

House of Commons Committee of Public Accounts

Care Act first-phase reforms and local government new burdens

Tenth Report of Session 2015–16



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Report, together with formal minutes relating to the report

Ordered by the House of Commons to be printed 26 November 2015

The Committee of Public Accounts

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Publication

Committee reports are published on the Committee's website at www.parliament.uk/pac and by The Stationery Office by Order of the House.

Evidence relating to this report is published on the $\underline{inquiry\ page}$ of the Committee's website.

Committee staff

The current staff of the Committee are Stephen McGinness (Clerk), Claire Cozens (Committee Specialist), James McQuade and George James (Senior Committee Assistants), Sue Alexander (Committee Assistant) and Tim Bowden (Media Officer).

Contacts

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Summary

The Department of Health has taken a collaborative approach to the first phase of the Care Act, working with local authorities to plan its implementation. However, we are concerned that carers and the people they care for may not get the services they need because of continuing reductions to local authority budgets and demand for care being so uncertain. We are also concerned about the government's ability to identify individual local authorities that are struggling and to respond quickly enough. The decision to delay implementation of Phase 2 of the Care Act means that people will have to pay more for their care for longer before the cap on care costs is finally implemented. Given the tough financial context, we were pleased to hear, though, that government will not claw back the £146m of funding it provided to councils in 2015–16 to prepare for Phase 2.

The Department for Communities and Local Government has not been sufficiently open and transparent in identifying and assessing new burdens on local authorities (like the Care Act) or reviewing their impact. This creates significant uncertainty for local authorities. The Department's definition of a new burden means that local authorities are not guaranteed funding for some significant new costs, even where these arise from government policy. These unfunded pressures on local authorities will make it more difficult for them to meet their statutory duties and will increase pressure on council tax.

We urge the Department for Communities and Local Government to ensure that departments review significant new burdens following implementation, as the Department of Health has undertaken to do for the Care Act. It also needs to ensure that Spending Reviews and annual finance settlements for local government take full account of the many cost pressures local authorities face, whether or not they meet the government's definition of a new burden. The Care Act is one new area of work for local authorities which will add significant costs locally. Government must recognise this and ensure funding is monitored as it beds in so that carers and the people they care for do not lose out.

Introduction

Between 2010–11 and 2015–16 central government reduced funding to local authorities by around 37% in real terms. Local authorities have tried to protect spending on key areas, like adult social care, but given this scale of cuts have been less able to do so over time. Placing unfunded new requirements on local authorities puts pressure on them either to increase locally raised income or reduce spending on existing activities. The New Burdens Doctrine is the Government's commitment to assess and fund extra costs for local authorities from introducing new powers, duties and other government-initiated changes. The Department for Communities and Local Government oversees and coordinates how the Government applies the Doctrine.

Through the Care Act, the Government aims to reduce reliance on formal care, promote independence and well-being and give people more control over their own care and support. The Department of Health is responsible for achieving these objectives. The Government has calculated that new responsibilities under the Care Act will cost local authorities £470 million in 2015-16 to carry out and the NAO has estimated that the Care Act Phase 1 will cost £2.5 billion to implement from 2013–14 and 2019–20.

Conclusions and recommendations

As local authorities implement new burdens placed on them by government, such as the Care Act, there is a risk that people will not get the support they need, and existing services will be adversely affected before government detects and responds to problems. The Department of Health has worked closely with the sector in conducting their new burden assessment of the cost of implementing the Care Act. However, difficulties in predicting levels of demand and wide variations in cost estimates suggest that some local authorities will be able to cope better than others. The Department of Health continues to monitor the Care Act quarterly and has identified a range of options to assist local authorities that struggle, such as sector-led improvement. If funding proves to be inadequate the Department of Health would have to find additional resources from within its budget or wait for the next spending review. We are concerned about the amount of time it would take for the Department to detect struggling local authorities and initiate its response. Local authorities may be unable to meet fully their statutory duties and the consequences may include 'cost-shunting' to the individuals in need of care, to their carers and to other public services. The Department of Health has committed to undertake a review of the Care Act before April 2016, with support from the Department for Communities and Local Government. We welcome this, but are concerned though that more generally departments do not routinely review the adequacy of their new burden assessments when the changes to which they relate have taken effect.

