

Local Government Association (LGA) Briefing

Care Act phase two reforms

July 2015

Background

On 1 July the Chair of the LGA's Community Wellbeing Board, Cllr Izzi Seccombe, wrote to the Secretary of State for Health, Jeremy Hunt MP, with regard to the phase two reforms of the Care Act (the cap on the cost of care).ⁱ

In her letter, Cllr Seccombe suggested that, despite the LGA's continued support for the phase two reforms of the Care Act, they should be delayed with earmarked monies instead put into the mainstream adult social care and support system.

The Government announcement

The Minister of State for Community and Social Care, Alistair Burt MP, replied on 17 July, precipitating a formal Written Ministerial Statement in which the Government announced its decision to delay the introduction of the cap on care costs until April 2020.ⁱⁱ

LGA view

- The announcement to delay the second phase of the Care Act is positive recognition by the Government of the LGA's warning that we cannot reform the way people pay for adult social care while the system itself is on such an unstable foundation.
- This does not signal a reduction in the LGA's commitment to support the Care Act. We have consistently supported the need for changes to the way people pay for their care, and still believe this to be necessary. The aim of limiting people's exposure to potentially 'catastrophic' care costs is extremely important.
- In addition, it does not signal that our concern with the timetable for implementation, which the Minister's reply partly implies. We know from our own 'stocktakes' of councils' preparedness for the changes that local government was in a good position for the 2016 reforms. Stocktake 3 (from January 2015) showed that 90 per cent of councils were very or fairly confident of delivering the 2016 phase two reforms and that 79 per cent of councils were 'on track' in their preparations for 2016.
- We have been clear that, ideally, we would have funding for both the system and the reforms. However, in recent weeks, as conversations about the Comprehensive Spending Review have commenced, we have received no indication from the Government that funding would be made available to cover both the reforms and the system itself. Our cross-party call for a delay to phase two was therefore grounded in reality and pragmatism. In the absence of funding for both agendas, we would be failing in our duties if we did not prioritise funding for the system.



Briefing

- The need to fund the system is urgent. Adult social care is facing a funding gap that is growing by at least £700 million a year. The gap, combined with continued pressure on the system and likely further cuts to come, is unsustainable and needs to be addressed now to ensure our care and support system is placed on a sound financial footing. A failure to do this will ultimately lead to a combination of further service reductions, smaller care packages, increased unmet need, and mounting pressure on some providers within the market that threatens their viability. It will also impact on the crucial role social care plays in helping to mitigate demand pressures on the NHS.
- The LGA is not alone in recognising the need to prioritise the system over the reforms if both cannot be properly funded. Others in the care sector have supported the delay, including the Care and Support Alliance and Age UK.
- A delay to the reforms will only be meaningful if the money earmarked for phase two is put back into mainstream adult social care services. Whilst this will not cover the rapidly increasing care costs councils are facing, it will be better than to attempt to continue with changes on shaky grounds.
- This was a difficult decision for the LGA and we acknowledge that, for some organisations and individuals, the delay to the phase two reforms will be disappointing. For those facing considerable care costs and the organisations representing them, the announcement will be a particular blow and a cause of anxiety. We fully recognise these concerns and share people's disappointment and will work with the Government to ensure that phase two is implemented as soon as practically possible.
- However, given the Government's mandate to reduce the deficit and the consequent pressure on public funding, if we are faced with a choice between reforms and system sustainability we must prioritise the latter. Continuing with the cap on care, without funding for mainstream social care, risks putting even more pressure on a system which might then fail to deliver the care that people need, risking the quality and safety of services which millions of people rely on every day.

ⁱ Letter from the Chair of the LGA Community Wellbeing Board Cllr Izzi Seccombe to the Secretary of State for Health dated 1 July:
<http://www.local.gov.uk/documents/10180/11607/Letter+from+Cllr+Izzi+Seccombe+to+Jeremy+Hunt+MP+1+July+2015/62a562bd-2b38-4465-9629-f598e26d95f6>

ⁱⁱ Written Statement made by Minister of State for Community and Social Care (Alistair Burt MP) on 20 July 2015: <http://www.parliament.uk/documents/commons-vote-office/July%202015/20%20July/9-Health-Cap-Health-Costs.pdf>