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Briefing Note:

Additional Adult Social Care Funding 2017/18 to 2019/20

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1. Introduction

- 1.1. The Chancellor of the Exchequer presented his Spring Budget on 8 March 2017. The Budget included an additional £2.0bn of funding for Adult Social Care, to be made available to local authorities over the period 2017/18 to 2019/20.
- 1.2. On 9 March 2017, the Department for Communities and Local Government provided details regarding how the funding would be allocated and individual local authority allocations. The publication from DCLG can be found by [clicking here](#).
- 1.3. This briefing note explains the methodology for allocating the resources and includes individual authority allocations over the three year period.
- 1.4. It is important to note that this funding represents additional funding and it would appear no compensating reductions have been made to other funding streams.

2. Funding allocations

Funding amounts – national & local

2.1. There is an additional £2.021bn of funding for Adult Social Care (ASC) over the period 2017/18 to 2019/20. The funding is split as follows:

2017/18 £1.010bn

2018/19 £0.674bn

2019/20 £0.337bn

2.2. Reference was made by the Chancellor that this additional funding is intended to bridge the gap until higher levels of funding from the Improved Better Care Fund amounts are allocated in 2018/19 and 2019/20. This is shown in the table below, which shows the additional funding from Budget 2017/18 and the previously announced Improved Better Care Fund amounts.

Table 1 – Additional ASC funding and Improved Better Care Funding allocations

	2017-18	2018-19	2019-20
	£m	£m	£m
Spring 2017 ASC funding	1,010	674	337
Improved Better Care Fund	105	825	1,500
Total	1,115	1,499	1,837

2.3. Appendix A shows the individual authority allocations of the additional funding for the period 2017/18 to 2019/20.

Methodology to allocate the additional resources

2.4. Whilst local government as a whole will welcome the additional funding (although the sector has and will continue to argue that it is still insufficient), the method of allocation between authorities, as always, will be contentious.

2.5. The methodology for allocating the additional resources is based on a combination of the:

- **Adult Social Care Relative Needs Formulae (10%)** that was used to distribute the one-off 2017/18 Adult Social Care Grant (worth £241m); and
- **The Improved Better Care Fund (90%) methodology**, as explained below.

2.6. The methodology used for allocating the Improved Better Care Fund is itself based on the Adult Social Care Relative Needs Formula, but with a significant adjustment to take into account the ability of each authority to raise resources through the Adult Social Care

Precept. Figures 1 below shows the various stages used in allocating the original Improved Better Care Fund amounts.

Figure 1 – Methodology for allocating the Improved Better Care Fund

Stage 1 - It is assumed that all local authorities use the full ASC precept flexibility in all years as was calculated in December 2015 and published with the Local Government Finance Settlement 2016-17, which was 2% in all years.
Stage 2 - The sum of the England total of this calculation of potential ASC precept and the England total of additional funding (iBCF funding and supplementary iBCF funding) is considered for the distribution of the improved Better Care Fund. The sum of these two elements (social care precept and total iBCF funding) is notionally distributed across local authorities so that the combined amount follows the adult social care RNF.
Stage 3 - The first stage of calculating the iBCF allocation is the amount by which this RNF share of total available resources exceeds a local authority's potential receipts from the ASC precept.
Stage 4 - A minority of local authorities are already able to raise an amount of ASC precept exceeding their hypothetical RNF allocation of the total funding available for adult social care calculated in (ii). This would lead to a negative figure in (iii). These local authorities receive no share of the iBCF distribution of the additional funding.
Stage 5 - To reflect this change in the total resources available, the figures calculated in (iii) are scaled down for the remainder of the local authorities.

- 2.7. The methodology for allocating the new £2.021bn of funding, by taking into account local tax raising powers and RNF, benefits higher need / lower taxbase authorities; with those authorities with relatively lower need and higher taxbase authorities receiving lower amounts (than would have been the case had the RNF share been used alone).
- 2.8. The impact of using this methodology is perhaps best reflected in the government's decision to allocate 10% of the additional funding using the RNF formulae alone i.e.
- “Recognising that all local authorities face pressure on the provision of adult social care, in each year 10% of the total supplementary funding is allocated by the Relative Needs Formula used for the 2017-18 Adult Social Care Support Grant”.*
- 2.9. The allocation of the 10% on RNF alone therefore ensures all authorities receive some additional funding.

