



Care in Places

Inequalities in local authority adult social care spending power

Housing

Health and care

Carers

Community

Economy

Life expectancy

Care homes

Inequalities

Retirement





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Foreword

Through The Salvation Army's work with older people in our care homes and through our drop in services, lunch clubs, churches and community work, we are seeing the deepening impact of the crisis in adult social care funding first hand.



This report, *Care In Places*, reveals there is significantly less money to care for older people who live in rural areas across England. Adult Social Care is largely funded by local business rates, council tax and other local charges but areas with lower house prices, fewer businesses and lower populations cannot raise as much money as more urban areas.

This has led to deep levels of funding inequality across the entire country and prevents most local authorities from providing adequate social care for older residents.

Everyone knows that people are living longer and the population is ageing; the adult social care bill is rising but the local authority funding streams are shrinking, especially in areas where there are not many businesses or people to tax. A Government Green Paper must respond to the locality-based funding crisis and not just the national one. However, it is now two years overdue. In the meantime, the crisis is escalating.

It is vulnerable people and their families who are paying the price – left with devastating social and financial consequences. Through our care homes, relatives tell us that when their loved one requires funding from their local authority, many care homes will simply tell the family that they should pay an additional fee to meet the costs.

Families, with relatives who often have severe or even critical care needs and are unable to pay, turn to The Salvation Army to help. We are increasingly having to cover the top up costs so that a suitable place is secured. All of our care homes across the United Kingdom are subsidising the costs of providing care from Salvation Army funds.

The Government must prioritise its spending and properly fund adult social care. For years the rhetoric has been that councils have enough money so long as they tax local resources and spend the revenue sensibly. This Salvation Army analysis proves that local authorities are being asked to achieve the impossible.

The current system is failing the most vulnerable people in our communities. And this doesn't just affect one person – it impacts all of society.

Action is needed now. Our older people and their families deserve better.

Commissioner Anthony Cotterill
Territorial Commander

The Salvation Army United Kingdom Territory with the Republic of Ireland

Executive summary

In the face of ongoing delays in the publication of the Government's promised adult social care green paper, consensus around the need for a new national system of social care provision, funded through a risk pooling mechanism (such as National Insurance) continues to grow.

However, while much of the current debate around the design of the new system has largely focussed on questions of increasing the overall funding envelope for care, and ensuring that individuals do not face catastrophic care costs, little attention has been paid to the ways in which any new or improved funding for social care provision will be used to develop services in a fair and effective way at a local level.

In this report, we examine the impact of the current system through which responsibility for funding social care services is devolved to the local level. We explore the extent to which the current funding system is effective in aligning the need for social care support with the capacity to fund social care at the local level.

Through our analysis we have demonstrated that significant inequalities exist in local authorities' capacity to fund the social care their older residents need. This analysis demonstrates:

- county councils tend to be in a worse position than unitary authorities in terms of their ability to fund the social care their residents need; and
- smaller, post-industrial towns and cities fare worse in terms of their ability to spend on social care than larger urban centres.

As the Government develops policy for the future of social care it will be vital that the question of how social care will be delivered in place is factored into discussions. This is critical because our analysis shows that:

- There isn't just one crisis in social care, there are lots of crises, of different types and in different areas.
- Inequalities in the ability to meet the need for social care are systemic.
- Local leadership alone cannot overturn the current inequalities.

The formulae through which any national fund for social care is distributed at the local level to support the development of services must be designed to build out the structural inequalities and lack of basic fairness revealed by our research.

While the current system is intended to balance the desire for a standardised national system with the need for local flexibility to allow tailored, responsive services, and most envisage a continued role for local authorities in commissioning and funding care in future, it is clear that the current structures for funding care are not working effectively.

As we seek to address both the immediate and the long-term challenges in social care it is vital that these local differences are taken into account. Without specific action to address these inequalities, any future social care settlement will leave some local authorities, through no fault of their own, less able to meet adult social care needs among their residents.

Introduction

Social care provision is being tested to its limits. Services are stretched, resources are in short supply, levels of need are rising and needs are becoming more complex. While examples of excellent provision remain, the system as a whole has been allowed slowly to drift into deep crisis.

While demand has risen, as a result of growing longevity and the accompanying increases in health conditions including type-two diabetes, dementia and heart disease,¹ funding has decreased. Services and support have been underfunded, most acutely since 2010.² The need for social care reform has been overshadowed by other priorities at a national level for decades.

These factors have resulted in rationing of statutory services and reductions in the fees paid to care providers by local authority commissioners, which in turn have contributed to staff shortages, inconsistent quality and an overall shortage of provision.³ Care workers are undervalued despite their life-enhancing work.⁴

Progress in the debate on what to do about the social care crisis has stalled. Every Government since 1997 has acknowledged that reform is necessary, but none has delivered on the promise to find solutions.⁵ A new green paper on the future of adult social care has been repeatedly delayed since its planned publication date of summer 2017.

The Local Government Association estimates that if demand rises as predicted, the funding gap for social care will reach £9.5bn by 2025.⁶ The scale of additional funding required has rendered social care a politically unappealing issue to tackle. Any solution will be expensive, with significant implications both for the public purse and the private purse, as higher levels of personal financial investment are likely to be required.

Just as the issues are complex so are the potential solutions. While much of the debate has focussed on how to fund social care more sustainably, another vexed question is how to achieve a better balance between the desire for greater standardisation of care provision at the national level (to combat the so-called “postcode lottery”) while allowing local flexibility to provide tailored, responsive services appropriate to local needs.

Recently, calls for a national system of social care provision have grown in currency, but with most still envisaging services being commissioned at a local level, any new system will require a transfer of resources to that local level – most likely in the form of a block grant to a local authority of some kind.

¹ Care Quality Commission, *The state of health care and adult social care in England, 2017-18*, 2018.

² Local Government Association, *Adult Social Care Funding: 2016 state of the nation report*, 2016.

³ Age UK, *Briefing: the health and care of older people in England 2017*, 2017.

⁴ A New Deal to Reward Kindness in a Forgotten Profession, Frank Field MP and Andrew Forsey, October 2018, accessed 13.05.19 <http://frankfield.co.uk/upload/docs/A%20New%20Deal%20to%20Reward%20Kindness%20in%20a%20Forgotten%20Profession.pdf>

⁵ House of Commons Library, *Social care: Government reviews and policy proposals for paying for care since 1997*, 2017.