Recommendation: The Department of Health should set out in the next three months how it will build on its quarterly monitoring of the implementation of the Care Act and be ready to respond quickly and effectively to emerging problems.

Recommendation: The Department of Health's planned review of the Care Act should examine whether local authorities are meeting their statutory duties and assess additional cost pressures, including on other public services and on carers themselves.

Recommendation: The Department for Communities and Local Government should ensure departments undertake post-implementation reviews of all significant new burdens to ensure funding is appropriate and to learn how to improve estimates for future assessments.

2. It is disappointing that Phase 2 of the Care Act had to be deferred and we are concerned that there are currently no firm plans for its implementation. The implementation of Phase 1 of the Care Act was an example of effective collaboration between central and local government. The decision to postpone Phase 2 was made in response to concerns raised by the Major Projects Authority, directors of adult social services, the Local Government Association and the National Audit Office about the timescale and, more importantly, the financial and demand pressures on existing adult social care services. However, its deferral until 2020 means that people will have no limit on how much they have to pay for their own care for longer, until the cap on costs is implemented. The Department for Health has not yet set out a timetable for the implementation of Phase 2. but confirmed that it will not claw back £146m of funding provided to local authorities for the early implementation of Phase 2.

Recommendation: The Department of Health should develop a properly resourced plan for the implementation of Care Act Phase 2, including a clear timetable, and report this to Parliament in this Parliamentary session.

The Department for Communities and Local Government is not transparent 3. enough about what is assessed and funded as a new burden, and what is not, the reasons for the decisions made and the funding provided. It is the responsibility of individual government departments to identify when their actions may have a financial impact on local government, as the Department of Health did for the Care Act. They should tell the Department for Communities and Local Government, which oversees local government finance, about these potential new burdens. The Department for Communities and Local Government then decides whether the originating department should do a full new burden assessment. Assessments must estimate the costs to local authorities for at least the first three years. If the assessment determines that there is a new burden, the department introducing the change must provide funding to local authorities to cover the cost. Details of the potential new burdens the Department for Communities and Local Government scrutinises, its decisions on whether departments should assess them, and of departments completed assessments are not routinely made public. This creates uncertainty for local authorities about whether government is considering the impact of new requirements, which it might fund, and how any funding has been calculated. We are disappointed by this lack of transparency. This undermines the Department's efforts to maintain good relations with the local government sector. When a new burden has arisen, funding for this for will usually come in the form of a specific grant to local authorities at the outset. But once this funding is included in the Revenue Support Grant it ceases to be clear, either to local authorities or taxpayers, how much funding is received for particular activities and for how long.

Recommendation: The Department of Communities and Local Government should publish routinely information on the new burdens it has identified, the reasons for its decisions on whether a new burden assessments are required, and the details of completed assessments.

The Department for Communities and Local Government's definition of a new 4. burden means that local authorities are not guaranteed funding for significant new costs. Additional cost pressures on local authorities come about in different ways, arising for example, from government policy, legislative changes, demographic change or unexpected events. The new burdens regime commits the government to fund those new burdens on local government which arise from its actions-such as the introduction of new powers or duties-but only those which meet a particular definition-excluding, for example, unaccompanied asylum seeking children, the National Living Wage, changes to employers' national insurance contributions and deprivation of liberty safeguards. There are a number of cost pressures on local government which are not treated and funded as new burdens. This includes some which result from government action but where the effects are not felt exclusively by local authorities. Examples highlighted to the committee include the costs for local authorities resulting from changes in national insurance contributions, the introduction of the national living wage, costs associated with unaccompanied asylum seeking children and the Supreme Court ruling in March 2014 concerning when local authorities should assess whether it is in the best interests of someone to be deprived of their liberty. While not treated as a new burden, these significant additional costs for local authorities put upward pressure on council tax, and could lead to cuts in other local authority services, or to 'cost-shunting' onto other public services or individuals.

Recommendation: The Department must ensure that Spending Reviews and annual local government finance settlements take account of all additional cost pressures and new demands facing local authorities, not just those it defines as new burdens, to ensure they have sufficient resources to meet their statutory duties. This is particularly important in the light of the 37% reduction in local government funding over the last five years which reduces capacity for councils to support these duties from their existing budgets.

