1. Despite everything that is being done to prioritise Adult Social Care – the cash invested in Adult Social Care will reduce by a further 1.9% in 2014-15 (equivalent to £266m). This is the third year of continuing cash reductions and the fifth year of real terms reductions in spending. Since 2010 spending on Social Care has fallen by 12% at a time when the population of those looking for support has increased by 14% requiring savings of 26% to be made, totaling £3.53bn over last 4 years.

2. This further cash reduction in 2014-15 is likely to lead to fewer people receiving support – following a pattern highlighted in the National Audit Office report on Social Care which has already seen an 18% reduction in the people receiving support from 1.57m (10/11) to 1.33m (12/13).

3. Even with all the budget reduction pressures Councils face, they have continued to prioritise Social Care and secure increasing value through:
   - protecting investment in prevention – with the cash sum largely the same in 2014-15 compared to 2013-14 – at £923m – although still only 6.8% of the net budget;
   - funding 83% of demographic change of £391m; and
   - seeking further efficiency savings of £679m – a 4.9% saving.
   - Use of NHS Transfer to protect front line services that benefit both health and Adult Social Care (49% allocated to protect services in 2014/15 compared to 32% in 2013/14)

4. Despite this priority, the impact of the 26 % real terms reduction in central government funding to 2014-15 – will result in further service reductions of £138m in Social Care - at a time of increasing hope through the Care Act for those we support and those who care for them.

5. The future cash reductions that Local Authorities will experience – the 10% further reduction in Central Government funding in 2015-16 - will further dent this hope – resource reality outweighing the policy promise of the new legislation. Social Care accounts for an increasing proportion of LA spending – now 35% of LA spending in 2014-15 compared to 30% in 2010-11 (excluding ring fenced Education).

6. So Councils are increasingly concerned about the future as result of this planned reduction in funding. For 2015-16, even with the Better Care Fund - (although not new money across health and social care)- for the first time - significantly more Directors agree than disagree that:
   - Fewer people will be able to access support; Councils will face increasing legal challenge;
   - Providers will face financial difficulty with increasing risks of provider failure or worse;
   - The NHS will come under increasing rather than reducing pressure.

7. Councils welcome the commitment to fully fund the implications of the Care Act. Without this commitment – the above adverse impacts can only worsen putting an intolerable strain on those we support, their carers, providers and the NHS. An immediate concern is the cumulative impact of 5 years of spending reductions on the organisational capacity of social care. The £23m for 2014-15 is much appreciated but more is needed to make the most of the potential that the Care Act and Integration has to offer. More resources are also needed to increase investment in prevention. £3.53bn of savings over the last four years has left no scope for such investment.