



The Settlement

A newsletter from the campaign for a National Care Service

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FROM THE CO-CHAIR

Policy Paper One is published

At the LGA's annual conference this week, Baroness Casey announced a national public "Big Conversation" on adult social care. Responding for councils, Cllr Dr Wendy Taylor MBE, chair of the LGA's Health and Wellbeing Committee, said local government is "essential to making adult social care reform work and stick" and called for "a new partnership between national government, local government and citizens."

The financial risk of growing old and needing care is a national risk, and it should be managed nationally ... through a national funding settlement that gives individuals certainty, providers stability, and local authorities the resources to do the job they are asked to do.

Melanie Weatherley MBE, Co-Chair, Care Association Alliance

Today we add to that conversation. The Care Association Alliance has published **Adult Social Care Funding Reform** — the first paper in our programme *Building a National Care Service: A Programme for Reform*. It sets out a detailed, costed proposal for a national funding settlement for adult social care in England.

Please read it, share it with your members, and use it. Here is what it says.



Melanie Weatherley MBE

*Co-Chair, Care Association Alliance
and
Chair of Lincolnshire Care Association*



Adult Social Care Funding Reform · Policy Paper One · July 2026

Prefer to read it online? Explore the interactive storyboard — the same case, with the charts and figures laid out to scroll through — on our Reports page.

[Read the paper](#) [Explore the storyboard](#)

This edition's figure

3.6%

of older people now receive local authority-funded long-term care, despite more than **two million** requests for support a year. The share of over-65s receiving long-term care has fallen from 6.0% in 2015/16 to 5.2% in 2024/25 — because eligibility thresholds have tightened, not because need has fallen.

Source:

Care Association Alliance, *Adult Social Care Funding Reform* (Policy Paper One, July 2026), Executive Summary.

[Read the paper.](#)

THE CORE PROPOSAL

What the paper proposes

A national funding settlement built on three principles: **national pooling of financial risk**; a **statutory entitlement triggered by assessed need**; and **local delivery within a national framework**.

The settlement has five components: a ring-fenced national care grant distributed to local authorities on a needs-adjusted formula; a reformed means test with a substantially raised capital threshold and a lifetime cap on individual contributions; a national tariff covering both residential and domiciliary care; a bundled funding model for residential care with portable assessed packages; and a reformed Deferred Payment Agreement framework so that no one is required to sell their home to fund residential care.

Supporting it, an independent National Care Assessment Body would assess need and set the tariff evidence base, with local authorities repositioned as delivery leaders rather than the sole bearers of a national demographic risk.

FROM THE PAPER

The case in three charts

Figure 1 – Local Authority Social Care Spending vs Projected Demand (2013–2033)

