NCF Blog

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Autumn Watch!

For those busy trying to spot the lesser spotted social care funding promise – there was no opportunity to marvel at its glorious plumage – it was a no show!

Despite the combined and united efforts across the county to highlight the importance of social care funding, the Chancellor and the government have chosen not to address the issue in the latest **Autumn Statement**. This is a cause for huge concern as even those not fully immersed in the system cannot fail to have seen the amassed body of evidence highlighting the inadequacies of both the current funding levels, and the future gap. The writing appeared to be on the wall, when despite the regular comments in question time from parliamentarians around the state of funding for social care, the Prime Minister continually reiterated the government position around the adequacy of the Better Care Fund, the introduction of the precept and the role of integration and STP's. There will need to be a redoubling of efforts in coming months to seek to influence the budget in March.

There are a number of areas of the announcement that will have an impact on the sector that bear some analysis, and I will do my best to offer some perspective on these – and recognise that these are first of all not necessarily positive and that of course the devil is, of course, in the detail.

Slower than anticipated growth – This framed the whole statement, and whilst positive comparisons were made with other economies around Europe, there was an overall recognition that uncertainty and sterling depreciation was leading to lower growth than predicted pre Brexit.

Inflationary increases – Whilst this was not a specific piece of his analysis, with the exception of a focus on fuel inflation, there is a clear expectation that inflation will increase over coming months/years. This is likely to have a significant impact on the bottom line of care providers costs – both in the provision of food, heat, travel costs – but also in relation to imported goods including many medical supplies.

Increased funding for house building - Additional £1.4bn for house building for the affordable housing sector. Supported housing is part of this sector, and this could bring some much needed additional capital into this sector. However, alongside this is the announcement on Monday about the start of the consultation on supported housing costs. Whilst the outcome of this remains uncertain it seems less likely that there will be significant investment in this much needed provision.

National Minimum Wage – The chancellor confirmed the planned increase of the National Minimum Wage to £7.50 from April 2017. Whilst this was predicted, there has been no associated increase in funding in 2017/18 to manage this.

Devolution and mayoral powers – There are some interesting phrases in his statement which make me wonder about future plans for devolved localities. London, for example, had the adult education budget and responsibility for employment support devolved to it during the statement. This may raise some interesting possibilities for employment support for people with disabilities, outside of existing government strictures. In addition, there was talk of the potential for mayoral cities to have new borrowing powers. Again, what this will look like, and whether that allows for a greater flexibility for localities to go outside of the existing local authority funding constraints, with a potential to increase social care funding, remains to be seen.

LIBOR funds of £102 m to be released to armed and emergency services funds – These funds are operated by a number of our members through their welfare provision. Increases to this funding does allow for individuals with a connection to the armed services to access additional funding to support their own care.

Continued squeeze on departmental spending - the Chancellor provided a clear statement that government departments will be required to deliver against the established savings targets. However, he waved the carrot that departments who met their target would have the potential to receive a rebate of up to £1bn of those savings to be reinvested in priority areas towards the end of parliament.

Welfare reform – I think it would be fair to say there was no good news in this area, with the exception that there was an announcement that there would be no further savings on welfare sought other than those already announced.

That – I am afraid – is that. This is a quick analysis, and please do come back to me if there is something factually incorrect, as I – like you – am busy trying to absorb.

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