1 Detecting and responding to local government pressures

- 1. On the basis of two reports by the Comptroller and Auditor General, we took evidence from the Department of Health and the Department for Communities and Local Government about the Care Act and the government's assessment and funding of new burdens on local authorities.¹
- 2. The New Burdens Doctrine commits the government to assess and fund extra costs for local authorities from introducing new powers, duties and other government-initiated changes. The Department for Communities and Local Government oversees the regime; assessing whether changes will have a financial impact on local authorities and, where they do, ensuring that the departments initiating changes complete new burden assessments.² In written submissions the Local Government Association and London Councils told us that within the context of acute funding pressures for local authorities, as they have experienced since 2010–11, the correct assessment and funding of new burdens becomes ever more important.³
- 3. The Care Act, aims to reduce reliance on formal care, promote people's independence and wellbeing and give people more control of their own care and support. The Act places significant new responsibilities on local authorities to provide additional adult social care assessments and services from April 2015. The Department of Health is responsible for achieving the government objectives set out in the Care Act.⁴ In a written submission before our evidence session, Independent Age told us that the Care Act represents some of the boldest reforms to adult social care for decades. But they were worried that reductions to local authority funding would inevitably have a negative effect on councils' capacity to deliver the Care Act in full.⁵
- 4. The NAO found the Department of Health had worked closely with the local government sector to assess the costs of the implementing the Care Act. The Department of Health conducted a formal consultation on the draft regulations and guidance, a scenario modelling exercise to estimate likely demand for extra assessments and support services, and undertook quarterly surveys of local authorities to monitor their preparedness for implementation.⁶
- 5. In its report, the NAO recognised that calculating additional demand from the Care Act is complex and it is difficult to be precise when anticipating the behaviour of people who may not already be in contact with public services. We asked the Department to explain the significant variation reported by local authorities in the cost of providing care assessments. The Department of Health told us that it had found variation in what authorities thought it would cost them ranging from £23 up to £2,500. The Department based its scenario modelling on a median figure based on a cluster of authorities reporting

¹ C&AG's reports, Care Act first-phase reforms, HC 82, and Local Government new burdens, HC 83, Session 2014-15, both published 11 June 2015

² C&AG's report, Local Government new burdens, paragraphs 4, 1.1

³ London Councils submission paragraph 6; Local Government Association submission paragraphs 2.5, 2.6

⁴ C&AG's report, Care Act first-phase reforms, paragraph 1, Figure 1

⁵ Independent Age submission part 1

⁶ C&AG's report, paragraphs 9, 2.6

⁷ C&AG's report, paragraph 13

a narrower range of costs.⁸ The NAO highlighted in its report the risk of underestimating cost through using a weighted median and the ability of local authorities to cope if funds provided by the Department prove to be insufficient.⁹ The Department told us it would like to conduct some additional research into why that level of variation exists and what the costs incurred by local authorities should be when undertaking such assessments.¹⁰

- 6. We were concerned about the amount of time it would take for the Department to detect struggling local authorities and initiate their response. The Department of Health told us that it would be maintaining its Care and Support reform programme team until at least March 2016 to monitor Care Act implementation through the quarterly surveys. We asked the Department why it was not monitoring the local authorities' costs for providing additional assessments or services as highlighted in the NAO's report. The Department responded by saying that the surveys allow local authorities to respond both quantitatively and qualitatively in terms of how the Care Act reforms were impacting upon them. 13
- 7. There is also a risk that people will not get the support they need before government detects and responds to problems implementing the Care Act, with the risk of 'cost-shunting' where existing services may be adversely affected. The NAO report shows that problems meeting demand and cost will fall first to individual local authorities who might then need to make savings in other services, divert people to the third sector or delay or reduce services. We have reported previously that local authority cost saving was putting pressure on the financial sustainability of care home providers and some providers had cross subsidised the lower fees paid by local authorities through charging self-funders higher fees. In its written submission, the Carers Trust told us that, despite being discouraged by the Department of Health's statutory guidance, a number of councils have already started to charge carers for the support they receive to help them in their caring role. In the care of the support of the support they receive to help them in their caring role.
- 8. If funding is inadequate, the Department of Health told us it would need to find additional resources from within its budget or wait for the next spending review. The Department said it would use the data from the first quarterly survey to understand the drivers of cost and feed this into discussions about funding in the current Spending Review.¹⁷ The NAO reported that there might not be a true picture of demand at this stage and therefore the Department might not have the best information on which to base its new estimates.¹⁸ When we challenged the department on this it responded by saying that the surveys were receiving very high return rates and that it would be conducting 'deep dives' looking at individual areas in more detail to sense-check the data that it receives from the survey returns.¹⁹ The Department told us it was highly unlikely that there would

