



NEWS RELEASE

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County Council leaders draw attention to serious challenges in adults' social care

Leaders of West Sussex County Council are raising serious concerns with government over growing pressures in the adult social care sector, in particular the challenges faced by care providers.

In an open letter to the Minister of State for Care Stephen Kinnock MP, Cllr Paul Marshall, Leader of the County Council and Cllr Amanda Jupp, Cabinet Member for Adults Services, highlight how the lack of sustainable funding is 'making it increasingly difficult for the sector to set budgets or plan and deliver effective services.'

It says: "the adult social care sector is facing serious challenges in relation to ever increasing demand, rising costs and workforce challenges, all of which are contributing to unquantifiable impacts, not only on social care providers but also on the public."

Referencing the increasing need and complexity of needs for adult social care, it warns that 'without funding to cover these increases, it is impossible to see that the availability and quality of care will not suffer.'

A recent Association of Directors of Adult Social Services survey found that 81% of upper tier councils are forecasting an overspend on their adult social care budgets in 2024/25.

In West Sussex, the county council is proposing to increase the adult social care budget by £28.4m to £292m in 2025/26 (£524.8m gross).

Whilst there has been some additional funding from Government, which has been welcomed by the sector, this doesn't meet what's required, especially in terms of covering recent increases for the National Living Wage (NLW) and employers National Insurance Contributions (NICs).

This has transferred additional financial burden to local authorities and social care providers, with national increases estimated at up to £1.8bn, for which only £0.88bn of additional resources have been committed.

The Care Providers Alliance has referred to the 'devastation' these Government announcements will bring, and the 'enormous concern, distress and despair' being felt 'across the sector already reeling from years of underfunding and increases in both demand and acuity'.

The county council is due to approve its budget for 2025/26 in a Full Council Meeting on Friday 14 February. Despite being able to present a proposed balance budget for the year ahead, the county council has warned that without increased funding for the sector it expects to carry significant ongoing challenges into the future years, which are largely due to adults' social care pressures.

The letter is shared below in full.

Dear Minister,

We are writing to you to draw your attention to the growing pressures that are being experienced across the adult social care sector, in particular the challenges being faced by adult social care providers.

It is recognised by all political parties that the adult social care sector is facing serious challenges in relation to ever increasing demand, rising costs and workforce challenges, all of which are contributing to unquantifiable impacts, not only on social care providers but also on the public. These challenges are being compounded by the lack of a sustainable financial settlement which is making it increasingly difficult for the sector to set budgets or plan and deliver effective services whilst delivering statutory responsibilities under the Care Act 2014.

A recent Association of Directors of Adult Social Services survey found that 81% of upper tier councils are forecasting an overspend on their adult social care budgets in 2024/25, typically 3%. In addition, a recent County Councils Network (CCN) report revealed that per-person spend on adult social care in county areas has increased by 50%, going from £237 per person in 2013/14 to £357 per person in 2023/24. The number of requests for services is at an all-time high, with circa 955,000 requests for services in counties last year. In 2023/24 West Sussex completed 98,558 requests for support. Underpinning this has been a persistent workforce challenge, with an estimated 65,000 vacancies in the sector within county areas.

Over the past few years, there have been some injections of vital additional funding, which have been welcomed by the sector. However, while this funding has helped stabilise services to some extent, it has been short-term, fragmented and come at a time of increasing demand and high-inflation – limiting the ability of councils to budget effectively, expand services or invest in services in the long-term.

The sector's ability to manage this already fragile situation has now been significantly impacted by the Government's decisions taken in the Budget to increase the National Living Wage (NLW) and employers National Insurance Contributions (NICs), which has transferred a significant financial burden to both local authorities and social care providers. Nationally, these increases have been estimated at up to £1.8bn, for which only £0.88bn of additional resources have been committed.

The Care Providers Alliance has referred to the 'devastation' these announcements will bring, and the 'enormous concern, distress and despair' being felt 'across the sector already reeling from years of underfunding and increases in both demand and acuity'. Without funding to cover these increases, it is impossible to see that the availability and quality of care will not suffer.

In West Sussex although the impact will vary between providers, the consensus is the impact will equate to between 8% and 9.5%. The County Council, in preparing its budget for 2025/26, is only able to fund an average 5.3% increase in funding for local providers. For the last 3 years this Council has supported the local market with average fee level increases of 8%, 9% and 8% respectively, matching inflation and national living wage increases. The Council intends to fund the inflationary and national living wage increase for the 2025/26 financial year, but simply does not have the resources, nor has it been provided with additional funding, to cover increases in national insurance contributions for all providers. Without further additional funding, it is not clear how these costs can be met. Placing the-burden of these costs on to providers carries significant risk to our local providers, our residents, and the County Council. We have always worked closely and in partnership with our local providers but our position within the wider care market in West Sussex, where we only purchase circa 35% of the market, the balance being mostly self-funders, may mean providers are not prepared to accept a lower increase. In a worst-case scenario this could result in some local providers having to close their businesses, handing care packages back to the Council, prioritising work with private funders only, or further raising prices anyway during the year whenever a new package of care is put in place. All these scenarios

would result in significant impacts on our local residents, local workforce, local owners of long established and respected businesses, with increased cost pressures and budget overspends for the County Council.

This decision will have an impact on the wider West Sussex economy. With over 500 care providers operating in West Sussex, the sector is a major employer in the county.

As the new Commission for Adult Social Care is established and the work on reform develops, we would be grateful if the Government could work to ensure that the adult social care sector is able to continue to provide services to the most vulnerable in our county and make the case for providing adult social care providers with the support they need to ensure they are not forced to close by the NI and NLW changes. We would be happy to meet to discuss these issues with you in greater detail if that would be helpful.

We are copying this letter to West Sussex MPs and to West Sussex Partners in Care (WSPiC) who represent our local care providers.

We look forward to receiving your response.

Yours sincerely,

Cllr Paul Marshall
Leader
West Sussex County Council

Cllr Amanda Jupp
Cabinet Member for Adults Services
West Sussex County Council

ENDS

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