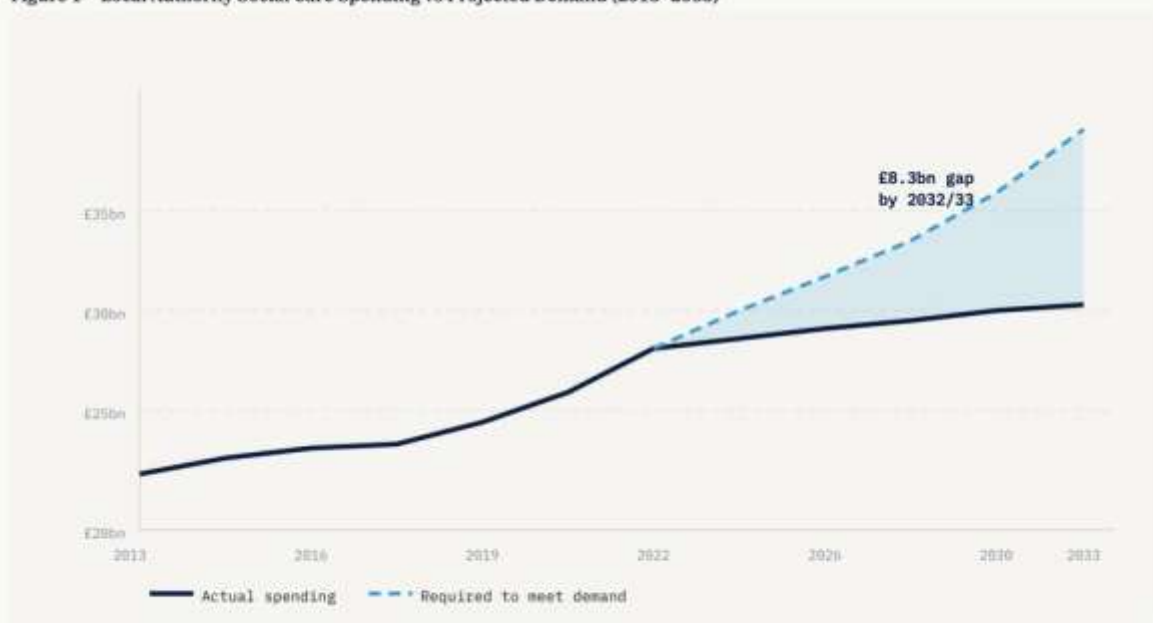
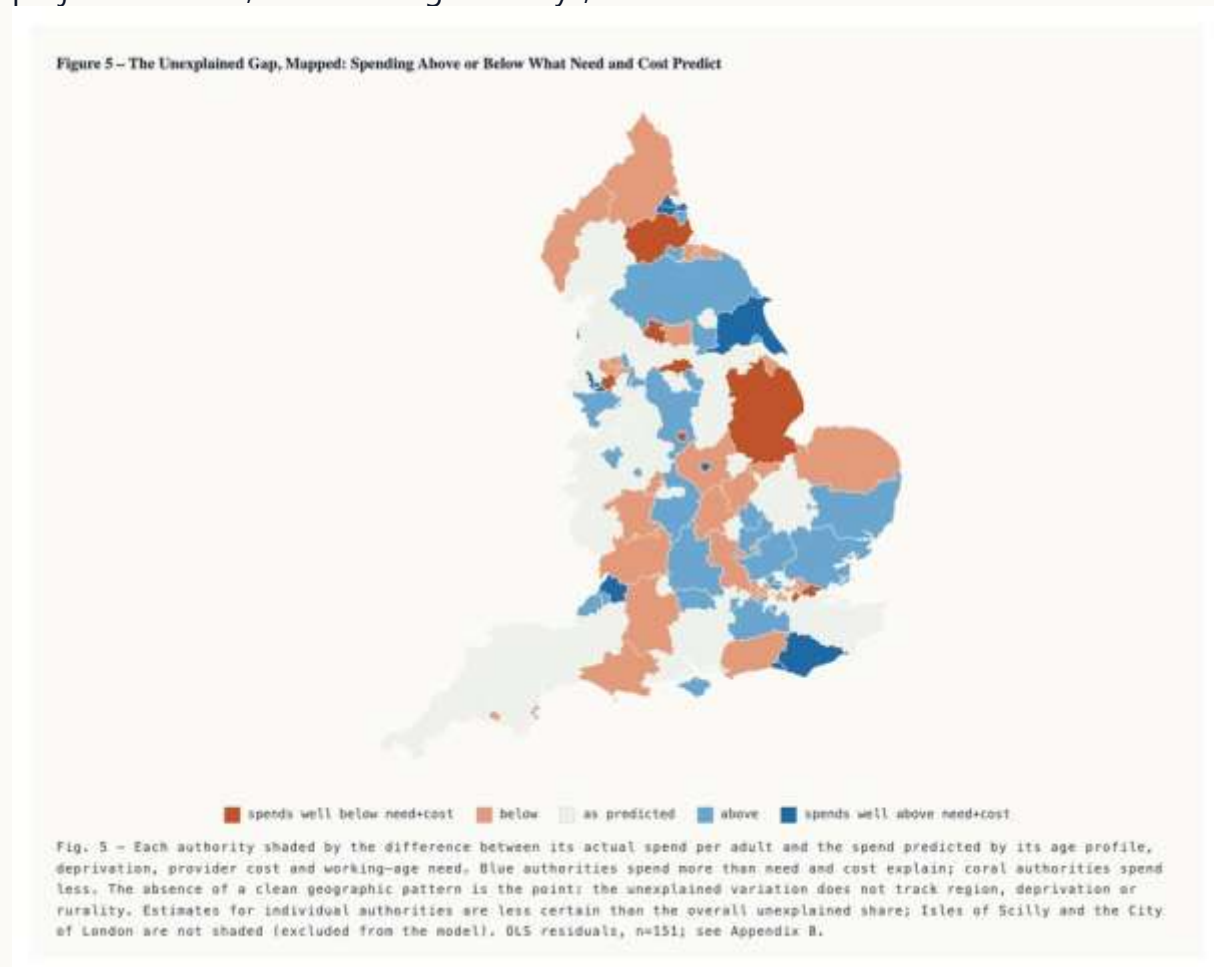


Fig. 1 - Illustrative projection based on OBR long-run projections (2024), ADASS Budget surveys 2013-2024, and Health Foundation modelling (2023). Gap estimate: Health Foundation, Social Care Funding Gap, 2023.