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8  Qq 21-22
9  C&AG's report, paragraphs 15, 20
10  Q 23
11  Q 31
12  C&AG's report, paragraphs 19, 3.30
13  Q 6
14  C&AG's report, paragraph 3.31
15  House of Commons Committee of Public Accounts, Adult Social Care in England, Sixth Report of Session 2014-15, HC518 2 July 2014, paragraph 20
16  Carers Trust submission, pages 3-4
17  Qq 5, 96
18  C&AG's report, paragraph 3.32
19  Qq 32-34
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be a funding shortfall in 2015–16 and that the first quarter's survey data did not show significant additional pressures arising. The Department said that it would use the third quarterly survey — taking place in December 2015 January 2016 — to inform its final funding allocations for 2016–17. The Department could not though say how long it would take for the funding mechanism to catch up where additional funding is needed from central government.²⁰

- 9. To address particular problems that could be affecting individual local authorities, the Department said it had provided funding to the regional networks of the Association of Directors of Adult Social Services for peer-to-peer support. Other options the Department identified include changes to its statutory guidance or to the regulations.²¹ As a last resort the Department also said it could use its statutory powers of intervention to ask the Care Quality Commission to inspect an authority where it believed that authority was not delivering the required assessments and services.²²
- 10. We asked the Department of Health if it was willing to undertake a review of the Care Act new burdens after one year. The Department of Health said it would and added that it was commissioning a full independent evaluation of the impact of the Care Act reforms to be carried out by an independent body, which the department was in the process of appointing. The Department for Communities and Local Government said it would support the Department of Health with its review of the Care Act.²³
- 11. The NAO found that while some departments had reviewed the effectiveness of their policy changes, no specific reviews of new burdens had taken place since 2009.²⁴ The Department for Communities and Local Government had not encouraged departments to review their new burdens assessments nor did it have a method to capture and share the learning from these reviews. This suggests departments have not tested the accuracy of their estimates and assumptions to ensure local authorities get the right funding. The Department of Communities and Local Government said that it had developed its approach to dealing with uncertainty in new burdens; for example with the Prevent strategy, by providing a certain amount of funding up front, and additional resources to some authorities where they face particular costs beyond those faced by authorities in general. The Department for Communities and Local Government however acknowledged that it could do more to flag where estimates were uncertain and said it would clarify this in its new burdens guidance to departments.²⁵

²⁰ Qq 5, 12-15

²¹ Q 108

²² Q 111

²³ Qq 112-117

²⁴ C&AG's report, Local Government new burdens, paragraphs 14, 21, 3.19, Figure 19

