Why the ‘solutions’ proposed so far by Government are not actually solutions...

- The Chancellor has just promised £2bn for the social sector. Surely this is enough?

  In his 2017 Spring Budget, Philip Hammond pledged £2bn over the next three years to help the social care sector. While this may seem a lot, £1bn has to be spent in the first year, with the next £1bn split across the next two years. This has to cover the whole sector, and is simply not enough to plug the funding gaps that exist across all aspects of social care. Before the budget, the Health Select Committee estimated that the actual figure needed would be closer to £4bn, so even Parliament is now saying It Doesn’t Add Up!

- "Surely the Council Tax precept will cover this?"

  We keep hearing this. In the November 2015 spending review, Local Authorities were given the ability to increase Council Tax bills in their areas by up to 2% (the Social Care Precept) to raise new funding to be spent on adult social care.

  At the time, Hft had already heard from some Local Authorities that, even if they applied the full 2%, they would not be able to raise enough to meet demand. In 2016, the Local Government Finance Settlement 2017/18 allowed local authorities to raise the social care precept from 2% to 3%.

  Research shows that council tax rises disproportionally hit those areas of the country that have high levels of demand for learning disability services, but only a small council tax base on which to levy the precept. Raising the precept will only further exacerbate this inequality.

  Lastly, the precept covers all of adult social care and is not ring fenced to learning disabilities specifically – it simply isn’t enough!

- “What about the additional investment in the Better Care Fund then?”

  The Better Care Fund is intended to cover both health and social care. It will simply not be enough to address the shortfall faced by both sectors. It’s also unclear whether the Better Care Funds identified are new monies, or how they will be used. At any rate, the increased investment will not come into effect until 2018 which will be far too late for some learning disability services which will have fallen into deficit long before then.

- ### “Aren’t local authorities going to raise more money from business rates for social care?”

  Not necessarily. While it is true that in the Local Government Finance Settlement 2017/18 local authorities would be allowed to keep 100% of the business rates raised locally, there is no guarantee that this will go in part or in whole to social care. Furthermore, this new initiative will first be piloted by several local authorities before being rolled out nationally. This means many local authorities will not get the money until at least 2018, which will be simply too late for some providers.

- ### “Paying the National Living Wage will only cost 1% of your profits”

  Hft is a charity, as are many of the other providers in the sector. That means we don’t generate profits! This is a good thing for the many people we support, because any surplus we might generate is immediately reinvested back in to the charity and used to fund our charitable projects, such as the Family Carer Support Service, personalised technology, or our Luv2meetU service to name but a few, or into specialist accommodation for the people we support. For this, we also rely on small amounts of fundraised income.

  In any case, as we’ve demonstrated, rising costs will far exceed 1% of any surplus.

- ### “Why don’t you offset additional costs with savings from Corporation Tax?”

  Again, we’re a charity, not a company. So savings offered through Corporation Tax don’t apply to us.

- ### “What about the 50% increase to the Employment Allowance then?”

  Seriously? The maximum an organisation can currently apply for is £2,000 per tax year. So a 50% increase will mean that we can apply for a maximum of £3,000. This is a drop in the ocean for a charity the size of ours, with a £3.5m annual national insurance bill.