33.7% for metropolitan boroughs. CCN's share of funding is significantly below both their share of spending need for these services (47%).

Table 2

	2019/20 (£/m)
CCN	904.857
Unitary (non CCN)	566.949
Met district	1,055.781
Inner London	333.732
Outer London	272.511
England¹	3,133.830



2. Other grants

The second part of the analysis is the share of other grants within Core Spending Power – for example, Council Tax Freeze Grants and New Homes Bonus – that are assumed to be partially allocated to adult social care. It also includes grants that are fully allocated to social care – for example, Care Act Funding and Learning Disabilities Funding.

Table 3 below shows the combined total of estimated levels of funding for adult social care from these grants for the current financial year. The table shows that CCN member councils account for a larger proportion of these grants for adult social care than formula funding at 38.2% but is still below the overall share of spending need for CCN member councils for adult social care.

Table 3

	2019/20 (£/m)
CCN	544.761
Unitary (non CCN)	264.944
Met district	361.465
Inner London	112.324
Outer London	144.199
England	1,427.693

To provide a more in-depth look at these figures, Table Four, below, outlines each of the grants that make up the above table for CCN member councils. Given its importance to the overall reduction in other grant funding, Table 5 provides a breakdown by authority type of the of the funding received for learning disabilities during the current financial year.

Table 4

Other Grant Funding	2019/20 (£/m)
Council Tax Freeze Grant 2011/12	61.041
Learning Disability Funding	296.360
Council Tax Freeze Grant 2013/14	3.103
Council Tax Freeze Grant 2014/15	2.006
Council Tax Freeze Grant 2015/16	1.428
Care Act Adult Social Care 2015/16	4.933
Care Act Funding Reform 2015/16	3.247
Negative RSG	32.196
New Homes Bonus	64.240
New Homes Bonus returned funding	0.000
Rural Services Delivery Grant	28.000
Compensation for under-indexing multiplier	48.207
Total	544.761

Table 5

Learning disabilities

	2019/20 (£/m)
CCN	296.360
Unitary (non CCN)	148.324
Met district	208.710
Inner London	51.195
Outer London	84.517
England	789.107

Total core grants

Having assessed the two different components of core grants (formula and other grants), the table below shows how much each type of local authority will receive from these grants in the current financial year. CCN members account for 31.8% of all funding from core grants, again significantly below their share of overall spending need for adult social care.

Table 6

	2019/20 (£/m)
CCN	1,449.62
Unitary (non CCN)	831.89
Met district	1,417.25
Inner London	446.06
Outer London	416.71
England	4,561.52

3. Temporary funding

The government has provided a number of temporary and 'one-off' allocations of grant funding for adult social care. In the year analysed in this paper (2019/20), the iBCF, Social Support Care Grant and Winter Pressures Grant formed part of direct government funding for councils.

Table 7 outlines the value of these three grants nationally, and for each type of council. Note, the social care grant 2019/20 was nationally valued as £410m but flexibility was given for use across adults and children's services. Given this, this analysis distributed funding according to the share of **all Adult Social Care Relative Needs Formulae (RNF) (including children's)**, meaning adult social care services received 77% (£316m) allocation of this resource.

Table 7

	iBCF (£/m)	Social Care grant (£/m)	Winter Pressures (£/m)	Total (£/m)
CCN	684.472	144.940	104.157	933.569
Unitary (non CCN)	300.102	52.139	39.818	392.059
Met district	553.282	77.360	58.843	689.485
Inner London	155.507	18.097	15.625	189.229
Outer London	143.212	23.669	20.836	187.717
England	1,836.575	316.205	239.278	2392.058



CCN member councils received the largest combined total of additional resources from these grants last year. This would be expected, given that CCN member councils share of overall expenditure and population is the largest of all authority types.

In order to provide a proportionate picture relative to the costs faced by councils and their population of over 65s, Table 8 compares total temporary and one-off grants as a total share of estimated 'spending need' on adult social care services for 2019/20.

These figures are drawn from the recent analysis by PwC (see below for more details). The analysis by PwC did not separate inner and outer London boroughs, therefore their funding totals are combined for this analysis. This shows that as a percentage of spending need, temporary and one off grants meet just 14.3% of the costs of providing services nationally, with the lowest percentage in counties at just 11.8%. On a per-head 65+ comparison, the CCN allocations are 28% lower than the national average, and 52% lower than the highest funding in London.