⁶ Local Government Association, *The Lives We Want To Lead*, November 2018, accessed 13.05.19 https://care.co.uk/wp-content/uploads/2018/11/29.13-Green-paper-full_web.pdf

In this research we examine how the current system of devolved funding matches need and highlight the need for attention to the mechanisms for funding care at the local level as part of the debate on the future of social care.



What is adult social care?

Social care is the term used to describe the range of support and services that enable people with care needs to achieve independence and live meaningful lives over which they have control.

Examples of social care services include care in someone's own home, care homes and other residential settings, the provision of Direct Payments, day services, transport, equipment, living aids and home adaptations, and support for family carers. Depending on need and assessment of eligibility, support can be provided by a local authority or through the NHS but is often purchased privately directly from providers by individuals and families. Individuals and families also form part of the social care system through the provision of unpaid care and support for family members and friends. As a result, the social care system is a complex and varied network in which statutory and non-statutory and public and private funding intertwine.

Access to statutory support is governed by the Care Act 2014, applying to England. This sets out national eligibility criteria for care and support as well as financial assessments, and requires local authorities to ensure the provision or arrangement of services and resources needed to meet care and support needs in their communities. There is, however, a great deal of local discretion afforded to councils – they may meet their obligations by whatever means they choose, provided they can justify that their provision meets the needs of their local population, as well as the assessed and eligible needs of the individuals who qualify for support. Charges for services provided by the local authority are also set locally and are shaped by many factors, including the availability of services and workforce, geographic location, extent of the subsidy or co-payment made by a local authority and stability of provision. National financial eligibility criteria must be used to assess whether someone is charged.

Funding of social care at the local level

While in recent years there have been moves towards greater standardisation of rules around eligibility for social care, with the introduction of a national framework for eligibility, the funding and commissioning of care is devolved to the local level.

Statutory provision of social care is funded by local authorities using funds drawn from a combination of sources including central government grants to local authorities, Council Tax revenues, business rates, funds from specific revenue raising measures like the social care precept, and sharing of money between the NHS and other local partners through the Better Care Fund.

The majority of funding which local authorities have to spend on social care is not ring-fenced and therefore local authorities have significant discretion as to how they allocate funds to meet the different needs of residents in their areas, including for social care.⁷

The value of funded social care provision across English local authorities was £20.4bn in 2016-17.⁸ However, cost pressures on local authorities since 2010 have reduced the amount of money spent on social care provision in real terms – in 2017-18 total expenditure was £700m below than in 2010-11.⁹ Despite these reductions, provision of care and support services remains the largest area of spend for local authorities – accounting for 43% of their spending, compared to 21% for children's services and 4% on housing services.¹⁰

Drivers of cost in a local area vary. The health of a local care market is strongly affected by the commissioning practices of local authorities, since they are bulk purchasers of services.¹¹ There are significant local and regional variations in the cost of provision.¹² And the balance of local authority funded service users versus self-funders also has important impacts on the market – given that self-funders often cross-subsidise local authority rates for care.

At present significant social care costs are borne by private payers across the system as a whole, and this burden on private payers is a key driver of calls for a system of risk pooling. For individuals, the costs of care can be significant. It is estimated that one in ten people will face 'catastrophic' costs of over £100,000, likely to be incurred if they need long term residential care.¹³ Self-funders are people whose income and/or savings are over the means tested threshold. It is impossible to perfectly disaggregate the value of these personal payments for care services, but the National Audit Office estimates there was a total spend of approximately £10.9bn in 2016-17.¹⁴

⁷ House of Commons Publications, *Adult social care funding (England)*, 2019.

⁸ National Audit Office, *Adult Social Care at a Glance*, 2018.

⁹ The Kings Fund, Social Care 360, <https://www.kingsfund.org.uk/publications/social-care-360/expenditure> accessed 13.05.19.

¹⁰ National Audit Office, *Adult Social Care at a Glance*, 2018.

¹¹ The Competition and Markets Authority found that in a quarter of care home Local Authorities fund 75% of the placements. Taken from Care Homes Market Study, Competition and Markets Authority, 2017.

¹² The hourly cost of externally provided home care is lowest in the north east (£14.07) and highest in the south west (£18.27), <https://www.kingsfund.org.uk/publications/social-care-360/expenditure>

¹³ Health and Social Care and Housing, Communities and Local Government Committees, *Long term funding of adult social care*, 2018.

¹⁴ *Ibid.*

In recent years provider failure has been a significant feature of the care market. In the six months to May 2018, 66% of councils reported that they had providers close or cease trading.¹⁵ The Association of Directors of Adult Social Services has warned that provider failure is likely to affect increasing numbers of people, not just those funded by local authorities.

In this report, we seek to illuminate in more detail how the current devolved funding arrangement works in practice and to consider the extent to which it is an effective way of matching funding to need for care at a local level. This is critical because where local authorities do not have sufficient funds to provide care for those who have needs, they are left with two unpalatable choices – to rely on their residents providing high levels of unpaid care and/or funding their own care; or to increase the squeeze on care providers with wider impacts for the sustainability of local provision.

While the debate on social care continues to focus on the questions of increasing the overall funding envelope for care, and ensuring that individuals do not face catastrophic care costs, it will also be important to consider how funding is delivered to the local level to support effective provision.

Our research

The International Longevity Centre UK (ILC) were commissioned by The Salvation Army to explore local level inequalities in adult social care.

Our research offers fresh insight into the balance the current system achieves between the need for social care support among the older population and the capacity to fund that support at the local authority level.

In the debate on social care, a key indicator used to demonstrate the current crisis in care has been the expenditure by local authorities on social care, which has fallen by 10% in real terms between 2009/10 and 2014/15.¹⁶ However, while these figures clearly suggest that the system has been under pressure, they do not tell the full story of what is going on at local level, because they do not tell us how this expenditure relates to need.

ILC's analysis has been constructed to allow an examination of the capacity to fund care, independent of the political decisions that are made in practice within local authorities about whether and how that care should be funded. The analysis also considers the levels of need that exist within that area, independent of consideration of the other resources – i.e. levels of home ownership or other financial assets – available to those individuals in need.