Comparison of methodologies used to allocate additional funding

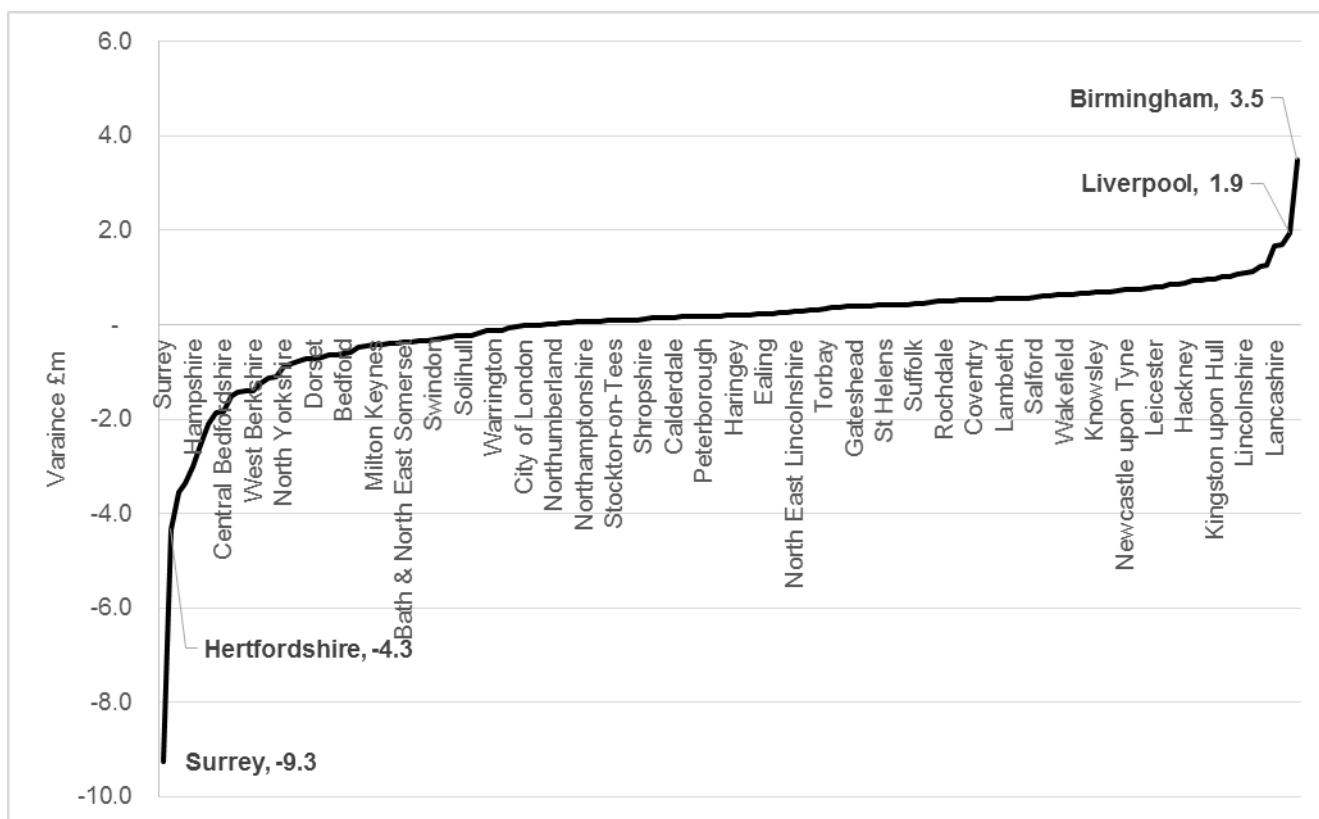
2.10. As previously noted, the additional £241m for the one-off 2017/18 Adult Social Care Grant was allocated using Adult Social Care RNF only (and did not take into account the Social Care Precept). Thus meaning the government have allocated additional resources for Adult Social Care at the settlement (£241m) and at the Spring Budget (£2,021m) using two different approaches. With the Spring Budget methodology different again to the existing Improved Better Care Fund methodology (i.e. with the subjective 10% allocation based on RNF formulae only). Table 2 below summarises these three different approaches

Table 2 – Allocation methodology comparison

Funding Stream	Amount / Years allocated	Methodology
Improved Better Care Fund	£2.430bn – 2017/18 to 2019/20	ASC RNF, adjusted to take into account the amount that can be raised locally via the ASC precept
2017/18 Adult Social Care Funding	£0.241bn in 2017/18 only	ASC RNF
Spring Budget 2017 additional Adult Social Care Funding	£2.021bn - 2017/18 to 2019/20	90% - ASC RNF, adjusted to take into account the amount that can be raised locally via the ASC precept 10% - ASC RNF

2.11. Figure 2 below compares the actual allocations of the Spring Budget additional funding against the amounts, had the funding been allocated via Adult Social Care RNF alone (i.e. used for the additional £241m); showing the variance between the two amounts (only selected authority are shown on the x axis due size). The figures for all authorities are shown in Appendix B.