²⁵ Q 69

2 Deferral of Phase 2 of the Care Act

- 12. The Department of Health's impact assessment states that the primary objective of the policy in Phase 2 of the Care Act is to address the risk individuals face due to unlimited care costs.²⁶ From April 2016 the Department planned to introduce a cap (£72,000 for people aged 65 and over) on the amount someone should pay towards care and support, regardless of means.²⁷
- 13. We asked the Department to explain why it had decided to defer Phase 2 of the Care Act until 2020, which the Minister of State for Community and Social Care had confirmed in a letter to the Local Government Association. The Department told us that it had decided to defer Phase 2 in response to the feedback it had received from local authorities and other stakeholders including the Local Government Association, Association of Directors of Adult Social Services, the Major Projects Authority and NAO. The Department told us the reasons for deferral included: the complexity of the implementation; the short timescales; and additional costs at a time when there are already great pressures on social care budgets.²⁸
- 14. In its report, the NAO found that the Department of Health had consulted carefully on the implementation of the Care Act, to understand the main risks, and its joint governance arrangements with the sector had helped provide the necessary support for implementation. The NAO highlighted risks arising from the uncertainty of the Department's assumptions for Phase 2 and recommended that the Department should improve the quality of its data, particularly around the numbers of self-funders, and maximise the time and resources available to local authorities and other stakeholders to carry out Phase 2.²⁹ In their joint written submission to us, the Local Government Association and Association of Directors of Adult Social Services told us that adult social care had already had to deal with a funding gap of £5 billion since 2010 and they anticipated further shortfalls of £700m a year on average over the 2015 Spending Review period. While they remained fully committed to implementing the Care Act, the Local Government Association and Association of Directors of Adult Social Services agreed with the deferral of Phase 2 because it was not possible to reform the way people pay for adult social care when the system itself was on such an unstable foundation.³⁰
- 15. The deferral of Phase 2 means that people will have no limit on how much they have to pay for their own care for longer, until the cap on costs is implemented. We asked the Department of Health if it could confirm when it would be implementing Phase 2. The department was unable to give us a firm answer but told us that Phase 2 had been re-timetabled, with the introduction estimated at April 2020. The department said that the exact timing would depend on the amount of money that is made available for the social care system in the spending review but that there remains a very clear intention to implement the policy.³¹

²⁶ Department of Health, Social Care Funding Reform Impact Assessment 9531, February 2015, page 1

²⁷ C&AG's report, Care Act first-phase reforms, Figure 1

²⁸ Qq 1, 3

²⁹ C&AG's report, paragraphs 9, 21c

³⁰ Local Government Association and Association of Directors of Adult Social Services submission paragraphs 2.3-4, 8.4

³¹ Qq 3, 41

16. We asked the Department of Health what would happen with the money that would be saved by delaying the implementation of Phase 2. In their written submission, the Local Government Association and Association of Directors of Adult Social Services told us that, given the pressures the system was under the earmarked Care Act monies must be put back into supporting the mainstream adult social care and support system.³² The Department confirmed that local authorities would be able to keep the £146m of funding already provided to them in 2015–16 for early implementation of the Phase 2. The Department said it expected that local government would have spent a small amount of the funding for very early preparations. However, because the funding had been distributed using a specific formula based on how many self-funders expect in each area, the Department said a different method of allocation would be needed and ministers would be making a statement regarding that very shortly.³³ The Department of Health told us that savings from the postponement of Phase 2 will be around £600 million in 2016–17 rising to over £2 billion by 2020 and that these savings would be factored into the spending review discussions.³⁴

³² Local Government Association and Association of Directors of Adult Social Services submission, paragraphs 8.5

³³ Qq 39-40

³⁴ Qq 25-27

3 Transparency of new burdens

17. The new burdens guidance states that government departments must consider the impact of their actions on local authorities. If a department's actions fall within the government's definition of a new burden it must complete a new burden assessment to estimate the financial impact on local authorities for at least the first three years. If a financial impact is discovered, the department initiating the change must provide funding to local authorities to cover this, or remove other requirements that will allow authorities to make savings to offset the additional costs. The new burdens procedure applies to all government-initiated changes regardless of cost except where departments place the same requirements on local authorities and private sector bodies. It is the responsibility of individual government departments to raise potential new burdens with the Department for Communities and Local Government, which must sign-off completed new burden assessments.³⁵

18. We asked the Department for Communities and Local Government what it was doing to ensure it learned about new burdens affecting local government. The Department for Communities and Local Government told us that it maintains a dialogue with other government departments, with the Local Government Association and with councils directly to identify potential new burdens.³⁶ It scrutinises all potential new burdens that it learns about, and takes a proportionate approach to deciding whether or not a full new burden assessment should be undertaken by the department initiating a change. Although it has no reason not to, the Department for Communities and Local Government does not publish details of which potential and actual new burdens have been assessed by government, or publish details of the completed assessments.³⁷ The Local Government Association and London Councils submitted evidence to express their concerns about this.³⁸ We pressed the Department on why there was not more transparency for local government about which potential new burdens it was considering and which it had identified as possible new burdens that would then require a new burden assessment. The Department said it would reflect, not only on the level of transparency around new burden assessments, but also on whether there was enough transparency more widely in the context of an ever more devolved system of local government finance.³⁹

19. When a new burden is identified and a funding transfer is required this usually takes the form of an unringfenced grant. However, it is usual in subsequent years for these grants to be subsumed into local authorities' Revenue Support Grant (RSG), an unringfenced grant that councils can use to fund any revenue expenditure. London Councils submitted evidence arguing that the way RSG is calculated prevents a transparent and accurate assessment of whether local government is adequately funded for the services it delivers, making it difficult to determine the true level of funding for new burdens. We asked the Department for Communities and Local Government about the mechanisms for transferring funding for new burdens to local authorities.

