

*The Special Interest Group of Municipal Authorities (Outside London)*

**About SIGOMA**

The Special Interest Group of Municipal Authorities work within the Local Government Association and represent 47 Metropolitan and Unitary councils across the country.

Our councils jointly serve 11 million adults, 24.7% of the country’s adult population and 22.6% of those of age 65 and over.[[1]](#footnote-1)

Our members typically represent councils less well placed to fund services through Council Tax (including Social Care Precept) and Business Rates and have seen the greatest cuts of all councils since austerity began in 2010. SIGOMA councils have seen core funding reduce by an average 26.7% in real terms between 2010-11 and 2022-23 whilst the average cut for England is 20.7%, further reducing our members ability to provide essential services including adult social care[[2]](#footnote-2).

Our members were amongst the first and worst affected by covid at the hight of the pandemic and continue to suffer the fallout from that, with direct implications for the additional costs of care services.

As recently as July 2022 the Levelling up Housing and Communities Committee commented that:

*The covid-19 pandemic has had a severe impact on adult social care. People have*

*received less care and often care workers have been compelled to deliver only the*

*basics. More people are going without care and many people’s needs are increasing*

*significantly. Social care workers and unpaid carers are burnt out. Covid-19 has*

*exacerbated the need for more immediate funding for the sector*.

*From: LHC Communities report: Long-term funding of adult social care. Second report of the Session 2022-23*

**Do you agree or disagree with the proposal to use the ASCRU-PSSRU means test extension formula for people aged 65 and over (2022) for distributing means test funding for people aged 65 and over in 2023 to 2024?**

* **Disagree**

We believe government is looking at Social Care Funding from fundamentally the wrong aspect and therefore creating a potentially flawed, distorted and needlessly complicated system.

Social care funding has become a complicated mix of sources as government has reacted to the various pressures that have threatened continuity of care services.

It is made up of Social Care Precept, which is dependent on local Council Tax bases, social care grant (Ad hoc and which only partially recognises varying ability to raise Social Care Precept) , Improved Better Care funding (again partially recognising Social Care Precept), Better Care funding provided via agreement with Clinical Commissioning Groups and latterly the Market Sustainability Fund.

The correct way in which to consider care funding allocations is to assess the demand for and cost (to the Council) of services and to allocate overall funding in proportion to that. Of course the allocation should take account of the potential for a local authority to raise funding from service users (as well as from Council Tax including the Social Care Precept).

Clearly the reforms will reduce available client funding to some councils more than others by comparison to the current arrangements but our councils already have lower access to client funds.

Since overall care funding is generally acknowledged to be inadequate, these particular measures, by addressing only lost client income, will continue to be of the greatest benefit to those who would usually be able to raise funds locally.

The House of Commons July Report recommended that:

*The Government should allocate additional funding this year through the*

*adult social care grant, to cover inflationary pressures and unmet care*

*needs, and should announce this as soon as possible so that local authorities*

*can plan how to cope best with the pressures they are facing*.

It further recommended that

The Government must update the adult social care relative needs formula

by the next financial year. This should be implemented alongside the Fair

Funding Review and council tax equalisation.

We strongly support both of the committee’s recommendations.

If the measure in this consultation is introduced as proposed, adult social care relative needs formula should fully recognise (and reduce allocations for) Means-test Funding as if it were contribution from the service user.

**Do you have a preferred approach for distributing means test funding for adults aged under 65 in 2023 to 2024?**

* **option 1 – ASCRU-PSSRU means test extension formula for people aged 18 to 64**
* **option 2 – per capita (people aged 18 to 64) distribution formula**
* **option 3 – ASCRU-PSSRU means test extension formula for people aged 65 and over (2022)**
* **other**

Again the correct way in which to consider care funding allocations is to assess the demand for and cost (to the Council) of services and allocate overall funding in proportion to that, taking account of the potential for a local authority to raise funding from service users.

Members will express their own views on the option offered.

**Do you agree or disagree with the proposal to distribute cap funding in the same way as means test funding for adults aged under 65 in 2023 to 2024?**

**Disagree**

For the reasons stated above we believe that that funding should be added into an overall pot of ASC funding and allocated on the basis of need modified by expected contributions.

**Which option do you prefer for distributing £247 million of funding for assessments in 2023 to 2024?**

option 1 – ASCRU-PSSRU assessments formula (utilisation approach) 2022

**option 2 –** **ASCRU-PSSRU assessments formula (normative approach) 2022**

option 3 – ONS estimates on the number of self-funders

none

The majority of our members prefer option 2, the normative ASCRU-PSSRU assessments formula as it less likely to underestimate the number of additional assessments from people with a lower level of need.

**Is there anything else about the options for distributing funding that you wish to comment on?**

We note that the proposal is to weight populations for an Area Cost Adjustment.

Whilst we acknowledge that some adjustment is appropriate, this should take account of :

* Out of area placements, where the cost being incurred is not related to the area. This practice is common enough for the association of directors for adult social care to have issued practice guidance[[3]](#footnote-3) and NHS digital have published statistics (in relation to mental health only)[[4]](#footnote-4)
* The extent to which Care Assessments (at least the financial element) can be completed on line, by phone or other remote media and therefore do not involve travelling to the client where remoteness is not a relevant factor(unlike waste collection, on which remoteness ACA is based).
* It should not anticipate future relative inflationary impact. It should only reflect actual variations in costs.
1. From ONS Mid-year population estimates June 2020 [↑](#footnote-ref-1)
2. From DLUC core spending power data, adjusted by SIGOMA for comparability over time [↑](#footnote-ref-2)
3. Advice Note for Directors of Adult Social Services: Commissioning Out of Area Care and Support Services 27/11/2018 [↑](#footnote-ref-3)
4. [Out of Area Placement in Mental Health](https://files.digital.nhs.uk/2A/F1A193/oaps-rep-jun-2022%20v3.pdf) [↑](#footnote-ref-4)