## Additional national funding available for adult social care

This document sets out the method used to calculate the overall national amount of additional funding available for adult social care over the multi-year Local Government Settlement ('the Settlement'). The table below details the breakdown of this figure. Individual local authority adult social care notional allocations will be set out in the Department of Health and Social Care's (DHSC) upcoming Adult Social Care Priorities publication.

At the Spending Review 2025, the government confirmed over £4 billion of additional funding available for adult social care in 2028-29, compared to 2025-26.

The provisional Settlement represents the most up to date account of funding available to support local authority service delivery. Local authorities' published Core Spending Power includes an updated forecast of the income expected to be raised and retained from local taxes as well as allocative grant funding. Using updated Core Spending Power data in our calculation, we now estimate that there is around £4.6 billion of additional funding available for adult social care in 2028-29, compared to 2025-26. This funding is unringfenced (other than the minimum NHS contribution to adult social care via the Better Care Fund and local authority contributions via the Local Authority Better Care Grant). It is for councils to decide how best to use unringfenced income to fund local services.

| Funding available for adult social care (£m)  | 26-27 | 27-28 | 28-29       |
|---|-------|-------|-------------|
| Notional increase in Local Government funding for adult social care, compared to 2025-26                      | 1493  | 2777  | 4250        |
| <ol> <li>Of which additional core spending<br/>power in scope, available for adult<br/>social care</li> </ol> | 1246  | 2429  | 3632        |
| Of which "transition funding" available for adult social care   | 97    | 98    | 117         |
| Of which Revenue Support Grant funding distributed using adult social care relative needs formula             | 150   | 250   | 500         |
| Increase in the NHS minimum contribution to adult social care via the Better Care Fund                        | 100   | 214   | 331         |
| Total additional funding available for adult social care, compared to 2025-26                                 | 1593  | 2991  | <u>4581</u> |

The sections below set out the step-by-step methodology, calculation assumptions, and sources of data in our published tables that are used to determine the funding in the table above.

## Calculating the proportion of Core Spending Power available for adult social care

The increase in local government funding available for adult social care reflects the proportion of the increase in Core Spending Power (CSP) that is notionally for adult social care. Using CSP ensures the increase in funding reflects changes in council tax (including the adult social care precept), business rates, and grant funding. We calculate this as follows:

- We identify the total Core Spending Power in scope of this calculation for all authorities, calculating the increase relative to 2025-26 baseline, using the following funding streams from published CSP tables:
  - "Fair Funding Allocation"
  - "Legacy Funding Assessment"
  - "Council tax requirement"
  - "Recovery Grant"
  - "Grants rolled in to Revenue Support Grant"
- We then calculate the proportion of in scope Core Spending Power available for adult social care by multiplying this figure by the adult social care control total: 37.24% in each year of the Settlement, as published in the <u>Fair Funding Share Calculator</u>. This control total reflects the scale of national expenditure on service areas assessed by service formulae. Control totals are calculated using MHCLG's revenue outturn (RO) and the Department for Education's Section 251 data, to derive a relative proportion of total national net current expenditure in all authorities on a specific service.
- Funding specifically for other services is not included in CSP in scope of this
  calculation, including the Homelessness, Rough Sleeping and Domestic Abuse
  Grant and Families First Partnership funding, as this funding is not directly
  available for adult social care. The total values for these grants can also be found
  in our published <u>CSP tables</u>, see "Homelessness, Rough Sleeping and Domestic
  Abuse" and "Families First Partnership".
- "Transition funding" available to local authorities to support the transition to new funding allocations is not included in the CSP, in scope set out above. To determine an estimation of how much transition funding is available for adult social care, we consider the available transition funding for social care authorities only, excluding City of London which does not have a 2028-29 CSP allocation. From the figures in our published CSP tables, we add "Total Transitional"

Protections" and "Recovery Grant Guarantee" for social care authorities, filtering tables by authority-type. We multiply this figure by the adult social care control total to calculate the proportion notionally available for adult social care, which is added to the total available funding for adult social care.

As set out in the Policy Statement and the provisional Settlement, between 2026-27 and 2028-29, an additional £900 million will be distributed using the Adult Social Care Relative Needs Formula (ASC RNF) within the Revenue Support Grant. £500 million will be distributed using the ASC RNF in 2028-29 (as set out in the table above) and the entirety of this funding is included in the calculation of additional funding available for adult social care by 2028-29, compared to 2025-26.

## NHS minimum contribution to adult social care via the Better Care Fund

- The NHS minimum contribution to adult social care as part of the Better Care Fund is intended to support delivery of adult social care services. We therefore include the increase in this funding within our calculation for the additional nationally available funding for adult social care. These figures will not be reflected in the authority-level allocations published by DHSC because the funding is allocated to NHS integrated care boards (ICBs) rather than directly to local authorities.
- The Spending Review 2025 confirmed that the NHS minimum contribution to the Better Care Fund will increase in line with DHSC's Spending Review settlement. Therefore, in 2028-29 compared to 2025-26 there will be an additional £331 million minimum NHS spend on adult social care via the Better Care Fund. The table above sets out a more detailed profile for this contribution.

## Local authority level adult social care notional allocations

- Local authorities' adult social care notional allocations and the underlying methodology for these allocations will be set out in DHSC's upcoming Adult Social Care Priorities publication. These notional allocations will act as a reference point for local authority spending on adult social care, they are neither a formal spend expectation nor a ringfence.
- The figures in the table above will not equal the sum of local authorities' adult social care notional allocations. This is partly because the overall funding available for adult social care includes the NHS minimum contribution to adult social care via the Better Care Fund. It is also because the methodology for calculating notional allocations sets out that adult social care spending grows at least in line with inflation in all local authorities.