Figure 2 – Variance between the actual 2017/18 allocations and if the Adult Social Care RNF methodology was used



- 2.12. The chart shows for 2017/18 allocation of £1.010bn, the authorities that gained the most (in cash terms) from the approach used by DCLG (i.e. 90% Improved better Care Fund and 10% RNF) are Birmingham +£3.5m and Liverpool +£1.9m. Whereas, Surrey -£9.3m and Hertfordshire -£4.3m are the worst off in cash terms.
- 2.13. Given the timing of the announcement, unlike the previous allocations, there is no period of consultation that would provide an opportunity for authorities to respond regarding the methodology chosen.
- 2.14. A key assumption in allocating resources in this way (i.e. taking into account tax raising powers locally) is of course that authorities will increase their Social Care Precept by the assumed amount. Another factor to consider is that, if the methodology is using the potential amount that 2% represents based on actual council tax levels, it is providing higher resource levels to authorities with local council tax levels.

Appendix A – Individual Authority Allocations

Local Authority	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
England	1,010.000	674.000	337.000	2,021.000
Barking and Dagenham	4.385	2.616	1.293	8.294
Barnet	5.373	4.093	2.039	11.505
Barnsley	5.755	3.540	1.752	11.047
Bath & North East Somerset	2.698	2.064	1.028	5.790
Bedford	1.993	1.750	0.874	4.617
Bexley	3.640	2.628	1.309	7.576
Birmingham	27.064	16.060	7.932	51.056
Blackburn with Darwen	3.589	2.186	1.081	6.857
Blackpool	4.348	2.591	1.280	8.219
Bolton	6.406	3.971	1.966	12.343
Bournemouth	3.798	2.511	1.247	7.556
Bracknell Forest	0.929	1.016	0.509	2.454
Bradford	10.480	6.556	3.248	20.283
Brent	6.103	3.831	1.898	11.832
Brighton & Hove	5.093	3.483	1.733	10.310
Bristol	8.712	5.761	2.863	17.336
Bromley	4.184	3.363	1.677	9.224
Buckinghamshire	3.489	3.658	2.346	9.493
Bury	3.577	2.324	1.154	7.055
Calderdale	4.035	2.620	1.300	7.955
Cambridgeshire	8.339	6.568	3.274	18.181
Camden	5.815	3.667	1.817	11.299
Central Bedfordshire	1.810	1.956	1.216	4.983
Cheshire East	4.693	4.092	2.042	10.828
Cheshire West & Chester	5.761	4.155	2.069	11.985
City of London	0.179	0.138	0.069	0.385
Cornwall	12.068	7.940	3.943	23.951
Coventry	7.070	4.426	2.193	13.688
Croydon	5.510	3.967	1.975	11.453
Cumbria	11.111	7.141	3.542	21.794
Darlington	2.192	1.426	0.708	4.325
Derby	5.265	3.280	1.624	10.169
Derbyshire	16.273	10.340	5.126	31.740
Devon	15.152	10.148	5.045	30.344
Doncaster	7.046	4.316	2.136	13.498

