



Rt. Hon. Philip Hammond MP
Chancellor of the Exchequer,
HM Treasury
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Dear Chancellor,

We are writing to you to provide evidence of the overwhelming pressures facing adult social care services in London. Urgent action is needed if we are to avoid a social care crisis in the capital, and we urge commitment to this area as part of the Autumn Statement next week.

Our analysis suggests there will be a cumulative funding shortfall in adult social care across London of **at least £800 million by the end of this Parliament**. Without assistance from Government, this vital part of the health and care system will find it increasingly difficult to operate effectively to meet demands.

We are already seeing the fallout of funding restrictions. You will be aware of fragility in the care market, which is related to the worsening financial outlook. Although most boroughs have increased the rates they pay to providers by **around 5 per cent**, the feedback they are receiving is that this is still not enough to ensure sustainable services for vulnerable people.

While there are national issues influencing the attractiveness of the care market, London experiences some unique challenges which must be factored into the Government's considerations.

The big and growing gap between demand and supply of homes, level of rents and the impact of Local Housing Allowance have a very real and direct impact on London's ability to attract people into the adult social care workforce.

Furthermore, London's land and property values affect the ability of care providers to attract investment and grow capacity at levels which are affordable to councils in terms of fees. The higher costs in London also place additional pressure on the provision of supported living and 'move on' accommodation available in the sector.

In the last six months all boroughs we surveyed said either a home care provider, residential or nursing home had closed in their area. These closures have affected over 1000 vulnerable people London-wide, and demonstrate a pattern that is set to continue. Delayed transfers of care, increasing numbers of A&E visits and understaffing of key services will also be a consequence unless action is taken.

In addition, London is experiencing almost double the rate of population growth compared to the rest of the country. By 2040 we will have a population of more than **11 million**: more people than in Scotland, Wales and Northern Ireland combined.

Inevitably this will result in further strain on adult social care services as the numbers of older people and those with complex needs sees a corresponding rise.

Since 2010, London boroughs have done their utmost to make efficiency savings to their adult social care budgets, **to date saving £450 million in real terms**. Yet, despite their best efforts, they face spiralling costs. For some, adult social care amounts to **43 per cent of their total spend**.

Our recent survey, mentioned above, threw up some startling results. Of the responses we received, 16 boroughs said growing pressures had resulted in the demands on their social care service outstripping budgets. **This averaged out to £3.2 million per borough**.

Having had constructive discussions with Department of Health officials and supplied the necessary evidence – which I have also attached to this letter – we would welcome the opportunity to discuss these urgent issues with the Treasury in greater detail and make a case for increasing government support for London's health and care system.

To help ease immediate pressures we are also calling for the Better Care Fund investment planned for 2018/19 to be brought forward to 2017/18. This will enable borough and NHS services to promote greater integration and address areas of growing concern locally – such as increasing capacity in community services to reduce the pressure on hospitals.

Yours sincerely,



Cllr Raymond Puddifoot MBE, London Councils Executive member for adult social care.



Cathy Kerr, Chair of the London Association of Directors of Adult Social Services (London ADASS) and Director of Adult Social Services for the London Boroughs of Richmond and Wandsworth.



Ian O'Donnell, President of the Society of London Treasurers and Executive Director of Corporate Resources, London Borough of Ealing.