Local authority spending against projected demand, 2013–2033. On the current trajectory the gap reaches £8.3bn by 2032/33 (Figure 1). Sources: OBR long-run

projections 2024; ADASS budget surveys; Health Foundation.



The unexplained gap. Shading each authority by the difference between its actual spend per adult and what its age profile, deprivation and provider cost would predict — coral authorities spend less than the model expects, blue authorities spend more, with no clear regional pattern.

Source: Bridgehead Communications regression analysis (OLS, n=151); full data in our LA Care Spending Index.

Figure 6 – Home Care: Council Average vs Minimum Sustainable Rate



Home care: the average council-commissioned rate of £24.10/hr sits £8.04 below the Homecare Association's £32.14 minimum sustainable rate (Figure 6). Sources: Homecare Association 2025/26; ADASS Budget Survey 2024.

THE RECOMMENDATIONS

Ten steps to a sustainable system

- 01

Establish a national funding settlement

A ring-fenced, needs-adjusted national care grant, allocated to local authorities on a multi-year basis, so social care no longer competes with every other council function.

- 02

Introduce a national eligibility and entitlement framework

A statutory minimum entitlement to care, applied consistently regardless of geography, ending the postcode lottery in access to publicly funded support.

- 03

Implement a national tariff for care services

A minimum fee rate set at the independently assessed cost of sustainable provision. Home care's current £24.10 average hourly rate falls around £8 below that level.

- 04

Reform individual contributions and financial protection

A lifetime cap on personal care costs, a capital threshold raised from its 2010/11 level, and a Deferred Payment Agreement scheme made genuinely accessible.

- 05

Adopt a bundled funding model for residential care

A single residential tariff covering accommodation, personal care and clinical care, ending the artificial NHS-funded / LA-funded boundary in care homes.

- 06

Ensure funding follows the individual

Portable care packages and personal budgets that move with the person, enabling genuine choice and reducing administrative burden when people move between areas.

- 07

Create a National Care Assessment and Oversight Framework

An independent body to assess individual need, set the evidence base for tariff rates, monitor outcomes and maintain the integrity of the national framework.

- 08

Reposition local authorities as delivery leaders

Councils retain commissioning and quality oversight but are relieved of the role of sole financial risk-bearer for a nationally determined demographic challenge.

- 09

Strengthen integration with health services

Align care funding pathways with NHS discharge planning, reducing the £1.89 billion annual cost of delayed hospital discharge attributable to social care capacity.

- 10

Stabilise and diversify the provider market

Multi-year fee certainty, transparent market oversight, and reformed CQC data publication to support investor confidence and workforce planning.

Three things to do now

- **Read Policy Paper One**

The full, costed case is set out in the paper. Read it in full before your next conversation about funding.

[Read the paper](#)

- **Share it with your members**

Forward this edition and the paper to the registered managers, owners and directors in your association. The case is strongest when it is carried by the people who deliver care.

- **Use it with your MP and the Casey Commission**

The paper is written to inform the Casey Commission. Use its recommendations when you meet your MP or submit evidence to the review.

Care Association Alliance

The Settlement — produced by Bridgehead Communications for the Care Association Alliance.

Sources

1. Care Association Alliance, *Adult Social Care Funding Reform* (Policy Paper One, July 2026). Lead author William Walter; senior policy adviser Damian Green; senior author and head of research Tom Zundel; foreword by Melanie Weatherley MBE. Prepared by Bridgehead Communications. [Read the paper.](#)
2. Every figure in this edition is drawn from the paper's Executive Summary and Ten Recommendations, which cite the OBR, ONS, ADASS and the Homecare Association.
3. Local Government Association, "[Baroness Casey announces public Big Conversation on adult social care: LGA response](#)" (8 July 2026). Photograph: LGA, Baroness Casey addressing the LGA annual conference 2026.