Local Authority	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m
Dorset	7.432	5.479	2.728	15.638
Dudley	7.218	4.461	2.209	13.888
Durham	13.112	8.068	3.993	25.173
Ealing	6.201	4.032	2.002	12.235
East Riding of Yorkshire	6.084	4.102	2.040	12.226
East Sussex	11.027	7.343	3.649	22.019
Enfield	5.694	3.695	1.834	11.223
Essex	24.726	16.787	8.349	49.862
Gateshead	5.163	3.233	1.602	9.998
Gloucestershire	10.598	7.176	3.569	21.342
Greenwich	6.347	3.810	1.883	12.040
Hackney	6.791	4.028	1.990	12.808
Halton	2.974	1.827	0.904	5.706
Hammersmith and Fulham	4.297	2.626	1.299	8.222
Hampshire	17.010	13.437	6.698	37.145
Haringey	5.034	3.265	1.621	9.920
Harrow	3.628	2.743	1.367	7.738
Hartlepool	2.314	1.432	0.709	4.454
Havering	3.761	2.844	1.417	8.022
Herefordshire	3.573	2.496	1.242	7.311
Hertfordshire	13.071	11.656	5.819	30.547
Hillingdon	4.054	2.947	1.468	8.469
Hounslow	4.264	2.837	1.410	8.511
Isle of Wight Council	3.254	2.175	1.081	6.511
Isles of Scilly	0.043	0.036	0.018	0.097
Islington	6.070	3.680	1.820	11.570
Kensington and Chelsea	3.750	2.464	1.224	7.438
Kent	26.091	17.494	8.697	52.282
Kingston upon Hull	7.093	4.169	2.058	13.321
Kingston upon Thames	1.178	1.278	0.805	3.261
Kirklees	8.259	5.298	2.628	16.184
Knowsley	4.792	2.805	1.384	8.981
Lambeth	6.901	4.305	2.133	13.339
Lancashire	24.886	15.735	7.799	48.421
Leeds	14.702	9.430	4.678	28.810
Leicester	7.420	4.503	2.227	14.149
Leicestershire	9.526	6.837	3.404	19.766
Lewisham	6.385	3.911	1.935	12.231
Lincolnshire	15.266	9.609	4.761	29.635
Liverpool	14.392	8.483	4.189	27.063
Luton	3.507	2.245	1.113	6.865

Local Authority	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Manchester	12.917	7.644	3.775	24.336
Medway	3.962	2.826	1.407	8.195
Merton	2.746	2.115	1.054	5.914
Middlesbrough	3.579	2.169	1.073	6.821
Milton Keynes	3.408	2.568	1.280	7.256
Newcastle upon Tyne	7.051	4.294	2.124	13.469
Newham	7.109	4.209	2.079	13.397
Norfolk	18.561	11.901	5.903	36.366
North East Lincolnshire	3.558	2.226	1.102	6.886
North Lincolnshire	3.373	2.167	1.075	6.615
North Somerset	3.760	2.618	1.303	7.681
North Tyneside	4.579	2.936	1.456	8.972
North Yorkshire	9.308	6.860	3.416	19.584
Northamptonshire	11.494	7.709	3.833	23.036
Northumberland	6.422	4.318	2.147	12.887
Nottingham	7.223	4.430	2.192	13.845
Nottinghamshire	15.257	10.026	4.979	30.262
Oldham	5.095	3.201	1.586	9.882
Oxfordshire	6.276	6.444	3.222	15.942
Peterborough	3.523	2.260	1.121	6.904
Plymouth	5.800	3.663	1.815	11.278
Poole	2.338	1.803	0.898	5.039
Portsmouth	3.997	2.538	1.258	7.793
Reading	1.635	1.602	0.801	4.038
Redbridge	4.882	3.175	1.576	9.633
Redcar and Cleveland	3.223	2.052	1.018	6.293
Richmond upon Thames	0.686	0.425	0.093	1.203
Rochdale	5.168	3.169	1.568	9.905
Rotherham	6.227	3.844	1.903	11.974
Rutland	0.203	0.168	0.077	0.448
Salford	6.119	3.765	1.864	11.749
Sandwell	9.045	5.304	2.618	16.968
Sefton	6.946	4.352	2.156	13.454
Sheffield	12.520	7.731	3.827	24.078
Shropshire	5.977	3.959	1.967	11.903
Slough	2.173	1.462	0.727	4.362
Solihull	3.429	2.465	1.227	7.121
Somerset	11.047	7.111	3.528	21.686
South Gloucestershire	2.799	2.632	1.315	6.746
South Tyneside	4.349	2.621	1.296	8.265
Southampton	4.982	3.162	1.568	9.711