Table 8

	Temporary and one-off grants (£/m)	Spending need 2019-2020 (£/m)	Grant as a % of Spending Need (£/m)	Per head over 65+ (£/m)
CCN	933.569	7,900	11.8%	168.66
Unitary (non CCN)	392.059	2,710	14.4%	248.48
Met district	689.485	3,586	19.2%	343.56
London	376.946	2,443	15.4%	355.87
England	2392.058	16,649	14.3%	234.99

Total grant funding

Having analysed the different components of grant funding, this analysis now looks at overall grant funding in England, bringing together formula grants, other grants, and temporary funding for the present financial year. Table 9, below, provides the total grant funding for all council types in England this current year. Overall, counties share of total grant funding is 34.3%. This is again significantly below these councils overall spending need for these services.

Table 9

	2019/20 (£/m)
CCN	2,383.187
Unitary (non CCN)	1,223.951
Met district	2,106.730
Inner London	635.285
Outer London	604.427
England	6,953.580

Funding per head +65



Table 10 shows that temporary grants now represent 39% of all direct government support for adult social care services in CCN member councils, compared to 34% nationally. As discussed further on in this paper, the risk is that with no confirmation that these grants will continue next year, this effectively means that over a third of funding for adult social care services in England is 'at risk'. Local authorities – particularly counties – will need to take decisions about commissioning accordingly as budgeting for 2020/21 fast approaches.

Table 10

	Total Grant Funding (£/m)	Temporary and one-off grants (£/m)	Temporary grants as a % of total grants (£/m)
CCN	2,383.187	933.569	39%
Unitary (non CCN)	1,223.951	392.059	32%
Met district	2,106.730	689.485	33%
Inner London	635.285	189.229	29%
Outer London	604.427	187.717	31%
England	6,953.580	2392.058	34%

Funding for younger and older adults

Adult social care services in England are most commonly associated with the elderly requiring care in later life. However, many of the most critical and essential care is provided to “working age” adults between the ages of 18 and 64, including those with learning disabilities. These service users tend to be the highest cost individuals for councils to provide services to, and most have very little wealth or assets to contribute to the costs of their care in comparison with older adults who often own property or have built up savings through their life.

Alongside the overall government grants for adult social care, Tables 11 and 12 break down the estimates for grant funding across younger and older adults. In considering this part of the analysis it is important to note these figures are notional due to the following assumptions:

- The allocation of temporary grants – specifically that 100% of iBCF funding has been allocated to older adults due to this funding being focused on reductions in delayed transfers of care from the NHS.
- The estimated values of younger and older ASC from formula funding are those implied by MHCLG’s needs assessment formula but are not earmarked or ringfenced for these specific services.

Table 11

Younger Adults	2019/20 (£/m)
CCN	757.931
Unitary (non CCN)	467.259
Met district	775.579
Inner London	261.215
Outer London	245.900
England	2,507.883

Table 12

Older Adults	2019/20 (£/m)
CCN	1,625.256
Unitary (non CCN)	756.693
Met district	1,331.151
Inner London	374.070
Outer London	358.527
England	4,445.697



Spending need for adult social care

In order to ascertain the contribution of direct government funding to the costs borne by councils for adult social care services in England, this analysis compares total grant funding levels to estimates on 'spending need'.

In May 2019, CCN published an *Independent Review of Local Government Spending Need and Funding*. The central part of this modelling focused on estimating the spending need in different types of council. This independent study by PricewaterhouseCoopers (PwC) estimates spending need based on a 'more consistent level of service'. PwC's analysis provides a fairer measure than simply relying on expenditure data by councils. It is intended to address some of the key limitations of an analysis of the financial pressures facing local government now, and in the future, based solely on historical expenditure patterns. It recognises that different local authorities face:

- Higher or lower demand for their services, depending on underlying socio-economic characteristics such as demography, levels of deprivation and geography; and
- Different input costs (for labour and property), which are reflected in the Area Cost Adjustment (ACA) factors.

Furthermore, it uses a broad range of generic cost drivers (i.e. inflation, living wage) and *service specific* cost drivers at a tier level based on actual volume data. For ASC the specific cost drivers used in the study were: **18+ adults with learning disabilities; Population 65+ in poor health; Adult population (18+)**.

