

Richard Humphries on the Spending Review and Social Care

Richard is Senior Fellow on social care at The King's Fund

For adult social care, the Spending Review settlement is about as good as it could get. It promises allocates £2 billion a year of additional funding by 2014-15 to support social care, £1b of which sits within the NHS. The government reckons that if councils continue to achieve efficiency savings, this extra money should avoid having to reduce eligibility for services. The extra is welcome, if unexpected. But there are three flies in the ointment. The first is that £1 billion of the extra will come via extra NHS spend (not it would appear, NHS money transferred to councils). Its impact on relieving the pressure on social care will depend greatly on the strength of local relationships. The second is that in most councils eligibility is already restricted to critical and substantial needs and couldn't get much tighter anyway. The extra resources may be sufficient – just about – to stand still (ie: to cope with a growing ageing and disabled population) but certainly not to be more generous in the quantity and quality of the service offer. The third is the overall context of a 28 per cent cut in local government grant over the next four years and a council tax freeze. Note that the extra money for social care is not ring fenced. This will place immense pressures on councils. Expect to see user charges for non-residential services to shoot upwards. For third sector organisations reliant on council grants or contracts – especially outside of social care budgets – the prospects are chilling. Exhortations of ministers for councils not to cut these grants may fall on sympathetic but stony ground.

For the NHS, ministers have honoured the pledge to protect NHS budgets from real-term cuts – but only just. The real terms increase over the next four years is just 0.1per cent per annum. And the Chancellor confirmed that the NHS still has to find up to £20 billion productivity savings by 2015. All this underlines the absolutely necessity for the NHS and social care – across statutory and voluntary sectors – to work together as they have never done before to manage the toughest financial and service pressures in living memory. All eyes must now focus on the outcome of the Dilnot Commission next year and galvanising support for a speedy and sustainable reform of care funding from 2014 onwards.