

28 February 2023

Ms Helen Whatley MP
Minister of State (Minister for Social Care)
Department of Health and Social Care
39 Victoria St,
London SW1H 0E



Sent by email

Dear Minister,

Fair Cost of Care exercise reveals funding shortfall of billions of pounds – but it is still the tip of the iceberg.

A Care Provider Alliance analysis of [Fair Cost of Care Reports](#) published by councils in England, reveals that in 2021/22, the government paid at least £2.88 billion less than the actual cost of delivering care to people in their own homes, and in care homes for those aged over 65.

The government's commitment of [£162m Fair Cost of Care funding](#) per year for the next two years is nowhere near enough to bridge the chasm identified by your own exercise.

But the real deficit in funding for social care is even higher.

The Fair Cost of Care exercises were based on out-of-date and incomplete figures which do not reflect the full range of care services, or future needs and pressures.

As you will know, the exercises informing Fair Cost of Care reference values were based on data from two years ago. These figures do not reflect subsequent increases in the minimum wage and skyrocketing rates of inflation and energy costs. Nor do the figures account for the urgent need for improved pay, terms and conditions of employment for care workers.

Fair Cost of Care also explicitly excluded many social care services for people with learning disabilities, autism, or mental health problems.

In mental health, it is estimated that more than [two million people are unable to access specialist care and support services](#).

In learning disability and autism services, [a recent survey](#) showed that 71 per cent of providers have handed back a contract, declined to deliver a service, or considered doing so in the last 12 months. 83 per cent are subsidising services that should be paid for in full by the state.

Some of the existing funding shortfall has been covered by providers through a combination of relying on reserves, charitable income or higher self-funder fees subsidising councils. Where such approaches have not been possible, providers have reluctantly had to decline new care packages. This situation is simply unsustainable.

Many public bodies have implemented below-inflation fee rate uplifts over many years. This has led directly to low pay and insecurity of income for care workers and thus to record vacancy rates and

severe workforce shortages. It has also risked reduction in quality and sustainability of care provision.

Individuals, families and communities suffer when access to care and health services is diminished. Long waiting times for assessment, support and care in the community, emergency care, and elective hospital treatment, are adversely affecting our nation's health, wellbeing and economic recovery.

Not only do we need adequate investment in social care to repair decades of damage to this vital public service, but we must move beyond crisis management to a future of sustainable improvement and innovation.

The CPA has worked closely with our care providers to ensure that the government's market analysis was carried out to evidence the "true cost" of providing care and support to some of our most vulnerable citizens. It was deeply disappointing, but not surprising, that the care market is showing an untenable operating position, which impacts on people that draw on services across our country, their relatives and carers.

We call on this government to acknowledge the findings and invest in social care to support the development of an expert-led workforce strategy and 10-year plan, aligned with the NHS workforce plan so that we do not let any individual down when they need social care.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nadra Ahmed', with a horizontal line underneath.

Nadra Ahmed
Chair, Care Provider Alliance
E: Nadra.Ahmed@nationalcareassociation.org.uk

Cc Michelle Dyson, Director General, Adult Social Care, Department of Health and Social Care

Status: We believe this letter is in the public interest and as a consequence it will be released as a public document on the Care Provider Alliance website www.careprovideralliance.org.uk.

Care Provider Alliance

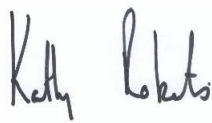
The Care Provider Alliance (CPA) was formed 10 years ago at the request of DHSC and brings together 11 national trade bodies representing circa 19,000 independent and voluntary adult social care providers in England.

There are no other organisations in the sector comparable in size or reach to the CPA, we represent over 75 per cent of all social care delivery, and our members provide care and support to 1.3 million people through residential, domiciliary and community-based services, whether commissioned by local authorities, the NHS or privately purchased.

CPA Member Associations



Ewan King
Chief Executive
Officer



Kathy Roberts,
Chief Executive
Officer



Michael Voges,
Chief Executive Officer



Prof. Martin Green,
Chief Executive Officer



Setting Standards for
Retirement Communities




Prof. Vic Rayner,
Chief Executive
Officer



Dr. Jane Townson,
Chief Executive Officer



Dr. Rhidian Hughes, Chief
Executive Officer



Nadra Ahmed,
Executive Chairman



Homecare
Association



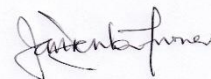
Voluntary Organisations Disability Group




Clive Parry, England
Director



Melaine Weatherley,
Chair



Ian Turner,
Executive Chair