Local Authority	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m
Southend-on-Sea	3.645	2.346	1.164	7.156
Southwark	7.471	4.497	2.223	14.191
St Helens	4.480	2.752	1.362	8.595
Staffordshire	15.559	10.080	5.003	30.642
Stockport	5.111	3.636	1.809	10.556
Stockton-on-Tees	3.641	2.401	1.193	7.235
Stoke-on-Trent	6.341	3.814	1.885	12.041
Suffolk	14.174	9.274	4.605	28.053
Sunderland	7.534	4.494	2.220	14.248
Surrey	7.543	7.895	5.607	21.045
Sutton	2.405	2.079	1.038	5.522
Swindon	2.914	2.177	1.084	6.175
Tameside	5.365	3.299	1.633	10.296
Telford and the Wrekin	3.519	2.209	1.095	6.822
Thurrock	2.821	1.859	0.923	5.603
Torbay	3.816	2.367	1.172	7.354
Tower Hamlets	7.017	4.196	2.074	13.287
Trafford	4.073	2.688	1.335	8.096
Wakefield	7.579	4.709	2.332	14.620
Walsall	6.502	4.084	2.024	12.609
Waltham Forest	4.791	3.097	1.537	9.425
Wandsworth	6.481	3.731	1.839	12.051
Warrington	3.338	2.334	1.162	6.833
Warwickshire	8.301	6.320	3.149	17.769
West Berkshire	0.704	0.584	0.282	1.570
West Sussex	11.358	9.328	4.652	25.339
Westminster	6.647	3.807	1.876	12.330
Wigan	7.323	4.547	2.252	14.122
Wiltshire	5.810	5.140	2.566	13.516
Windsor and Maidenhead	1.370	1.341	0.670	3.381
Wirral	8.307	5.143	2.546	15.997
Wokingham	0.169	0.113	0.056	0.338
Wolverhampton	6.402	3.934	1.947	12.283
Worcestershire	10.071	6.765	3.364	20.200
York	2.847	2.072	1.032	5.951

Appendix B – Allocation Methodology Comparison

Local Authority	2017/18 allocations - actual	2017/18 allocation using ASC RNF only	Variance
	£m	£m	£m
England	1,010.000	1,010.000	0.000
Barking and Dagenham	4.385	3.842	0.543
Barnet	5.373	6.092	(0.719)
Barnsley	5.755	5.212	0.544
Bath & North East Somerset	2.698	3.071	(0.373)
Bedford	1.993	2.613	(0.620)
Bexley	3.640	3.907	(0.267)
Birmingham	27.064	23.568	3.496
Blackburn with Darwen	3.589	3.217	0.373
Blackpool	4.348	3.803	0.545
Bolton	6.406	5.850	0.556
Bournemouth	3.798	3.720	0.078
Bracknell Forest	0.929	1.523	(0.594)
Bradford	10.480	9.667	0.812
Brent	6.103	5.652	0.451
Brighton & Hove	5.093	5.171	(0.077)
Bristol	8.712	8.536	0.176
Bromley	4.184	5.010	(0.826)
Buckinghamshire	3.489	7.033	(3.544)
Bury	3.577	3.437	0.140
Calderdale	4.035	3.874	0.161
Cambridgeshire	8.339	9.780	(1.441)
Camden	5.815	5.411	0.404
Central Bedfordshire	1.810	3.644	(1.834)
Cheshire East	4.693	6.105	(1.412)
Cheshire West & Chester	5.761	6.175	(0.413)
City of London	0.179	0.205	(0.027)
Cornwall	12.068	11.755	0.313
Coventry	7.070	6.527	0.542
Croydon	5.510	5.897	(0.387)
Cumbria	11.111	10.551	0.559
Darlington	2.192	2.109	0.083
Derby	5.265	4.834	0.432
Derbyshire	16.273	15.265	1.008
Devon	15.152	15.047	0.105
Doncaster	7.046	6.354	0.692
Dorset	7.432	8.144	(0.712)
Dudley	7.218	6.572	0.646

Local Authority	2017/18 allocations - actual	2017/18 allocation using ASC RNF only	Variance
	£m	£m	£m
Durham	13.112	11.877	1.235
Ealing	6.201	5.966	0.236
East Riding of Yorkshire	6.084	6.085	(0.001)
East Sussex	11.027	10.881	0.146
Enfield	5.694	5.465	0.229
Essex	24.726	24.911	(0.186)
Gateshead	5.163	4.769	0.394
Gloucestershire	10.598	10.647	(0.049)
Greenwich	6.347	5.598	0.749
Hackney	6.791	5.913	0.879
Halton	2.974	2.690	0.285
Hammersmith and Fulham	4.297	3.865	0.432
Hampshire	17.010	20.009	(2.998)
Haringey	5.034	4.832	0.202
Harrow	3.628	4.081	(0.454)
Hartlepool	2.314	2.109	0.205
Havering	3.761	4.232	(0.471)
Herefordshire	3.573	3.706	(0.133)
Hertfordshire	13.071	17.399	(4.328)
Hillingdon	4.054	4.381	(0.327)
Hounslow	4.264	4.206	0.058
Isle of Wight Council	3.254	3.225	0.029
Isles of Scilly	0.043	0.053	(0.010)
Islington	6.070	5.411	0.659
Kensington and Chelsea	3.750	3.648	0.102
Kent	26.091	25.942	0.149
Kingston upon Hull	7.093	6.114	0.979
Kingston upon Thames	1.178	2.412	(1.234)
Kirklees	8.259	7.827	0.432
Knowsley	4.792	4.112	0.680
Lambeth	6.901	6.350	0.551
Lancashire	24.886	23.222	1.664
Leeds	14.702	13.933	0.770
Leicester	7.420	6.623	0.797
Leicestershire	9.526	10.160	(0.634)
Lewisham	6.385	5.757	0.628
Lincolnshire	15.266	14.173	1.092
Liverpool	14.392	12.444	1.947
Luton	3.507	3.317	0.190
Manchester	12.917	11.220	1.697
Medway	3.962	4.199	(0.237)

