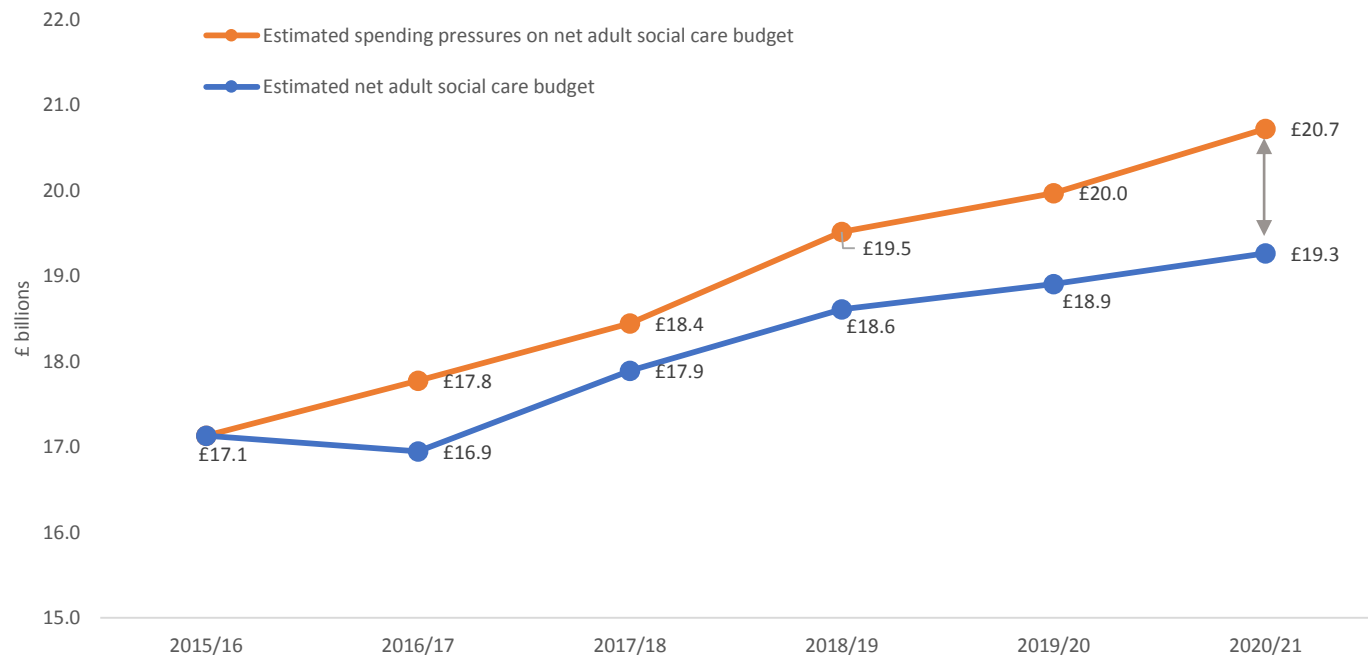


Securing the long-term sustainability of adult social care – what might some of the solutions look like?

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Adult social care funding gap (net expenditure £billion, in 2018/19 prices)



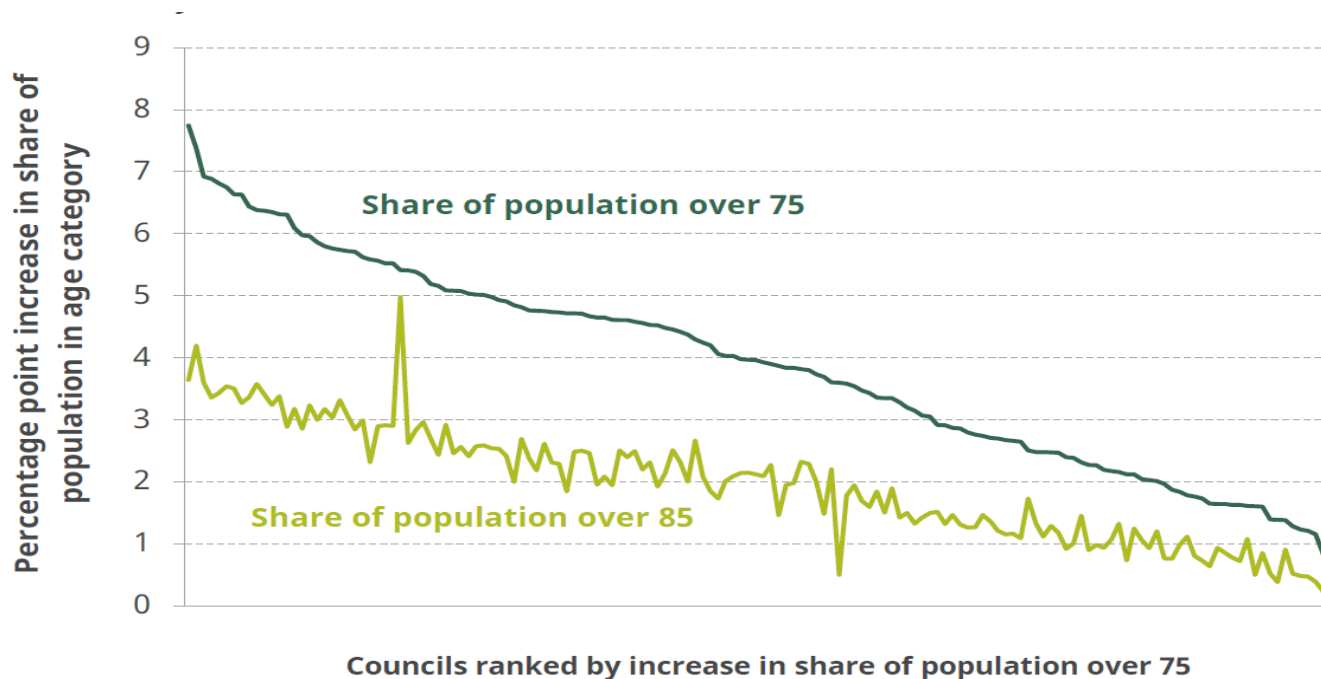
Source: Health Foundation analysis based on multiple sources. Notes: Gap between estimated net public spending on adult social care and funding pressures (2018/19 prices). Cost pressures include updated estimates for the cost of the National Living Wage, sleep-ins pay (both backpay, and future costs), and updated assessments of social care demand. The estimated budget assumes social care spending maintains its share of local authority core funding, after subtracting new funding from the social care precept and improved Better Care Fund.

