

From the Chair of the LGA Community Wellbeing Board
Cllr Isobel Seccombe

The Rt Hon Jeremy Hunt MP
Secretary of State for Health
Department of Health
Richmond House
79 Whitehall
London SW1A 2NS

1 July 2015

Dear Mr Hunt

I am writing with regard to the Phase 2 Care Act reforms, and the difficult decisions we are all facing as we approach the next spending review period.

The LGA is a vocal supporter of the Care Act and has consistently backed the central features of the legislation. This support predates the Act itself and has its origins in our close engagement with the Law Commission's inquiry on adult social care, the Dilnot Commission's work on funding reform, and the Care Bill that passed through Parliament between May 2013 and May 2014. Throughout the last five years – and as part of an important and broad consensus across the sector – the LGA has championed the reform of care and support to help secure a clearer system that offers quality services, with dignity and respect, and in a personalised way.

The implementation of the Act earlier this year was therefore an incredibly important moment for the sector; the culmination of years of hard work – much of it helpfully co-produced with local government – that has helped to shape a new and better care and support system. Local government has played a key role in this and you will be well aware of councils' significant efforts in both preparing for implementation and now delivering the reforms, as well as re-shaping local government profoundly to ensure we are fit to cope with the range of reforms and other challenges.

The LGA has also consistently supported the principle of the cap on care costs (and the concomitant extension to the financial means test thresholds). While we have not commented on some of the specifics of the policy – such as where the cap should be set – we believe that the fundamental idea of limiting individuals' potential exposure to 'catastrophic costs' is sound.

However, as we look ahead to the Budget and Comprehensive Spending Review we know that local government funding will again be under enormous pressure in the coming years as Departments make considerable savings as part of the Government's deficit reduction plan. We fully acknowledge that this will mean difficult decisions – both for central and local government – and that frank assessments of prioritisation will be required.

One of the very top priorities for the coming years must be adult social care. It is a crucial mainstay of the health and care system which is essential to help maintain people's health and dignity, and to ensure the sustainability of the NHS. Local government has done a tremendous job in improving efficiency whilst maintaining and even improving the quality of social care over recent years – making savings worth £3.5 billion since 2010 (and planning further savings of £1.1 billion this year) whilst managing to oversee an increase in social

care related quality of life and improvements in overall satisfaction with care and support amongst people who use services. But this has very real limits. We estimate that the funding gap in adult social care is growing by a minimum of £700 million a year. Further, we believe that the approach we have taken to date to deal with that gap – a combination of adult social care budget reductions and cross-subsidising the service through reductions to other local government budgets – is no longer sustainable.

In this context we have to think very carefully about all the options to protect social care. This means considering postponing new costly initiatives - even those which we fully support - if that is the only way we can secure sufficient funding for mainstream social care services. It would be deeply damaging to press ahead with a costly and ambitious reform programme if the very foundations of the system we are reforming cannot be sustained. We therefore reluctantly suggest that the Phase 2 Care Act reforms should be delayed, with the money earmarked for the capped cost system instead put into the social care system itself. Prioritising funding for social care in this way will help close the gap and counter its impacts, which are likely to include further service reductions, smaller care packages, increased unmet need, and mounting pressure on some providers within the market that threatens their viability.

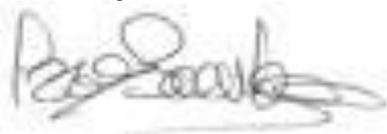
We recognise that a delay to legislation is never easy. But doing so in this case – and putting the earmarked money into the overall system – has wider benefits beyond the crucial mitigation of the impact of further budget pressures on the system. For example, it will provide additional time to model the cost of the Phase 2 reforms, which we know is a complicated and time-consuming process. It will also allow further time for the production of the final regulations and guidance. In turn this will give councils a longer lead-in time as they prepare for Phase 2; currently councils face another tight timetable which is less than ideal and hampers preparations for implementation.

To be clear, we are not calling for the Phase 2 reforms to be suspended indefinitely. We believe they are an important part of the wider reform agenda and will bring much needed peace of mind to the thousands of people who are the intended beneficiaries of the policy. However, we do believe that the reforms can wait and that addressing the more pressing matter of funding for the system itself should be our shared priority. As a key partner in the Joint Programme Office for Care Act implementation we are extremely keen to work with you to ensure that the system as a whole is sustainable.

In this context I and my cross-party colleagues would welcome the opportunity to discuss this proposed change and wider concerns with you urgently.

For information, I am sending a copy of this letter to the Chancellor of The Exchequer, the Secretary of State for Communities and Local Government, and the Minister of State for Community and Social Care.

Yours sincerely,



Cllr Izzi Seccombe
From the Chair of the LGA Community Wellbeing Board