By using this methodology, PwC's analysis mitigates the problem that actual expenditure may not correlate with actual spending need. Higher expenditure may be the product of historic funding levels and political choices over desired service levels. Lower expenditure could be due to lower levels of funding and may fail to recognise 'unmet needs'.

It is important to note in the context of adult social care that the adjusted spending need figures used in this study represent *net* rather than *gross* expenditure, meaning income from service users is accounted for in the estimates of spending need. Equally, while measuring a more consistent level of service at tier level, the figures produced by PwC are estimates of spending need based on service and eligibility levels in the baseline year of 2015/16. The analysis therefore estimates the additional costs required to maintain the level of service provided at 2015/16. It also excludes any costs associated with meeting the 'care market fee gap', included in the Local Government Associations (LGA) own funding gap analysis.

PwC Adult Social Care Spending Need 2015/16 to 2020/21

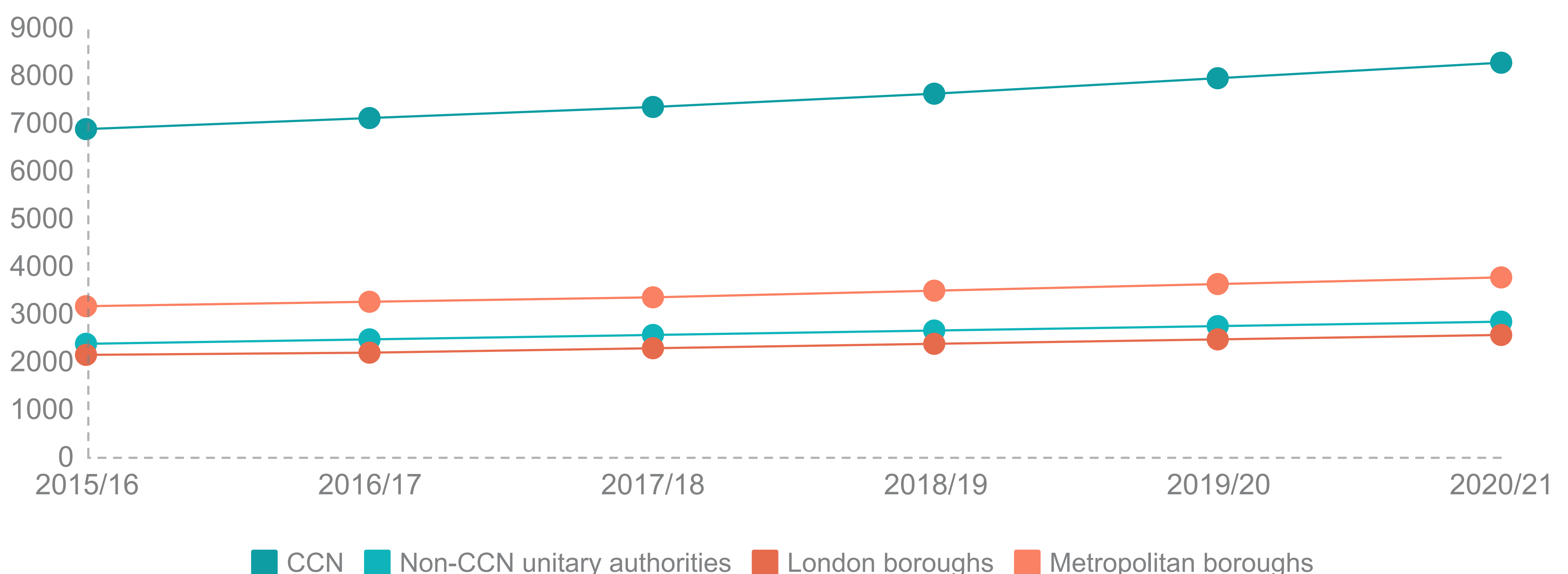


Table 14 shows PwC's estimates for adult social care spending need nationally and by different tiers of local government for selected years and the percentage *increases since 2015/16*. As previously stated, inner and outer London boroughs have been combined to compare funding estimates to the PwC spending need analysis. Compared to 2015/16, spending need rose 15.6% nationally in 2019/20, with it set to increase further to 20.2% next year and 42.5% by 2024/25 – just to continue to meet the costs of providing the same services as the baseline year.

CCN member councils see above average rises across the period, peaking at 43% in 2024/25, but the rate of increase sits below those in London. Over the period CCN's share of total spending need ranges from 47.3% in 2015/16 to 47.5% in 2024/25.