To address the question of how need and resource interact at the local level in more depth, the ILC developed a data set containing figures which demonstrate adult social care need in each local authority and the money that authorities have available to meet this need.

¹⁵ National Audit Office, *Adult Social Care at a Glance*, 2018.

¹⁶ IFS *Changes in councils' adult social care and overall service spending in England, 2009–10 to 2017–18*, 2018

By using data around the levels of funding *available* to local authorities to spend on social care, rather than the amounts being *used*, our dataset takes out of the equation the political judgements made within local authorities about the priority for social care, and instead places all authorities on a politically neutral plane.

Looking at England, the research focuses on Upper Tier Local Authorities (UTLAs) – the level of authority with responsibility for adult social care. The City of London and Isles of Scilly were excluded due to their unusual population and funding structures.

Understanding need

Older people call upon adult social care for support in leading independent lives, largely as a result of changes to their health. There is, however, no single dataset offering objective data on the need for social care at local authority level, so we therefore sought to identify a suitable proxy.

Data limitations precluded the use of data on healthy life expectancy for this piece. Instead we used local level data linked to limitation in activities of daily living (ADLs). Much of the need for social care is driven by the existence of limitations in ADLs, and the prevalence of ADL limitations is an established and respected proxy for adult social care need. Therefore, ILC used data on “disability-free prevalence” at the local level – a measure based on data from the census around limitations in ADLs.

This measure acts as a proxy for social care need among older members (defined as 65+) of the local population. It does not take into account whether those members of the older population have made any request for social care or whether or not they would be eligible for local authority funding should their needs be eligible for support.

Understanding resource

To understand what capacity local authorities have to meet the social care needs of the older population, we wanted to understand the financial resource available to local authorities to spend on social care services.

The three sources of funding available for local authorities to fund social care are Council Tax, business rates income and central government grants.¹⁷

ILC developed the measure of resource by creating an aggregate figure for funding available to spend on social care (including ring-fenced funding).

The grant system for funding local authorities is a patchwork of earmarked funds, needs assessments and large unrestricted grants. To ensure comparability between different periods we used data on the most significant source of grant funding: the Revenue Support Grant.

¹⁷ House of Commons Library Briefing Paper: *Local Government Finances 2018*

For business rate income we used data from the Local Authority Revenue Outturn dataset.

For Council Tax, income was calculated by using data from the Ministry of Housing, Communities and Local Government. However, for Council Tax some other considerations had to be made. The earliest data available is for the year 2011/12, and as such total Council Tax revenue had to be calculated by multiplying the Council Tax base by the area Band D Council Tax. This total revenue was already available in the 2013/14 dataset. Since we worked with 2010/11 figures for business rates, we have applied a deflationary factor on the 2011/12 figures; although Council Tax collection would have changed slightly over this year, adjusting the 2011/12 figures to reflect the 2010/11 value of the pound helps align our different components of local authority revenue in the same time frame at least. The figures used take into account those on Council Tax support (taken into account in the taxbase figure) as well as the adult social care precept.

For non-billing authorities (i.e. county councils) the figures available are for lower-level authorities, so we have also had to manipulate our data to derive UTLA Council Tax figures. This matters in areas where there are two-tier systems in which district councils collect Council Tax. A portion of Council Tax is then retained by the district council, with the majority going to county councils and portions going to fire and police services. London boroughs also transfer a small proportion of the Council Tax they collect to the Greater London Authority (GLA). The datasets indicate the average amount of Band D Council Tax that goes to these precepting authorities. Consequently, our Council Tax figures have been adjusted to reflect the amount of Council Tax revenue that is available for spending by each UTLA.

A similar process was used for business rates income; we used data which showed the amount of business tax income at the shire and district level redistributed to county councils. For both Council Tax and business rates, a similar consideration was put into place for the GLA.

We consider this figure to represent the spending power of local authorities to meet all social care needs, of which older adults are a significant and costly part.

Combining these figures into an aggregate does not represent what local authorities spend on adult social care but rather what they *could* spend on it. A significant proportion of this money is not ring-fenced, meaning that there will be several public services competing for this funding. Different areas will face different demands on their services and will face different costs of delivery – for example areas of high deprivation may face more significant demand for support services, and rural areas may face additional costs in delivering basic public services due to the sparsity of the population. In our analysis we see that some areas of high deprivation (for example Tower Hamlets) have relatively high spending power for meeting adult social care need, but it is important to recognise that local authorities in these areas will also face significant competing demands for public services among its population.

What does care cost?

Estimates from the Personal Social Services Research Unit (PSSRU) suggest that the annual cost for average care packages can range from around £3,000 to in excess of £30,000 – but these averages mask a very wide range of packages, some of which can be very costly. The cost of care for a person with dementia is estimated to be between £31,000 and £63,000 a year.²

¹ PSSRU *Services costs* 2017

² Alzheimer's Society *Dementia Tax* 2017 <https://www.alzheimers.org.uk/about-us/policy-and-influencing/what-we-think/dementia-tax> accessed 14.09.2019

Developing our measure

This report sets out analysis based on a new measure which describes local authority spending power for social care per older adult with social care need.

We have calculated each local authority's spending potential per person aged 65+ with a disability, in two time periods (2011 and 2014). We then calculated how much this would be worth in 2019 values, to enable easier comparison and understanding. This ratio offers insight into the funding levels available for local authorities to spend on each older person with need for adult social care.

By using a per head figure, it means that different local authorities can be more meaningfully compared. In reality there will be multiple claims on this funding, including the provision of care to younger adults with social care needs. However, the figure allows some degree of assessment to be made about the adequacy of financial resource to meet social care need.

For the sake of brevity, the measure will be referred to as **'spending power'** in the analysis below.

The timeframe

Our research focussed on spending power in two different time periods. By selecting two time points (2011 and 2014) either side of significant reforms to local government funding¹⁸ we are able to examine the impact of these changes on the overall funding envelope. Data limitations precluded the use of more up to date figures.

