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The Rt Hon. Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
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26 May 2020

Dear Chancellor,

Thank you for giving evidence to the Economic Affairs Committee last week. The Committee is hugely grateful to you for finding time in your schedule during this difficult period for our country, and for your candour when answering our questions.

As promised, I enclose a copy of our report, *Social care funding: time to end a national scandal*. I am sure you will agree that the report deserves renewed attention now that the desperate need of the sector, and the heroic service and sacrifice of its workforce, has come to the fore of the nation's priorities.

Our report found that the number of people who need care is increasing rapidly but public funding has declined in real terms. We concluded that increased funding would allow for investment in the care workforce, which urgently needs a career structure that better reflects its skills and social importance.

We also found that the current funding model is unfair. People receive healthcare free at the point of use but are expected to make a substantial personal contribution towards their social care. Furthermore, the funding shortfall means local authorities are paying care providers a far lower rate for local authority-funded care recipients than self-funded care recipients, and those care providers with a high proportion of local authority-funded care recipients are struggling to survive.

Our report recommended:

- bringing the entitlement for social care closer to the NHS by introducing free personal care, which would include help with washing, dressing or cooking. Free personal care

is fair, better aligned with NHS entitlement than the current system and easier to implement than alternative proposals. It may be more expensive than some alternatives, but it could reduce demand for residential care and health care in the long-run by encouraging users to seek domiciliary care early.

- those in care homes would still pay for their accommodation and assistance with less critical needs like housework or shopping. Those receiving care in their own homes would not have to pay accommodation costs, which may encourage care users to seek essential help with personal care early.
- This model would cost £7 billion per year according to the Health Foundation and the King's Fund, only £2 billion more than the Government's 2017 "cap and floor" proposal.
- Additional funding for social care should come from national government which should raise the money largely from general taxation. The money should be distributed to local authorities according to a fair funding formula.

In your evidence last week, you said that the absence of a consensus over funding is a significant barrier to reform, along with its expense. Our report, and the evidence that underpins it, demonstrates that that consensus does exist, and that it is acknowledged by all sides that any system that is fit for purpose will entail significant expenditure.

The urgent and tragic circumstances affecting the sector have magnified the differences between the NHS and social care. Moreover, they demonstrate that there can be no justification for any more delay to putting social care on a sustainable footing; both for those who rely on it and for those who serve it. Therefore, along with your response to this letter, please provide a detailed roadmap for publishing a White Paper on the future of social care funding, and a date in this Session by which you expect it to be published.

I would be grateful if you provide a response by 5 June. I intend to put a copy of this letter and your response in the public domain.

Yours ever,



Lord Forsyth of Drumlean
Chairman of the Economic Affairs Committee

Cc: The Rt Hon. Matt Hancock MP, Secretary of State for Health and Social Care