

16 December 2021

Mr Clive Betts MP
Chair
Levelling Up, Housing and Communities Committee
House of Commons

Dear Mr Betts,

I'd like to extend thanks for the invitation to attend the evidence session on 13 December 2021 as part of your inquiry into the long-term funding of adult social care. It was an extremely interesting and informative session and I hope our contribution will be helpful.

Please find below the further information requested, alongside a correction to our written submission.

During the session you referred to the following extract from our written evidence:

'Our work with the Institute for Government on Performance Tracker 2019,¹⁹ (pre-dating COVID-19) showed that if there is no change to the means and needs-tested eligibility system, demand for publicly funded adult social care will increase by around 11% by 2023/24. This means that the government would need to spend an additional £20bn to continue to provide the same scope and quality of care. This is faster than spending on adult social care has risen in recent years, and faster than local government spending power is expected to grow by 2023/24.'

As stated, this is based on the following publication: CIPFA/Institute for Government, [Performance Tracker 2019](#), November 2019. This set out the projection that if there were no change to the eligibility system, then demand for publicly funded adult social care would increase by 11.3% between 2018/19 and 2023/24. This would mean that government spending would need to also increase by 11.3% in real terms by 2023/24 as compared to 2018/19, equating to £0.7bn, to continue to provide the same scope and quality of care.

Therefore, I would like to provide a correction to our written submission, as the stated £20bn does not represent the need for 'additional' spend, but rather the total spend required in real terms in 2023/24 to meet the projected 11.3% increase in demand, including meeting the £0.7bn 'gap'.

I can only offer my apologies for this discrepancy. I would like to assure you that there was no intention to mislead, as I hope is demonstrated by the clear reference in the original submission to the Performance Tracker 2019 document, which also includes a clear explanation of the figures and methodology used. I would like to thank the Committee for drawing this to our attention and as a result, we have now corrected the document on our website, and included a notice of correction. The revised version can be found here: CIPFA, [The Road to Reform: COVID-19 as a catalyst for change in funding social care](#).

Turning to the question of revising these figures to incorporate the recent announcements on funding reform, we do not feel it is possible to accurately reflect these proposals at this point, primarily due to a lack of available data.

For example, the proposal to introduce a cap on care costs means that those who self-fund their care under the current system will receive publicly funded care once they reach the cap. The self-funder population and

the care they receive is not well understood at present, and data available is largely based on surveys, presenting only a partial picture.

The lack of data available in relation to self-funders is widely recognised, and the Office for National Statistics are seeking to improve this with the development of an experimental dataset on [self-funders in care homes](#). However, again this provides only a partial picture, as it does not cover those receiving care in other locations.

In the recent white paper, [People at the Heart of Care](#), the government's own estimates suggest that the number of older adults in receipt of state support for their care costs will rise from half to two thirds under the proposed reforms. However, there is no indication of the associated cost impact, nor equivalent figures for working age adults. The [evidence review](#) accompanying the white paper recognises the gaps in the evidence and the need to better understand the self-funding population, how they pay for their care and how this will interact with the eligibility criteria.

Other elements of the proposed reforms, including the 'fair price for care' which is likely to impact on the rates paid for care by self-funders and local authorities, will also determine the extent of the impact on the public purse. However, as yet there is not enough detail on how this will operate to determine what this impact might be.

In future, the provisions in the Health and Care Bill and the impact of the proposed reforms themselves will likely result in improvements in the data available. However, at this stage, we are of the view that it would be difficult, if not impossible, to robustly evaluate the impact of the proposals on the public purse.

Many thanks.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'E Roy', with a small flourish at the end.

Dr Eleanor Roy
Policy Manager Health and Social Care, CIPFA