Since the Coalition Government entered office in 2010 there have been a series of reforms to the way local government is financed. The direction of travel of this reform has been to move away from grant funding and toward greater retention of business rates, with a view to move to 100% retention.¹⁹

¹⁸ For brevity, the two time points will be referred to as 2011 and 2014 but refer to the time periods 2010/12 and 2013/15

¹⁹ Local Government Association *Local Government funding* 2018



What we found

Lots of places have faced a squeeze

Between 2011 and 2014, 64 of the 150 UTLAs analysed saw their spending power decrease. For example, over this time period Rotherham Metropolitan Borough's spending power fell by 10.8% to £8,354 per head and the London Borough of Greenwich's fell by 22.6% to £15,209 per head. Likewise, Kirklees Council saw a fall of 13.8% to £9,085.05 per head and Leicestershire County Council saw a fall of 10.4% to £6,105.19 per head, demonstrating the wide spread of local authorities which faced this squeeze.

There is significant variation between different localities

However, the remaining 86 UTLAs saw their spending power increase, exacerbating significant inequalities in spending power that already existed.

Furthermore, there is a large gap between the top and bottom ranking UTLAs in terms of their spending power: in 2014 the spending power of UTLAs ranged from £31,368 in Lambeth Council to £5,762 in Dorset Council (in 2019 real-terms GBP).

Similarly, 98 UTLAs have spending power below the England-wide average (£23,670.50), showing the distorting effect some of the better-off UTLAs have on the national picture.

Authorities reliant on self-funders and unpaid care

While the figures for spending power we have calculated within this research cannot be equated to a true per capita allocation – because in reality these funds would be used across a range of services, and some older adults with care needs would be self-funders under the current system – it is interesting to note that in many cases the spending power figures for each local authority are significantly lower than the cost of an average care package.

27 UTLAs have spending power within the range of the annual cost of an average care package for adults with long term care conditions (£3,000 to £8,000 a year), suggesting that in reality these local authorities would struggle to fund care at around this average level to all those in need. This figure however, doesn't even cover the costs of residential and nursing care, with sees costs rise above £30,000 a year, let alone provide more complex and costly care, such as for those with dementia.

In practice, therefore, these authorities are reliant on significant levels of self-funding and/or the provision of significant amounts of unpaid care among their residents.

Drivers of variation

Having seen the wide variation across UTLAs in their spending power and its change over time, we looked at some of the features of place that could explain this variation. We were particularly interested in the rural/urban divide, regional variations, and the level of social deprivation, as these are key dynamics in governing the health profiles and taxbase of local authorities.

The starting point doesn't matter

Looking across England there was no clear pattern as to whether the changes to the mechanisms of funding for social care (including the social care precept and the Improved Better Care Fund) matched up against changes in need. There were wide fluctuations in changes in spending power, and also a range of changes in need profile – but little match between the two. Where local authorities started in terms of their spending power was not significantly related to where they ended up in 2014.

Some areas saw a significant increase in their spending power, matched against only small changes in need – for example, Sutton Council saw a small increase in the need for social care (0.7% points), but their spending power over the same period rose by 35%. At the same time however, Northumberland County Council (UA) saw only a 5% increase in its spending power while levels of need rose by 2.3% points.

No clear link with deprivation

Despite its significant impact on health, in our analysis we found little relationship between deprivation and UTLA spending power.

This may in part be a product of the wide-ranging geographies covered by many UTLAs – in particular the overall deprivation “scores” of county councils, which tend to cover large areas, may mask pockets of significant deprivation in some areas. Cumbria County Council for example, despite containing pockets of deprivation in areas of Carlisle, is relatively less deprived than other UTLAs, with only 2.5% of its LSOAs (Lower Layer Super Output Areas – a small geographic area used to report and analyse statistics) in the most 10% deprived nationally.

Another reason for this may be that some of the more deprived areas are inner cities – for example in London – where significant individual deprivation persists alongside thriving business communities and higher property values – creating the potential for these authorities to raise larger sums through council tax and business rates. For example, Tower Hamlets Council is considered among the most deprived English local authorities as 76.4% of its LSOAs are in the most 10% deprived nationally. However, Tower Hamlets is on the upper end of the scale of English local authorities in terms of its spending power (£28,078 per head).

It is also important to note that our measure of spending power does not take account of the extent to which those in need of social care in a given community may be capable of funding their own care, and therefore may not have recourse to local authority funding.

In richer areas there may be less drawdown on the UTLA's spending power through a greater self-funding of care costs and a subsequent reduction in UTLA spending requirements, while in deprived communities significantly greater spending may be required.

Geography isn't destiny

Despite its significance in many other areas of social policy, there does not appear to be a north/south divide in the spending power of UTLAs in England.

What is reflected in the scores is the London-centricity of the economy – which is likely the reason the UTLAs with the greatest spending power in 2014 are almost all found in London. However, beyond this we found little evidence of a strong regional dynamic at play.

There was also little consistency in the pattern of spending power according to whether UTLA's are urban or rural. For example, in the bottom 15 UTLAs for 2014, eight of the UTLAs are urban and seven are rural.

Place matters

However, while there are few clear patterns to be found along the more commonly recognised dividing lines, our analysis does suggest that place matters. While economically 'powerful' areas like London and central Manchester were found to have high spending power, the areas with lower spending power tend to share a number of common features.

Small towns and post-industrial communities tend to have lower spending power than other places. For instance, places like Solihull council and Dudley and Rotherham Metropolitan Borough Councils have a lower spending power than more established urban centres.

These are not deprived areas as such – indeed, taking the example of Greater Manchester, we see that Wigan Council, while significantly less deprived (6.5%) than Manchester City Council (50%), has significantly lower spending power in 2014 (£8,955 compared to £18,425). This suggests that there are factors at play in place which go beyond the conventional discussions of deprivation, such as the demography of an area and its capacity to raise money from its economy through mechanisms like business rates.

Type of local authority matters

Local authority type also appears to impact UTLAs' spending power, with county councils, by and large, having lower spending power than other types of local authorities. County councils made up the bottom 10% of UTLAs by spending power in both 2011 and 2014.

Implications for policy

Based on our analysis we conclude:

- There isn't just one crisis in social care, there are lots of crises, of different types and in different areas.
- Inequalities in the ability to meet need are systemic.
- Local leadership alone cannot overturn an uneven playing field.

Our findings clearly demonstrate that the current system of social care funding entrenches place-based inequalities. While social care is acknowledged to be in crisis across England, the nature and depth of this crisis and the options available to different authorities to respond to it vary widely.