Local Authority	2017/18 allocations - actual	2017/18 allocation using ASC RNF only	Variance
	£m	£m	£m
Merton	2.746	3.147	(0.402)
Middlesbrough	3.579	3.190	0.389
Milton Keynes	3.408	3.821	(0.414)
Newcastle upon Tyne	7.051	6.316	0.735
Newham	7.109	6.180	0.929
Norfolk	18.561	17.585	0.976
North East Lincolnshire	3.558	3.281	0.277
North Lincolnshire	3.373	3.202	0.171
North Somerset	3.760	3.888	(0.128)
North Tyneside	4.579	4.339	0.240
North Yorkshire	9.308	10.199	(0.891)
Northamptonshire	11.494	11.434	0.059
Northumberland	6.422	6.403	0.019
Nottingham	7.223	6.523	0.700
Nottinghamshire	15.257	14.843	0.414
Oldham	5.095	4.723	0.371
Oxfordshire	6.276	9.644	(3.367)
Peterborough	3.523	3.340	0.183
Plymouth	5.800	5.404	0.396
Poole	2.338	2.683	(0.345)
Portsmouth	3.997	3.747	0.250
Reading	1.635	2.397	(0.762)
Redbridge	4.882	4.696	0.186
Redcar and Cleveland	3.223	3.031	0.192
Richmond upon Thames	0.686	2.781	(2.095)
Rochdale	5.168	4.664	0.503
Rotherham	6.227	5.661	0.566
Rutland	0.203	0.571	(0.368)
Salford	6.119	5.545	0.574
Sandwell	9.045	7.777	1.268
Sefton	6.946	6.417	0.529
Sheffield	12.520	11.385	1.136
Shropshire	5.977	5.866	0.111
Slough	2.173	2.169	0.004
Solihull	3.429	3.663	(0.234)
Somerset	11.047	10.511	0.537
South Gloucestershire	2.799	3.935	(1.136)
South Tyneside	4.349	3.852	0.498
Southampton	4.982	4.669	0.313
Southend-on-Sea	3.645	3.468	0.178
Southwark	7.471	6.610	0.861

Local Authority	2017/18 allocations - actual	2017/18 allocation using ASC RNF only	Variance
	£m	£m	£m
St Helens	4.480	4.052	0.428
Staffordshire	15.559	14.906	0.653
Stockport	5.111	5.400	(0.289)
Stockton-on-Tees	3.641	3.557	0.084
Stoke-on-Trent	6.341	5.605	0.736
Suffolk	14.174	13.725	0.449
Sunderland	7.534	6.598	0.937
Surrey	7.543	16.811	(9.268)
Sutton	2.405	3.103	(0.698)
Swindon	2.914	3.237	(0.323)
Tameside	5.365	4.857	0.508
Telford and the Wrekin	3.519	3.258	0.260
Thurrock	2.821	2.753	0.068
Torbay	3.816	3.487	0.329
Tower Hamlets	7.017	6.165	0.852
Trafford	4.073	3.980	0.093
Wakefield	7.579	6.939	0.640
Walsall	6.502	6.026	0.476
Waltham Forest	4.791	4.582	0.209
Wandsworth	6.481	5.460	1.021
Warrington	3.338	3.467	(0.129)
Warwickshire	8.301	9.404	(1.103)
West Berkshire	0.704	2.108	(1.403)
West Sussex	11.358	13.902	(2.544)
Westminster	6.647	5.568	1.078
Wigan	7.323	6.701	0.623
Wiltshire	5.810	7.672	(1.862)
Windsor and Maidenhead	1.370	2.005	(0.635)
Wirral	8.307	7.577	0.730
Wokingham	0.169	1.690	(1.521)
Wolverhampton	6.402	5.793	0.609
Worcestershire	10.071	10.035	0.035
York	2.847	3.080	(0.233)