Table 14

	2015/16 (£/bn)	2019/20 (£/bn)	%-/+	2020/21 (£/bn)	%-/+	2024/25 (£/bn)	%-/+
CCN	6,822	7,900	15.8%	8,214	20.4%	9,758	43%
Unitary (non CCN)	2,351	2,710	15.2%	2,812	19.6%	3,323	41.3%
Met district	3,126	3,586	14.7%	3,718	18.9%	4,375	40%
London	2,090	2,443	16.8%	2,546	21.8%	3,048	45.8%
England	14,399	16,649	15.6%	17,301	20.2%	20,519	42.5%

Government funded support - 2019/20

Using PwC's spending need estimates combined with our estimates on total grant funding, Table 15 then considers the contribution of overall grant funding as a percentage of total spending need. Overall Government funding this financial year is meeting almost 42% of the costs of providing services. There is a large variation between council types, with just 30% of costs met through grant funding in CCN member councils as opposed to almost the double this rate in Metropolitan districts.

Table 15

	2019/20
CCN	30.17%
Unitary (non CCN)	45.16%
Met district	58.75%
London	50.75%
England	41.77%

Appendix 1 provides a breakdown of the top 30 councils who, in percentage terms, are most reliant on temporary grants as a proportion of their overall grant funding in 2019/20. Some 23 of the top 30 councils most reliant on these grants are CCN member councils.

Adult social care precept - 2019/20

Although the focus of this report is on direct government support for adult social care through grant funding, one other policy intervention by government has been the introduction of the Adult Social Care Precept. This has allowed upper-tier councils to levy an additional 3% of council tax per year (capped at a 6 percentage point rise over a three-year period) to specifically fund care services.

Table 16 summarises how much additional funding this policy is assumed to have raised from local council tax payers nationally and across different types of councils in 2019/20, according to MHCLG. CCN member councils have been able to raise the largest amount of revenue, some £916m of the total £1.8bn nationally. The precept also makes a larger contribution to the overall spending need requirements of CCN member councils, albeit broadly in line with other types of councils compared to wider variations presented on grant funding above.

Table 16

	Precept income 2019/20 (£/m)	% of Spending need 2019/20
CCN	916.292	11.6%
Unitary (non CCN)	306.965	11.3%
Met district	346.571	9.6%
London	230.158	9.4%
England	1,799.985	10.8%

Table 17 shows that even if total grant funding and income raised from the social care precept in 2019/20 were combined, only around half the national costs of ASC are being met. The proportion of costs met for CCN member councils again are substantially and disproportionately lower than other types of councils.

Table 17

	Total grant and precept funding 2019/20	% of Spending need 2019/20
CCN	3,299.479	41.70%
Unitary (non CCN)	1,530.916	56.50%
Met district	2,453.301	68.40%
London	1,469.870	60.20%
England	8,753.565	52.60%

Funding scenarios for adult social care - 2019/20

The Chancellor recently announced that the government will undertake a 'fast tracked' Spending Round, providing a one-year rather than three-year funding settlement for Whitehall departments. The current four-year funding settlement for local government ends at the end of 2019/20, with this Spending Round now setting the financial envelope for council services for 2020/21.

Although the local government settlement in December 2019 will provide precise details of grant funding levels for the next financial year, the future of key funding streams for adult social care will be decided as part of the one-year Spending Review. The continuation of the £1.8bn iBCF has not been confirmed beyond the current financial year, while it is unclear whether the Treasury consider the £240m Winter Pressures Grant and £410m Social Care Grant announced as part of the Autumn Budget in 2018 to be 'baselined' in councils' funding. Moreover, it is unclear whether there will be a continuation of the adult social care precept, with the policy ending this year.

So far, this report has analysed grant funding in 2019/20. This final section now looks forward to potential funding scenarios for adult social care in the next financial year (2020/21) using PwC spending need estimates and the different options available.

The purpose of this analysis is to ascertain the potential level of direct government support for social care resources through grant funding, and therefore has excluded the potential continuation of the adult social care precept. The income from previous rises would be baselined, but as part of overall council tax income; rather than specifically for adult social care.