³⁵ C&AG's report, Local government new burdens

³⁶ Q 49

³⁷ C&AG's report, Local government new burdens, paragraphs 2.10, 2.13

³⁸ London Councils submission paragraph 1; Local Government Association and Association of Directors of Adult Social Services submission, paragraph 2.4

³⁹ Q 50

⁴⁰ C&AG's report, Local government new burdens, paragraph 3.14

⁴¹ London Councils submission, page 1

The Department confirmed that it might administer grants paid by other departments or that funding might come through another funding mechanism.⁴² It said that ringfenced grants, while more transparent, can limit the flexibility authorities have over how they spend the money they get with undesirable effects. The Department acknowledged, however, that the move towards having a single funding stream of revenue support grant, plus business rates and council tax, made it more important that government goes through a rigorous process with departments and stakeholders to work out the cost pressures facing local authorities.⁴³

20. We asked the Department how it was planning to assess and fund new burdens local authorities when the revenue support grant is phased out, by 2020, and replaced by a system of retained business rates. The Department explained how local government as a whole would be almost entirely funded through locally raised income, including retaining 100% of business rates growth. The Department would continue to oversee an extended system of top-ups and tariffs designed to redistribute funding from areas that generate disproportionately high business rate receipts to those with disproportionately low receipts. This Greater devolution to councils of retaining locally raised revenue will have implications for how the government funds new burdens on local authorities, but the Department for Communities and Local Government has yet to set these implications out. The Department agreed to share with us, after the spending review, its high-level thinking and assumptions about how the proposals to phase out the revenue support grant in favour of retained business rates would impact on local government finances and authorities' ability to meet their statutory duties.

⁴² Q 91

⁴³ Q 57

⁴⁴ Qq 74, 83

⁴⁵ Q 80

⁴⁶ Q 51

⁴⁷ Q 97

4 Cost pressures on local authorities

- 21. The Department for Communities and Local Government defines a new burden as a government policy or initiative that increases the net cost of providing local authority services. This includes changes causing local authorities to lose income. A new burden may also arise when government removes or reduces funding associated with specific responsibilities. Local government representatives provided us with written evidence that highlighted a number of significant cost pressures that are not covered by the new burdens regime. These included, for example, unaccompanied asylum seeking children, the National Living Wage, changes to employers' national insurance contributions and deprivation of liberty safeguards. We asked the Department for Communities and Local Government what difference it made whether something was defined as a new burden or whether it was not. The Department told us that the approach it takes to assessing the cost implications of something it defines as a new burden is very similar to the approach it takes to assessing the cost implications for authorities of other pressures. Crucially though, the government has only committed to provide funding to authorities for the things that fall within its definition of a new burden.
- 22. The deprivation of liberty safeguards were introduced under the Mental Health Act 2005 to protect people who, in their own interests, are deprived of their liberty in hospitals or care homes. Care providers must apply to local authorities for authorisation to deprive individuals of their liberty. Local authorities must undertake best-interest assessments and apply, in relevant cases, to the Court of Protection. In March 2014 the Supreme Court widened and clarified the definition of deprivation of liberty, which led to a significant increase in the number of people eligible for a best-interest assessment. ⁵² The Local Government Association puts the additional costs for local authorities of carrying out more assessments at an estimated £172 million a year. ⁵³
- 23. The Department for Communities and Local Government told us that the additional best-interest assessments do not count as new burdens because it was a Supreme Court Judgement that added to the costs on local authorities. The Department of Health told us it had agreed a funding package of £25m for 2015–16, recognising that local authorities are incurring additional costs over which they have no control and had asked the Law Commission to undertake a review of deprivation of liberty safeguarding to conclude on whether the system needs to be reformed. Any ongoing financial support in respect of deprivation of liberty safeguards would be considered, the Department of Health said, as part of local government's overall funding package agreed in the Spending Review.⁵⁴
- 24. We asked the Department for Communities and Local Government what it was doing to support local government with other additional costs that did not fall within the scope of the new burdens regime. The Local Government Association's submission to