This research has examined one aspect of this variation – the pool of funding upon which authorities can draw and how this relates to the levels of need among the older population. But other dynamics such as the wealth of the older population, and the state of the local care market are equally important, particularly under current funding structures.

As we seek to address both the immediate and the long-term challenges in social care it is vital that these local differences are taken into account, and that we devise a system that more fairly allocates funding to meet need at the local level.

At present inequalities are baked into the social care system. While there is a strong case for enabling flexibility in the social care system to respond to local need, we cannot build a new future for social care on such an unequal base.

For many years debate focussed on the widely differing capacities of authorities to draw in revenue from Council Tax, but as our analysis has shown, the (growing) importance of business rates to funding for adult social care also drives inequality. One of the reasons why the London boroughs have greater spending power than a lot of other areas is their ability to raise revenue through business rates. For smaller towns and more rural areas without significant economic centres, these revenue streams are significantly more limited.

At present, discussions surrounding a future social care green paper have largely focussed on how we can increase the overall funding envelope for care, and ensuring that individuals do not face catastrophic care costs. There has been little attention paid to how any new or improved funding for social care provision will be used to develop services in a fair and effective way at a local level.

As the Government develops policy for the future of social care it will be vital that the question of how social care will be delivered in local communities is factored into discussions. To achieve this we need to ensure that the question of how national resource is allocated to local areas is as much a part of the debate about the future of social care as the discussions around the appropriate sharing of risk between individuals and the state, and the need to increase overall funding for social care to meet rising demand.

A social care green paper that focusses only on the overall mechanism for funding social care at the national level cannot deliver a fair system for everyone.

The formulae through which any national funding for social care is distributed at the local level to support the development of services must be designed to build out the structural inequalities and lack of basic fairness revealed by our research.

While the design of the current system is intended to balance the desire for a standardised national system with the need for local flexibility to allow tailored, responsive services, and most envisage a continued role for local authorities in commissioning and funding care in future, it is clear that the current structures for funding care are not working effectively.

There is a strong case for enabling local authorities to continue in their leadership of social care even into a new system, given the expertise they have built up over the years in responding to local needs. But without action to address the inequalities that are built into the current system, some local authorities will remain, through no fault of their own, less able to meet the adult social care needs of their residents.

We need a system that achieves a closer match between resources available and local need. Building a fairer system requires national leadership.

National government needs to grasp this issue both in the short- and the long-term – taking further steps to alleviate place-based inequalities in the provision of social care within the current system, and ensuring that any new system that emerges from the long-awaited social care green paper ensures a more even distribution of funding in relation to need.



Tables - top and bottom UTLAs by spending power

This report shows the main ways that local authorities fund adult social care which is a mixture of money taken from business rates, council tax and money provided by central Government.

We used the most current data from bodies such as the Ministry of Housing, Communities and Local Government, the Revenue Support Grant and the Local Authority Revenue Outturn dataset to evaluate business rate income, grants, and council tax available to each local authority. We then worked out a per head figure based on the numbers of people aged 65+ with a disability so that we could then have a figure that equated to the spending power of local authorities to meet all social care needs, of which older adults are a significant and costly part. The spending power figure is based on the interplay of all these factors. It therefore does not follow that areas with lower populations just don't need to raise as much money.

This data offers an insight into the amount of funding that local authorities *could* spend on each older person with a need for adult social care. It does not represent the actual amount that is spent as in reality local authorities need to balance the demand for spending on adult social care with other demands.

Key:

Region		Local Authority	
EE	East of England	CC	County Council
EM	East Midlands	UA	Unitary Authority
L	London		
NE	North East		
NW	North West		
SE	South East		
SW	South West		
WM	West Midlands		
YH	Yorkshire and Humberside		

Table 1: Spending power in 2011

Rank	Local Authority	Region	Rural/Urban	SP 2011 (2019£)
1	Tower Hamlets	L	Urban	£36,572
2	Hackney	L	Urban	£32,637
3	Southwark	L	Urban	£29,386
4	Lambeth	L	Urban	£27,981
5	Islington	L	Urban	£27,046
6	Kensington & Chelsea	L	Urban	£26,926
7	Camden	L	Urban	£26,376
8	Newham	L	Urban	£25,960
9	Hammersmith & Fulham	L	Urban	£25,684
10	Westminster	L	Urban	£23,975
11	Haringey	L	Urban	£23,521
12	Lewisham	L	Urban	£21,959
13	Greenwich	L	Urban	£19,648
14	Manchester	NW	Urban	£18,451
15	Brent	L	Urban	£17,622
136	Lancashire CC	NW	Urban	£7,204
137	Norfolk CC	EE	Rural	£7,128
138	Nottinghamshire CC	EM	Urban	£6,981
139	West Sussex CC	SE	Urban	£6,974
140	Hampshire CC	SE	Urban	£6,862
141	Leicestershire CC	EM	Urban	£6,811
142	Devon CC	SW	Rural	£6,806
143	North Yorkshire CC	YH	Rural	£6,761
144	Derbyshire CC	EM	Urban	£6,705
145	Lincolnshire CC	EM	Rural	£6,638
146	East Sussex CC	SE	Urban	£6,580
147	Somerset CC	SW	Rural	£6,523
148	Worcestershire CC	WM	Urban	£6,507
149	Staffordshire CC	WM	Urban	£6,180
150	Dorset CC	SW	Rural	£5,870

Table 2: Spending power in 2014

Rank	Local Authority	Region	Rural/Urban	SP 2014 (2019£)
1	Lambeth	L	Urban	£31,638
2	Southwark	L	Urban	£29,891
3	Hackney	L	Urban	£28,885
4	Tower Hamlets	L	Urban	£28,078
5	Hammersmith & Fulham	L	Urban	£24,096
6	Islington	L	Urban	£23,037
7	Haringey	L	Urban	£22,832
8	Camden	L	Urban	£22,812
9	Lewisham	L	Urban	£21,907
10	Kensington & Chelsea	L	Urban	£20,682
11	Newham	L	Urban	£18,852
12	Manchester	NW	Urban	£18,425
13	Kingston upon Thames	L	Urban	£17,588
14	Brent	L	Urban	£17,301
15	Wandsworth	L	Urban	£17,133
136	West Sussex CC	SE	Urban	£7,079
137	Norfolk CC	EE	Rural	£7,048
138	Suffolk CC	EE	Rural	£7,036
139	Nottinghamshire CC	EM	Urban	£7,016
140	Hampshire CC	SE	Urban	£6,935
141	Devon CC	SW	Rural	£6,886
142	Lancashire CC	NW	Urban	£6,864
143	North Yorkshire CC	YH	Rural	£6,639
144	Lincolnshire CC	EM	Rural	£6,527
145	Staffordshire CC	WM	Urban	£6,505
146	East Sussex CC	SE	Urban	£6,448
147	Somerset CC	SW	Rural	£6,245
148	Derbyshire CC	EM	Urban	£6,194
149	Leicestershire CC	EM	Urban	£6,105
150	Dorset CC	SW	Rural	£5,762