Table 18 shows the increase in estimated spending need across different types of councils in 2020/21. Nationally, there will be a further increase of £652m in spending need, with CCN member councils representing 48% (£314m) of this cost increase. This represents the additional costs councils face to 'stand still' and not make additional reductions to services.

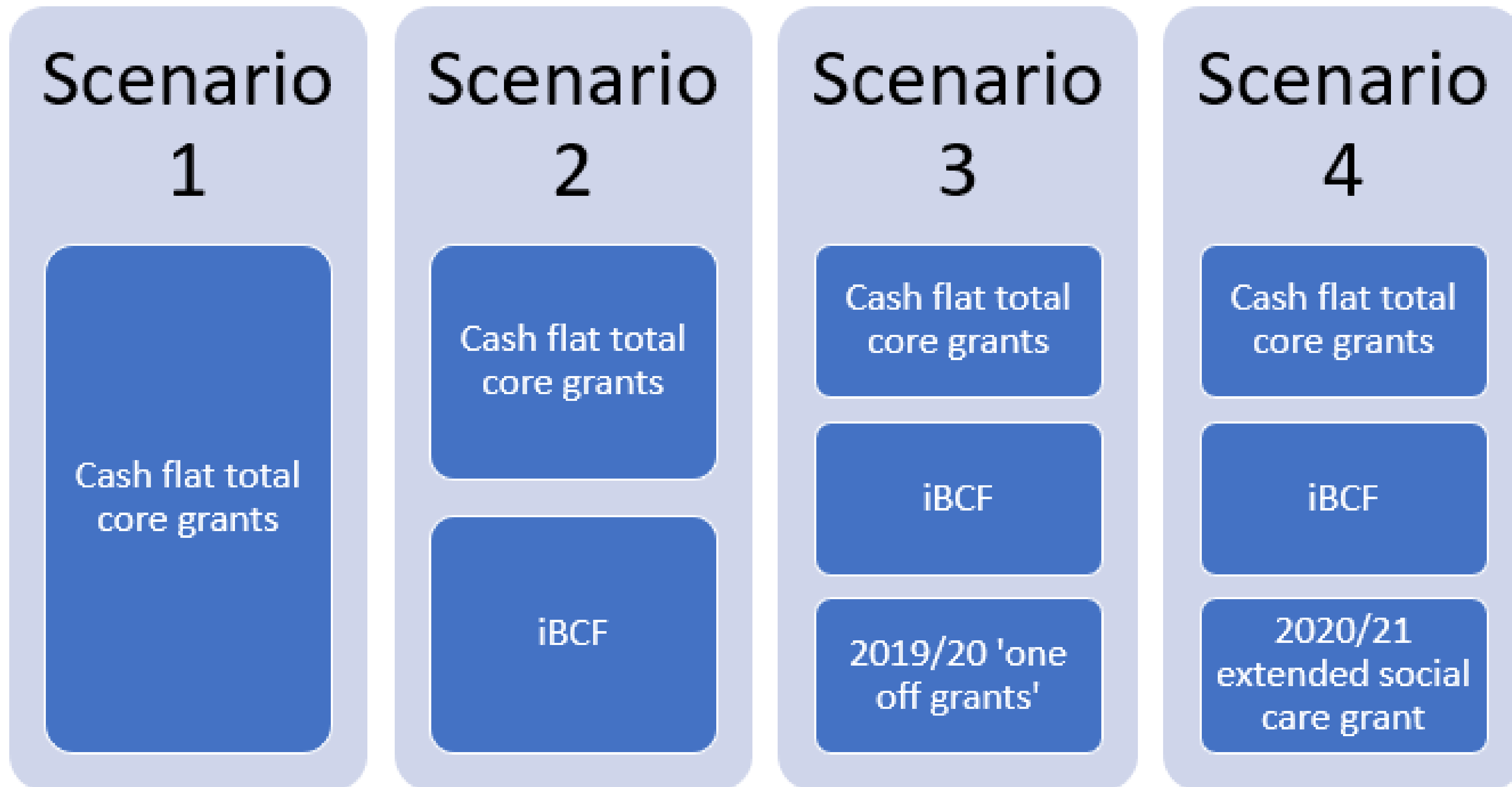
Table 18

	Spending need increase 2020/21 (£m)
CCN	314
Unitary (non CCN)	102
Met district	132
London	103
England	652

Spending need increase



The modelling considers four different funding scenarios. The diagram below describes the funding streams included in each. All presume there to be no further cuts ('cash flat') to the core government grants analysed in this report.