⁴⁸ Department for Communities and Local Government, New Burdens Doctrine: Guidance for government departments, June 2011, pp 6-8

⁴⁹ Local Government Association and Association of Directors of Adult Social Services submission, paragraph 2.4; London Councils submission, page 1

⁵⁰ Q 70

⁵¹ Department for Communities and Local Government, New Burdens Doctrine: Guidance for government departments, June 2011, paragraph 2.1

⁵² C&AG's report, Local government new burdens, paragraph 2.14

⁵³ Local Government Association and Association of Directors of Adult Social Services submission, paragraph 2.7

⁵⁴ Qq 52-55

us highlighted examples of additional costs to local government result from government policies, including increased national insurance contribution rate (£797 million annually) and the national living wage (£834 million annually by 2019–20).⁵⁵ The submission from London Councils highlighted the risk that unfunded new requirements would result in 'cost shunting' to other public services.⁵⁶ The Department for Communities and Local Government said that government would consider these pressures as part of the Spending Review.⁵⁷ We challenged the Department for Communities and Local Government on what it was doing to ensure it acted as the champion for local government in the current spending review to protect local government services. The Department told us that its job was to make sure other government departments did a good job assessing the funding needs of local authorities in specific service areas. It acknowledged that it needed to do more to bring together the full picture of pressures facing local government to inform the spending review process.⁵⁸

⁵⁵ Local Government Association and Association of Directors of Adult Social Services submission, paragraph 2.7

⁵⁶ London Councils submission, pages 13-18

⁵⁷ Q 56

⁵⁸ Q 57

Formal Minutes

Thursday 26 November 2015

Members present:

Meg Hillier, in the Chair

Mr Richard Bacon Nigel Mills
Deidre Brock David Mowat
Chris Evans John Pugh
Caroline Flint Karin Smyth

Kevin Foster Mrs Anne-Marie Trevelyan

Mr Stewart Jackson

Draft Report (*Care Act first-phase reforms and local government new burdens*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 24 read and agreed to.

Conclusions and recommendations agreed to.

Summary agreed to.

Resolved, That the Report be the Tenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 30 November at 3.00 pm

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Committee's inquiry web page.

Monday 12 October 2015

Question number

Melanie Dawes, Permanent Secretary, Department for Communities and Local Government, Dame Una O'Brien, Permanent Secretary, Department of Health, Jon Rouse, Director General, Social Care, Local Government and Care Partnerships, Department of Health, and Matthew Style, Director, Local Government Finance, Department for Communities and Local Government

Q1-139

Published written evidence

The following written evidence was received and can be viewed on the Committee's <u>inquiry</u> web page. CAR numbers are generated by the evidence processing system and so may not be complete.

- 1 Care and Support Alliance (CAR0005)
- 2 Carers Trust (CAR0008)
- 3 Communities and Local Government (CAR0010)
- 4 Department of Health (CAR0009)
- 5 Independent Age (CAR0004)
- 6 Local Government Association (CAR0001)
- 7 Local Government Association and the Association of Directors of Adult Social Services (CAR0007)
- 8 London Councils (CAR0002)
- 9 Scope (CAR0003)
- 10 The London Fire and Emergency Planning Authority (CAR0006)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the Committee's website at www.parliament.uk/pac.

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

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First Report	Financial sustainability of police forces in England and Wales	HC 288
Second Report	Disposal of public land for new homes	HC 289
Third Report	Funding for disadvantaged pupils	HC 327
Fourth Report	Fraud and Error Stocktake	HC 394
Fifth Report	Care leavers' transition to adulthood	HC 411
Sixth Report	HM Revenue & Customs performance in 2014–15	HC 393
Seventh Report	Devolving responsibilities to cities in England: Wave 1 City Deals	HC 395
Eighth Report	The Government's funding of Kids Company	HC 504
Ninth Report	Network Rail's: 2014–2019 investment programme	HC 473
First Special Report	Unauthorised disclosure of draft Report in the previous Parliament	HC 539