



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Baroness Andrews OBE
Former Chair of the Adult Social Care Committee
House of Lords
London

9 January 2023

Dear Baroness Andrews OBE,

Thank you for your letter of 28 November 2022 regarding the funding made available for adult social care funding at the Autumn Statement.

This historic funding boost for adult social care was announced in the context of difficult decisions taken at the Autumn Statement to ensure broader economic stability. It will put the sector on a stronger financial footing and improve quality of and access to care for many of the most vulnerable in our society.

I have provided answers to your specific questions below, including further detail on the breakdown of this funding and how it will be allocated.

1) What is the exact breakdown of the additional £4.7 billion that has been made available for adult social care in 2024/25?

Up to £2.8 billion in 23-24 and £4.7 billion in 24-25 has been made available to support adult social care and discharge, the biggest core funding increase in history. This includes:

- £1 billion of new grant funding in 23-24 and £1.7 billion in 24-25. £600 million of this in 23-24 and £1 billion in 24-25 will be distributed through the Better Care Fund to get people out of hospital on time and into appropriate care settings, freeing up NHS beds for those that need them.
- £1.3 billion in 23-24 and £1.9 billion in 24-25 savings from delaying the rollout of adult social care charging reform. I have listened to the concerns of Local Government and have taken the difficult decision to delay the planned adult social care charging reform from Oct 2023 to Oct 2025. Funding will be retained in local authority budgets to help them meet current pressures in social care.
- Further flexibility for local authorities on council tax. The government is increasing the referendum limit for increases in council tax to 3% per year from April 2023. In

addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year.

2) What assurances can be given that the planned additional funding, for example raised through increases to the Council Tax, will be ringfenced for adult social care?

The total available for adult social care will depend on how local authorities choose to use the new council tax flexibilities, but the package is underpinned by significant grant funding. This will be distributed through ringfenced grants:

- £1.3 billion in 23-24 and £1.9 billion in 24-25 savings from delaying the rollout of adult social care charging reform will be distributed to local authorities through the Social Care Grant, ringfenced for adult and children's social care.
- Of the new grant funding, £400 million in 23-24 and £680 million in 24-25 will be distributed to local authorities through a ringfenced grant specifically for adult social care.
- The remaining £600 million in 23-24 and £1 billion in 24-25 will be allocated through the Better Care Fund to specifically support delayed discharge, freeing up NHS beds for those that need them. Of this, 50% will be allocated through local government and 50% through the NHS, to be pooled through the Better Care Fund.

The government expects local authorities to exercise restraint in setting council tax, balancing the extra income for local services against the tax burden on residents and cost of living pressures. Local authorities have the flexibility to design their own working age Local Council Tax Support schemes to protect their most vulnerable residents.

The government will continue to take account of the ability of each local authority to raise council tax in its wider decisions on the allocation of funding within the Local Government Finance Settlement (LGFS). Further details will be set out by the Department for Levelling Up, Housing and Communities in due course.

3) What provisions, if any, have been made to provide targeted support for unpaid carers?

The Care Act 2014 requires local authorities to deliver a wide range of sustainable high-quality care and support services, including support for unpaid carers. Local authorities are required to undertake a Carers Assessment for any unpaid carer who appears to have a need for support and to meet their eligible needs.

Integrated Care Boards and local authorities must agree how they will support carers as part of their plans for integrated spend of the Better Care Fund (BCF). They will be able to use the additional funding made available in the Autumn Statement as part of this. In 2022-23, £291.7 million in 2022/23 from the BCF has been earmarked to provide short

breaks and respite services for carers in England, as well as additional advice and support for carers under the Care Act 2014, recognising how important respite is and that it is a particular area of concern for unpaid carers.

4) What provisions if any have been made to protect the 1.7 billion investment, pledged by the Government, in the People at the Heart of Care white paper.

Alongside the additional funding made available for adult social care and discharge, the government are maintaining the remaining funding from the £1.7 billion Spending Review settlement for the Department for Health and Social Care to support system reforms and progress the proposals in the *People at the Heart of Care* white paper. The government recognise that reforms to the social care system will be crucial to building long-term resilience in the sector. The government will provide further detail on plans for this investment over the next two years shortly.

5) What assessments have been made of the impact of this additional funding for adult social care? Have these assessments accounted for inflationary pressures?

The government expects local authorities to use the additional funding available for adult social care – to go beyond meeting inflationary pressures, including those experienced in 2022/23, and to deliver tangible improvements in adult social care services. These improvements should address discharge delays, social care waiting times, low fee rates, and workforce pressures. There will be reporting requirements placed on the new Adult Social Care Grant and the Better Care Fund regarding performance and use of funding to support improvement against these objectives. The government will provide further details on reporting in due course.

6) What does the Government mean when it says that 200,000 more care packages will be delivered in the next two years? What is the size and nature of a care package? How does this number compare to the number of care packages that are currently delivered, and to the number of care packages that are needed?

The illustrative figure of an estimated 200,000 care packages was used to contextualise how many care packages the funding announced in the Autumn Statement could be equivalent to. It is based on an assumed average long-term care package of around £37,500 per annum.

There will be significant variation in the size and type of different people's care packages, depending on factors like whether they are receiving domiciliary care, residential care, or nursing care. Local Authorities are best placed to identify and support the care needs of their local populations and, for example, may decide to prioritise the acuity of care rather

than the quantity and should be able to do so while meeting their statutory duties under the relevant legislation, such as the Care Act 2014.

7) How will the impact of this additional funding be monitored?

HM Treasury are working with the Department for Health and Social Care and the Department for Levelling Up, Housing and Communities to finalise the grant conditions for this funding which will be announced in due course. This will include plans for the monitoring and evaluation of this spend.

I hope that this provides further clarity on the announcements at the Autumn Statement on funding for adult social care.

Best wishes,

A handwritten signature in blue ink that reads "Jeremy Hunt". The signature is written in a cursive, slightly stylized font.

RT HON JEREMY HUNT MP
Chancellor of the Exchequer