Scenario 4 includes an 'extended social care grant'. This comprises the 2019/20 'one off grants' for winter pressures (£240m) and the adult social care *element* of the social care grant (£316m), plus £652m additional funding for adult social care in line with the estimated increase in costs faced by councils. This is distributed via the adult social care Relative Needs Formula.

Table 19 considers the implications of each of these funding scenarios for 2020/21 compared to total grant funding for services in 2019/20 and estimated spending need.

Table 19

	2019/20 total grant funding for services (£/m)	S1 (£/m)	S2 (£/m)	S3 (£/m)	S4 (£/m)	Spending Need (£/m)
CCN	2,383.19	1,449.62	2,134.09	2,383.2	2,666.17	8,214
Unitary (non CCN)	1,223.95	831.89	1,131.99	1,223.9	1,332.13	2,812
Met district	2,106.73	1,417.25	1,970.53	2,106.7	2,266.59	3,718
London	1,239.712	862.77	1,161.49	1,239.7	1,340.70	2,546
England	6,953.58	4,561.52	6,398.10	6,953.6	7,605.58	17,301

Table 20 compares the potential change in resources for councils for scenarios 1, 2 and 4 in cash and percentage values (scenario 3 has no change) compared to 2019/20 grant funding and the increase in spending need for councils.

Table 20

	Scenario 1		Scenario 2		Scenario 4		Spending Need
	Cash +/- (£/m)	% +/-	Cash +/- (£/m)	% +/-	Cash +/- (£/m)	% +/-	2020/21 increase (£/m)
CCN	-933	-39.2%	-249.10	-10.5%	282.98	11.9%	314
Unitary (non CCN)	-392	-32.0%	-91.96	-7.5%	108.18	8.8%	102
Met district	-690	-32.7%	-136.20	-6.5%	159.86	7.6%	132
London	-377	-30.4%	-78.22	-6.3%	100.98	8.1%	103
England	-2,392	-34.4%	-555.48	-8.0%	652.00	9.4%	652

Although in Scenario 4 CCN member councils receive the highest percentage increase in funding, this would still not be enough funding in cash terms to meet the increase in spending need. Despite having the smallest increase in funding of 7.6%, the cash value of metropolitan districts would exceed their estimated increase in spending need, as it would be in other local authority types.

Finally, Table 21 shows the extent to which each scenario on government funding would be meeting the costs of providing adult social care services.

Table 21

Grants as a % of spending need	S1	S2	S3	S4
CCN	17.65%	26.0%	29.0%	32.5%
Unitary (non CCN)	29.58%	40.3%	43.5%	47.4%
Met district	38.12%	53.0%	56.7%	61.0%
London	33.89%	45.6%	48.7%	52.7%
England	26.37%	37.0%	40.2%	44.0%

The table shows that nationally, if Government did not continue the temporary grants currently in the system, Whitehall funded support for social care would fall to covering just 26% of total estimated costs next year, with it less than one fifth of costs in CCN member councils. Alternatively, if Government rolled over all grants, and provided an additional £652m this would increase Government support to 52%, and 32.5% in CCN member councils.

Building a consensus on social care reform

On July 26th 2019, CCN published its Five-Point Plan for Local Government. At the heart of our proposals was the future funding and reform of adult social care services.

