



Department
of Health &
Social Care

*From Stephen Kinnock MP
Minister of State for Care*

*39 Victoria Street
London
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Dr Jane Townson OBE
Homecare Association
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18 February 2025

Dear Jane,

Thank you for your letters dated 11 November and 9 December, outlining your concerns about the increases to the employer National Insurance contributions (ENICs) and National Living Wage (NLW) announced at the Autumn Statement. As you know, this government has had to take necessary decisions on tax, spending and welfare to restore Britain's economic stability and fix the foundations.

To enable social care authorities to support key services such as adult social care, we are making available up to £3.7 billion of additional funding for social care authorities, as part of a broader increase in local government core spending power of 6% in cash terms. This includes £880 million of new grant funding through the Social Care Grant, and the ability for local authorities with social care responsibilities to increase the adult social care precept by up to 2% in 2025-26.

Local authorities should consider their overall funding settlement when setting their budgets for adult social care in 2025-26, rather than relying solely on increases in specific adult social care funding. On Friday 10 January we sent a letter to local authorities setting out their performance against the previous two years' spending expectation as part of Market Sustainability and Improvement Fund (MSIF) assurance. As part of this, we are also encouraging local authorities to continue having early conversations with providers about fee rates for 2025/26.

The government is launching an independent commission into adult social care as part of our critical first steps towards delivering a National Care Service. It is a once in a

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generation opportunity to transcend party politics and engage in genuine debate on how we can deliver a National Care Service, ensuring all voices are heard and putting the voices of those with lived experience at the heart of the conversation.

Yours Sincerely

STEPHEN KINNOCK

A handwritten signature in black ink on a light yellow background. The signature is stylized and appears to read 'Stephen Kinnock'.