

Money Talks



Vic Rayner
Executive Director
National Care Forum

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Response to Jeremy Hunt's [seven Principles of Social Care](#) reform have been mixed. Whilst on the one hand, there has been support for the sentiment they express and indeed it is difficult to argue with what in many ways are a reiteration of the underpinning philosophy of the Care Act 2014. On the other hand, the voices of dissent have predominantly steered the Secretary of State away from warm words, and towards action. My thoughts on both these perspectives can be found in more detail [here](#).

Action did come sooner rather than later, but in many ways served to reiterate the gulf between health and social care, rather than reinforce the integrated cornerstone of the principles of reform. The following day, Jeremy Hunt made his long anticipated announcement on NHS salaries, and the scale and the rapidity of the increase has caused huge consternation across the care sector, particularly for roles such as nursing, where the already challenging recruitment and retention climate for care just got a good deal more hostile. The feeling is very strong that the talk of a joint approach to health and social care so warmly embodied in the words of Jeremy Hunt need to be translated for the care sector into the fiscal language of wages. Actions are needed, and with every day, the pressure and expectation on the green paper grows.

More pressure on the money side came from the [Institute for Fiscal Studies](#), who last week released a report highlighting the impact of the long trialed changes to local government finances. Members may or may not have clocked these, as the emanate from Ministry of Housing, Communities and Local Government. In essence, this is the final step in the dismantling of national control of local government, first envisaged in the Localism Act 2011. In the early stages of this shift, the accusation was that whilst the responsibility had shifted, the money and control had not gone with it. Over the last four to five years increasing devolution has spelled a greater shift of resource to local government, and this final step, to be completed by 2020, where general grant funding will be abolished, completing the turn-around in how local government is financed. How this will work in action, crudely put, is that rather than government collect in business rates from authorities and redistribute back to authorities, the intention is that localities will instead primarily utilise their revenues from council tax and business rates to fund local services.

The IFS predicts huge problems in this approach for localities in relation to their current responsibilities for adult social care, and of course rightly notes, the impact of this on areas less able to generate revenues through business and council rates will be hardest hit. The IFS finds little comfort in possible solutions, for what increasingly appear to be the juxtaposed government positions of consistency in quality of care and localised decision making. There are some valuable extrapolations of the impact of a nationally funded service, recognising both the necessity for a newly defined needs formula and the knock on changes to local government in relation to significant reallocation of funding. This in addition to risks to other local authority services, who would be left subject to the potential uncertainties of the localised and essentially politicised tax and revenue generation.

More food for thought for the Green Paper team, and as Jeremy Hunt will find, once you start talking with money, everyone wants to be in on the conversation....