Table 3: Change in spending power 2011-2014

Rank	Local Authority	Region	Rural/Urban	Change as % of 2011
1	Sutton	L	Urban	35.1%
2	Kingston upon Thames	L	Urban	21.9%
3	Sandwell	WM	Urban	15.6%
4	Stoke-on-Trent UA	WM	Urban	14.7%
5	Worcestershire CC	WM	Urban	13.3%
6	Lambeth	L	Urban	13.1%
7	Havering	L	Urban	13.0%
8	Cheshire West and Chester UA	NW	Urban	12.8%
9	Swindon UA	SW	Urban	11.8%
10	Wokingham UA	SE	Urban	11.4%
11	Leicester UA	EM	Urban	11.0%
12	Cumbria CC	NW	Rural	10.6%
13	Salford	NW	Urban	10.1%
14	North Tyneside	NE	Urban	10.0%
15	Doncaster	YH	Urban	9.5%
136	Rotherham	YH	Urban	-10.8%
137	West Berkshire UA	SE	Urban	-11.3%
138	Solihull	WM	Urban	-11.5%
139	Wiltshire UA	SW	Rural	-11.5%
140	Hackney	L	Urban	-11.5%
141	Hounslow	L	Urban	-12.3%
142	Camden	L	Urban	-13.5%
143	Slough UA	SE	Urban	-13.6%
144	Kirklees	YH	Urban	-13.8%
145	Islington	L	Urban	-14.8%
146	Greenwich	L	Urban	-22.6%
147	Kensington & Chelsea	L	Urban	-23.2%
148	Tower Hamlets	L	Urban	-23.2%
149	Newham	L	Urban	-27.4%
150	Westminster	L	Urban	-38.0%

Tables - all UTLAs

Local Authority	Region	Rurality	SP 2011 (2019£)	2011 Rank	SP 2014 (2019£)	2014 Rank	Change as % of 2011	Rank on Change
Barking & Dagenham	London	Urban	£15,358.49	21	£14,968.76	25	-2.5%	89
Barnet	London	Urban	£12,131.62	53	£11,496.08	57	-5.2%	111
Barnsley	Yorkshire & Humber	Urban	£8,801.99	116	£9,092.13	106	3.3%	37
Bath & North East Somerset	South West	Urban	£9,026.80	107	£9,393.89	97	4.1%	32
Bedford UA	East of England	Urban	£11,901.87	56	£10,689.65	66	-10.2%	132
Bexley	London	Urban	£9,698.82	87	£9,465.06	95	-2.4%	88
Birmingham	West Midlands	Urban	£14,303.00	29	£14,453.20	30	1.1%	58
Blackburn with Darwen UA	North West	Urban	£13,506.17	35	£14,730.10	27	9.1%	16
Blackpool UA	North West	Urban	£9,954.85	81	£9,785.80	87	-1.7%	80
Bolton	North West	Urban	£11,055.76	66	£11,226.54	60	1.5%	48
Bournemouth UA	South West	Urban	£9,107.56	103	£8,577.13	115	-5.8%	116
Bracknell Forest UA	South East	Urban	£13,460.90	36	£12,774.13	48	-5.1%	109
Bradford	Yorkshire & Humber	Urban	£13,420.35	38	£13,130.98	40	-2.2%	87
Brent	London	Urban	£17,622.09	15	£17,301.15	14	-1.8%	82
Brighton and Hove	South East	Urban	£14,039.49	30	£14,418.04	31	2.7%	41
Bristol	South West	Urban	£12,715.68	40	£13,178.65	38	3.6%	36
Bromley	London	Urban	£9,378.27	94	£9,326.01	99	-0.6%	69
Buckinghamshire CC	South East	Urban	£9,006.25	109	£8,827.55	112	-2.0%	85
Bury	North West	Urban	£10,263.03	78	£9,762.59	88	-4.9%	104
Calderdale	Yorkshire & Humber	Urban	£11,038.84	67	£11,848.07	53	7.3%	19
Cambridgeshire CC	East of England	Rural	£8,062.10	125	£7,483.88	127	-7.2%	121
Camden	London	Urban	£26,376.25	7	£22,812.25	8	-13.5%	142
Central Bedfordshire UA	East of England	Rural	£11,528.69	59	£10,395.92	72	-9.8%	131
Cheshire East UA	North West	Urban	£7,919.08	127	£7,286.22	133	-8.0%	125
Cheshire West and Chester UA	North West	Urban	£8,981.87	113	£10,127.31	79	12.8%	8