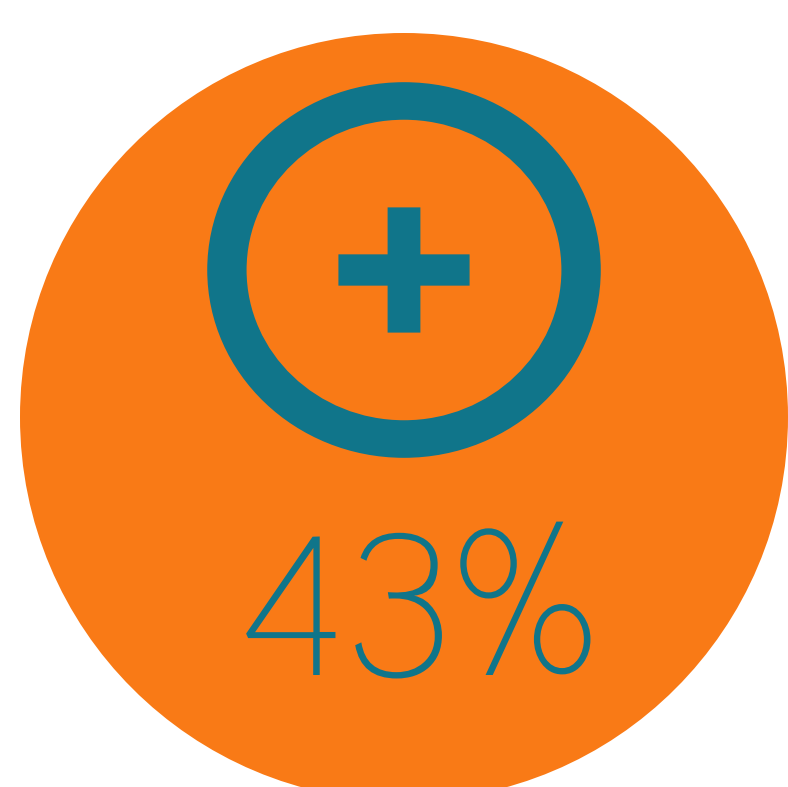
The urgency of providing a solution to our social care crisis was rightly a prominent feature of the Conservative leadership campaign, with the Prime Minister committing to seeking a cross-party consensus of reform. CCN, and the Local Government Association, have set out proposals that should form the basis of any long-term settlement for social care; such as providing a sustainable long-term funding model, but also reforms that keep social care a local, democratically-led service, with greater powers for local government to drive forward the integration agenda. This should form the basis of a national discussion, starting with the publication of the long-awaited Green Paper, with further financial support in the interim to meet escalating demand.

Download the full Five-Point Plan by visiting www.countycouncilsnetwork.org.uk

- ✓ Publish the Social Care Green Paper, beginning a national discussion and cross-party approach to consider the funding options for adult social care, including younger adults and those with learning disabilities.
- ✓ As part of the Spending Round, confirm the continuation of all current funding arrangements for social care and increase the social care grant.
- ✓ Consider the additional challenges of delivering social care in rural and sparse geographical areas as a key aspect of the Green Paper and new funding formula for social care.
- ✓ Renew the focus on early intervention and prevention through the consultation of the Prevention Green Paper and sustainable funding for public health services.



Service requests in county areas in 2018, 66 per day



Adult social care spending need will rise nationally (2015-25) by £6.1bn



County areas spending need for adult social care by 2025, up £2.9bn since 2015



Over 65 increase in counties over the past decade, 61% of the national increase



Learning disabilities will account for 30% of county spending need on social care by 2025

Appendix 1

	Total grants 2019/20	Temporary Funding	% Temporary
Somerset	55.378	26.230	47.37%
Dorset Council	31.188	14.571	46.72%
Worcestershire	47.387	21.789	45.98%
Leicestershire	45.836	20.569	44.88%
West Sussex	55.457	24.603	44.36%
Bournemouth, Christchurch and Poole	35.064	15.491	44.18%
Staffordshire	84.202	36.725	43.62%
Nottinghamshire	81.156	34.921	43.03%
Devon	78.489	33.470	42.64%
Derbyshire	93.703	39.804	42.48%
Kent	134.224	56.751	42.28%
East Sussex	58.583	24.742	42.23%
Lincolnshire	90.211	38.004	42.13%
Warwickshire	42.386	17.807	42.01%
Gloucestershire	54.953	22.956	41.77%
Hampshire	89.187	36.868	41.34%
Suffolk	79.773	32.730	41.03%
Torbay	23.940	9.752	40.73%
Cambridgeshire	44.040	17.936	40.73%
North Yorkshire	49.972	20.333	40.69%
Northamptonshire	61.490	24.543	39.91%
Essex	134.984	53.000	39.26%
Bromley	23.056	9.012	39.09%
Kirklees	50.939	19.733	38.74%
East Riding of Yorkshire	34.579	13.385	38.71%
Lancashire	157.959	61.030	38.64%
North Lincolnshire	21.275	8.054	37.86%
Solihull	19.720	7.445	37.75%
Sefton	46.175	17.424	37.73%

CCN

COUNTY COUNCILS NETWORK

Founded in 1997, the County Councils Network is a network of 36 county councils and county unitary authorities that serve county areas. The network is a cross party organisation, expressing the views of member councils to the Local Government Association and to the government.

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