UK demographic composition, number and % of population aged >65 and >85 in key years

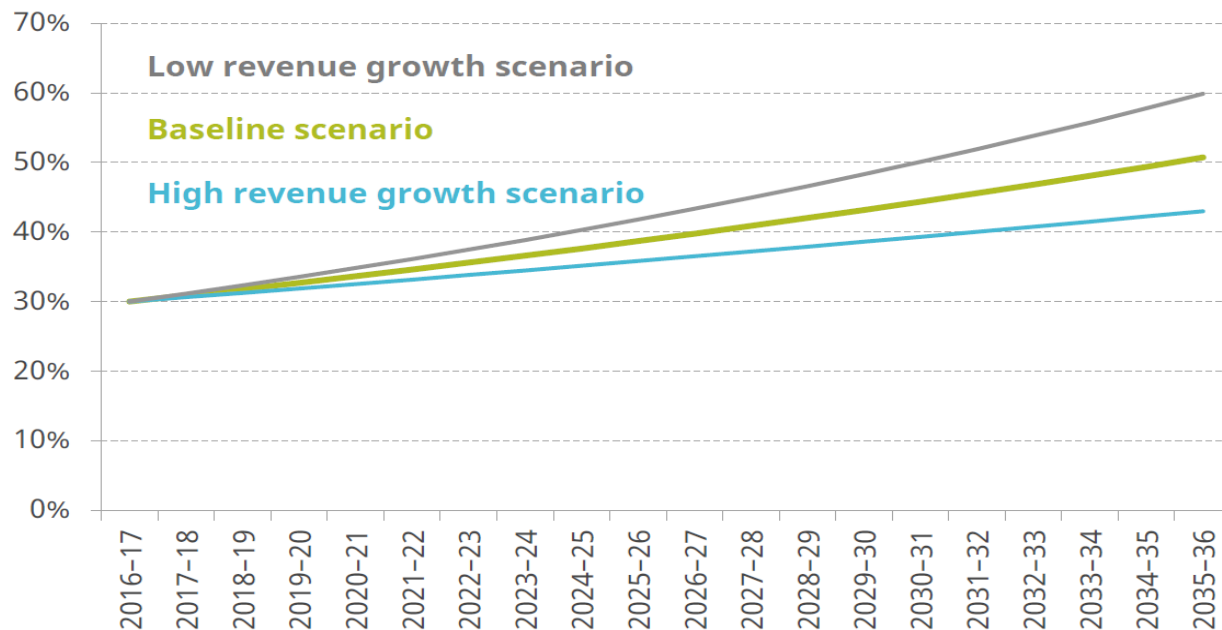
	Population size (millions)		% of total population	
	2018	2033	2018	2033
Total	66.5	72.4	100%	100%
Aged 0 - 14	11.9	12.3	17.9%	17.1%
Aged 15 - 39	21.3	21.8	32.0%	30.1%
Aged 40 - 64	21.1	21.6	31.7%	29.8%
Aged 65 - 84	10.6	13.7	15.9%	18.9%
Aged 85+	1.7	3.0	2.5%	4.2%

Source: ONS data

Increase in share of population that is over 75 and over 85 between 2016 and 2035, by council



Social care spending as a share of English council tax and business rates revenues, if spending grows by 4.4% a year, 2016-17 to 2035-36



Source: IFS Adult Social care funding: a local or national responsibility? – 2016-17 levels are from English council tax receipts in 2016-17 from Office for Budget Responsibility (2017, supplementary fiscal tables: expenditure table 2.15). Total non-domestic rating income after relieves and accounting adjustments is from NNDR3 2016-17 release. Spending on adult social care excluding Better Care Fund is from our series Explained in Appendix C. Figures for subsequent years are authors' calculations.

Conclusions from analysis with the Kings Fund

- There is scope for making small improvements within the current system, and this approach would recognise the great difficulty successive governments have faced in achieving major reform. However, it would not address many of the fundamental problems with the current system, including the downward trend in the numbers receiving publicly funded care. Nor would it protect people against ‘catastrophic’ care costs.
- The Conservative Party’s proposals for a cap and floor would result in a more generous system than the one currently in place. However, there are real concerns around implementing and operating such a complex system.
- While a joint health and social care budget might support progress towards more integrated care, it will not in itself address the differences in eligibility between the two systems, or generate additional revenue for health or care.
- Free personal care would mean increasing the government’s ‘offer’ on social care. However, given this would require a significant increase in public spending, there is a question as to whether this would be the best use of additional funding for social care.
- A hypothecated tax may help gain public support for raising additional funding for social care. However, this would represent a significant shift from the existing system, and could exacerbate the lack of alignment between the health and social care.