Local Authority	Region	Rurality	SP 2011 (2019£)	2011 Rank	SP 2014 (2019£)	2014 Rank	Change as % of 2011	Rank on Change
Cornwall UA	South West	Rural	£8,993.10	112	£9,132.85	105	1.6%	47
Coventry	West Midlands	Urban	£12,235.73	51	£11,611.00	56	-5.1%	110
Croydon	London	Urban	£13,766.93	33	£13,802.74	35	0.3%	64
Cumbria CC	North West	Rural	£7,546.87	130	£8,344.34	120	10.6%	12
Darlington UA	North East	Urban	£9,019.33	108	£9,356.73	98	3.7%	35
Derby UA	East Midlands	Urban	£10,419.71	75	£10,559.79	69	1.3%	54
Derbyshire CC	East Midlands	Urban	£6,704.85	144	£6,193.74	148	-7.6%	122
Devon CC	South West	Rural	£6,805.74	142	£6,885.57	141	1.2%	56
Doncaster	Yorkshire & Humber	Urban	£9,001.92	110	£9,856.19	83	9.5%	15
Dorset CC	South West	Rural	£5,869.72	150	£5,761.82	150	-1.8%	84
Dudley	West Midlands	Urban	£8,415.43	121	£8,196.50	123	-2.6%	90
Durham UA	North East	Rural	£8,914.51	114	£8,347.42	118	-6.4%	118
Ealing	London	Urban	£15,844.95	20	£15,312.85	20	-3.4%	94
East Riding of Yorkshire UA	Yorkshire & Humber	Rural	£7,940.25	126	£7,115.20	135	-10.4%	134
East Sussex CC	South East	Urban	£6,580.36	146	£6,448.26	146	-2.0%	86
Enfield	London	Urban	£13,836.07	32	£15,045.51	24	8.7%	17
Essex CC	East of England	Urban	£7,456.36	133	£7,389.77	130	-0.9%	71
Gateshead	North East	Urban	£10,530.14	74	£9,843.96	85	-6.5%	119
Gloucestershire CC	South West	Urban	£7,669.39	129	£7,387.53	131	-3.7%	96
Greenwich	London	Urban	£19,648.18	13	£15,209.35	21	-22.6%	146
Hackney	London	Urban	£32,636.81	2	£28,885.25	3	-11.5%	140
Halton UA	North West	Urban	£10,958.96	68	£10,599.25	68	-3.3%	93
Hammersmith & Fulham	London	Urban	£25,683.97	9	£24,096.29	5	-6.2%	117
Hampshire CC	South East	Urban	£6,862.18	140	£6,935.19	140	1.1%	57
Haringey	London	Urban	£23,521.30	11	£22,831.66	7	-2.9%	91
Harrow	London	Urban	£11,630.99	58	£11,147.73	61	-4.2%	97
Hartlepool UA	North East	Urban	£10,824.76	69	£10,281.71	75	-5.0%	107
Havering	London	Urban	£8,465.73	119	£9,566.07	94	13.0%	7

Local Authority	Region	Rurality	SP 2011 (2019£)	2011 Rank	SP 2014 (2019£)	2014 Rank	Change as % of 2011	Rank on Change
Herefordshire UA	West Midlands	Rural	£9,001.76	111	£9,407.37	96	4.5%	30
Hertfordshire CC	East of England	Urban	£9,351.01	97	£8,956.93	110	-4.2%	99
Hillingdon	London	Urban	£12,651.19	45	£13,151.69	39	4.0%	33
Hounslow	London	Urban	£14,859.95	23	£13,034.50	41	-12.3%	141
Isle of Wight UA	South East	Rural	£9,228.67	100	£9,135.81	104	-1.0%	72
Islington	London	Urban	£27,046.23	5	£23,036.70	6	-14.8%	145
Kensington & Chelsea	London	Urban	£26,925.98	6	£20,682.38	10	-23.2%	147
Kent CC	South East	Urban	£7,442.45	134	£7,128.97	134	-4.2%	98
Kingston upon Hull UA	Yorkshire & Humber	Urban	£12,257.69	50	£12,799.67	45	4.4%	31
Kingston upon Thames	London	Urban	£14,425.63	27	£17,588.48	13	21.9%	2
Kirklees	Yorkshire & Humber	Urban	£10,537.49	73	£9,085.05	107	-13.8%	144
Knowsley	North West	Urban	£13,003.34	39	£13,408.87	37	3.1%	39
Lambeth	London	Urban	£27,981.16	4	£31,638.45	1	13.1%	6
Lancashire CC	North West	Urban	£7,204.36	136	£6,864.20	142	-4.7%	102
Leeds	Yorkshire & Humber	Urban	£11,208.94	63	£11,270.37	59	0.5%	61
Leicester UA	East Midlands	Urban	£14,327.96	28	£15,903.38	19	11.0%	11
Leicestershire CC	East Midlands	Urban	£6,810.57	141	£6,105.19	149	-10.4%	133
Lewisham	London	Urban	£21,959.42	12	£21,906.85	9	-0.2%	68
Lincolnshire CC	East Midlands	Rural	£6,638.14	145	£6,527.30	144	-1.7%	79
Liverpool	North West	Urban	£13,429.55	37	£14,094.34	32	5.0%	28
Luton UA	East of England	Urban	£13,943.05	31	£12,648.02	49	-9.3%	130
Manchester	North West	Urban	£18,451.17	14	£18,424.83	12	-0.1%	66
Medway UA	South East	Urban	£11,250.28	61	£10,330.79	73	-8.2%	126
Merton	London	Urban	£14,933.03	22	£15,145.13	22	1.4%	51
Middlesbrough UA	North East	Urban	£12,656.97	44	£12,775.09	47	0.9%	59
Milton Keynes UA	South East	Urban	£14,761.70	25	£13,510.27	36	-8.5%	129

Local Authority	Region	Rurality	SP 2011 (2019£)	2011 Rank	SP 2014 (2019£)	2014 Rank	Change as % of 2011	Rank on Change
Newcastle upon Tyne	North East	Urban	£13,710.13	34	£14,023.84	33	2.3%	43
Newham	London	Urban	£25,960.00	8	£18,852.38	11	-27.4%	149
Norfolk CC	East of England	Rural	£7,127.77	137	£7,048.26	137	-1.1%	74
North East Lincolnshire UA	Yorkshire & Humber	Urban	£10,068.07	79	£10,613.98	67	5.4%	25
North Lincolnshire UA	Yorkshire & Humber	Urban	£9,160.11	102	£9,141.24	103	-0.2%	67
North Somerset UA	South West	Urban	£7,872.49	128	£7,427.53	128	-5.7%	114
North Tyneside	North East	Urban	£9,905.83	83	£10,898.85	64	10.0%	14
North Yorkshire CC	Yorkshire & Humber	Rural	£6,760.52	143	£6,638.84	143	-1.8%	81
Northamptonshire CC	East Midlands	Urban	£8,404.00	122	£8,106.23	124	-3.5%	95
Northumberland UA	North East	Rural	£9,719.74	86	£10,166.21	78	4.6%	29
Nottingham UA	East Midlands	Urban	£14,554.99	26	£14,664.81	28	0.8%	60
Nottinghamshire CC	East Midlands	Urban	£6,980.70	138	£7,015.66	139	0.5%	62
Oldham	North West	Urban	£12,701.62	41	£12,055.87	52	-5.1%	108
Oxfordshire CC	South East	Rural	£9,369.90	95	£8,640.82	114	-7.8%	124
Peterborough UA	East of England	Urban	£12,072.48	54	£11,138.98	62	-7.7%	123
Plymouth UA	South West	Urban	£10,001.04	80	£9,846.30	84	-1.5%	76
Poole UA	South West	Urban	£7,465.82	132	£7,411.28	129	-0.7%	70
Portsmouth UA	South East	Urban	£12,260.68	49	£12,132.11	50	-1.0%	73
Reading UA	South East	Urban	£16,271.46	19	£17,096.19	16	5.1%	27
Redbridge	London	Urban	£12,314.21	47	£11,654.10	54	-5.4%	112
Redcar & Cleveland UA	North East	Urban	£9,574.91	91	£9,704.02	90	1.3%	53
Richmond upon Thames	London	Urban	£14,800.49	24	£15,050.20	23	1.7%	46
Rochdale	North West	Urban	£11,968.34	55	£12,873.59	43	7.6%	18
Rotherham	Yorkshire & Humber	Urban	£9,352.07	96	£8,344.76	119	-10.8%	136
Rutland UA	East Midlands	Rural	£9,596.97	90	£9,077.87	108	-5.4%	113
Salford	North West	Urban	£12,664.45	43	£13,941.57	34	10.1%	13

Local Authority	Region	Rurality	SP 2011 (2019£)	2011 Rank	SP 2014 (2019£)	2014 Rank	Change as % of 2011	Rank on Change
Sandwell	West Midlands	Urban	£11,065.29	65	£12,790.88	46	15.6%	3
Sefton	North West	Urban	£8,814.42	115	£8,227.70	122	-6.7%	120
Sheffield	Yorkshire & Humber	Urban	£11,125.83	64	£9,936.85	81	-10.7%	135
Shropshire UA	West Midlands	Rural	£8,376.36	123	£8,494.90	116	1.4%	52
Slough UA	South East	Urban	£16,766.03	17	£14,480.66	29	-13.6%	143
Solihull	West Midlands	Urban	£8,543.34	118	£7,564.02	126	-11.5%	138
Somerset CC	South West	Rural	£6,523.37	147	£6,244.99	147	-4.3%	100
South Gloucestershire UA	South West	Urban	£9,523.86	93	£9,237.95	100	-3.0%	92
South Tyneside	North East	Urban	£10,559.42	71	£10,550.28	70	-0.1%	65
Southampton UA	South East	Urban	£12,689.29	42	£12,843.43	44	1.2%	55
Southend-on-Sea UA	East of England	Urban	£9,308.87	98	£9,673.90	91	3.9%	34
Southwark	London	Urban	£29,386.45	3	£29,890.67	2	1.7%	45
St Helens	North West	Urban	£9,278.01	99	£9,818.11	86	5.8%	23
Staffordshire CC	West Midlands	Urban	£6,180.15	149	£6,504.94	145	5.3%	26
Stockport	North West	Urban	£9,692.56	88	£9,936.22	82	2.5%	42
Stockton-on-Tees UA	North East	Urban	£10,398.51	76	£10,251.64	76	-1.4%	75
Stoke-on-Trent UA	West Midlands	Urban	£9,874.77	84	£11,328.68	58	14.7%	4
Suffolk CC	East of England	Rural	£7,402.60	135	£7,036.09	138	-5.0%	106
Sunderland	North East	Urban	£9,906.42	82	£10,222.34	77	3.2%	38
Surrey CC	South East	Urban	£9,171.71	101	£9,755.44	89	6.4%	21
Sutton	London	Urban	£12,175.12	52	£16,448.60	17	35.1%	1
Swindon UA	South West	Urban	£10,396.94	77	£11,624.36	55	11.8%	9
Tameside	North West	Urban	£10,564.20	70	£9,950.41	80	-5.8%	115
Telford & Wrekin UA	West Midlands	Urban	£11,235.04	62	£10,297.83	74	-8.3%	127
Thurrock UA	East of England	Urban	£12,280.32	48	£12,085.14	51	-1.6%	77
Torbay UA	South West	Urban	£8,424.83	120	£9,030.81	109	7.2%	20

Local Authority	Region	Rurality	SP 2011 (2019£)	2011 Rank	SP 2014 (2019£)	2014 Rank	Change as % of 2011	Rank on Change
Tower Hamlets	London	Urban	£36,572.06	1	£28,078.38	4	-23.2%	148
Trafford	North West	Urban	£9,617.99	89	£9,144.77	101	-4.9%	105
Wakefield	Yorkshire & Humber	Urban	£8,694.66	117	£8,275.09	121	-4.8%	103
Walsall	West Midlands	Urban	£10,543.57	72	£10,697.17	65	1.5%	50
Waltham Forest	London	Urban	£16,668.43	18	£15,927.97	18	-4.4%	101
Wandsworth	London	Urban	£16,788.05	16	£17,132.63	15	2.1%	44
Warrington UA	North West	Urban	£9,082.07	106	£9,645.63	92	6.2%	22
Warwickshire CC	West Midlands	Urban	£7,497.16	131	£7,699.67	125	2.7%	40
West Berkshire UA	South East	Urban	£12,346.76	46	£10,946.26	63	-11.3%	137
West Sussex CC	South East	Urban	£6,974.37	139	£7,079.36	136	1.5%	49
Westminster	London	Urban	£23,974.67	10	£14,862.95	26	-38.0%	150
Wigan	North West	Urban	£9,101.36	105	£8,935.23	111	-1.8%	83
Wiltshire UA	South West	Rural	£9,564.92	92	£8,466.52	117	-11.5%	139
Windsor & Maidenhead UA	South East	Urban	£9,101.70	104	£9,143.68	102	0.5%	63
Wirral	North West	Urban	£9,751.30	85	£9,591.75	93	-1.6%	78
Wokingham UA	South East	Urban	£11,664.42	57	£12,993.05	42	11.4%	10
Wolverhampton	West Midlands	Urban	£11,383.45	60	£10,430.23	71	-8.4%	128
Worcestershire CC	West Midlands	Urban	£6,506.60	148	£7,370.76	132	13.3%	5
York UA	Yorkshire & Humber	Urban	£8,265.21	124	£8,723.65	113	5.5%	24



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