

Long read

Health and care services

Social care 360

Funding and finances Social care

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Authors



Simon Bottery
Senior Fellow,
Social Care



Danielle Jefferies
Senior Analyst

What is Social care 360?

People often complain about the lack of data in social care. In fact, there's a significant amount, but it is held in databases that are rarely explored and analysed together. That's why The King's Fund produces Social care 360 every year, pulling together all the relevant data to provide a uniquely rounded view of the sector which identifies the key trends over time.

More spending, more people supported, higher provider fees: but the outlook for social care remains precarious.

2024/25 saw the continuation of a new trend in adult social care. Local authorities are spending more on social care, with that investment focused not just on paying higher fees to the providers who supply care, but, now, increasing the number of people who receive it as well. More people are now receiving publicly funded long-term care than at any time in the last decade.

This change is due to increasing local authority spending power – the total amount that councils have to spend, both from money they raise themselves (for example, from council tax and business rates) and from central government grants.

However, councils still do not have the resources to meet all the demands on them and their overall financial position is worsening. As a result, local authorities are increasing fees below the increase in costs faced by social care providers. This has potential implications for market stability, quality, and particularly private-paying clients, who are being charged much more for their care so that providers can balance their books.

The new trend began in 2022/23, with an increase in spending power allowing local authorities to raise fees *and* provide more long-term care for the first time since comparable records began in 2015/16 (see dropdown box for details of statistical changes over time). From 2022/23 to 2024/25, provider fees for homecare increased by 5% in real terms, and 6% more people received publicly funded long-term care. In 2024/25, 890,000 people received long-term care – 53,000 more than in 2022/23 and the highest number since comparable records began in 2015/16.

This is a sharp contrast with the period from 2015/16 to 2019/20, when core spending power had fallen. Though local authorities did spend more on social care, this money was spent almost

entirely on increasing the fees paid to social care providers who, in turn, faced increasing costs, particularly wage costs (due to the National Living Wage). To balance their books, local authorities rationed the amount of care they provided - the number of people receiving long-term care over this period fell from 873,000 to 839,000. The main impact was on older people: the number of over-65s supported with long-term care fell from 587,000 to 548,00.

Despite the new trend, there remain critical problems for local authorities and social care, and it is by no means clear that the trend will continue, particularly as overall spending power in 2025/26 is still around [9% lower than it was in 2010/11](#).

And although local authorities are spending more on social care, their [overall financial situation](#) is worsening. In 2024/25, external debt at English councils rose by 10% and useable reserves fell by 4%. Some councils relied on 'exceptional financial support' from government, which permits them to use receipts from asset sales to fund day-to-day expenditure. [The Chartered Institute of Public Finance and Accountancy \(CIPFA\)](#) noted that, 'In 2024/25, English local authorities faced intensifying financial pressures as demand-driven costs and accumulated deficits further eroded already stretched budgets, undermining financial resilience.'

In addition, local authorities are having to fund spending on social care (both adult's and children's) through cuts in other areas [such as waste collection, roads, libraries and leisure services](#). In 2023/24, local authorities with social care responsibilities [spent 61% of their total revenue](#) on adult and children's social care compared with 57% in 2015/16.

They also fund spending through increases in fees and charges on people receiving care. In 2024/25, client contributions were 32% higher in real terms than in 2015/16.

Even so, budgets do not necessarily keep pace with demand: Directors of Adult Social Services continue to report the need to find savings against their budgets. Directors report that they [overspent by £774 million in 2024/25](#) – the highest overspend in the past decade.

One significant group of people who lose out are those who self-fund their own care. They face two injustices. Each year, more are excluded from local authority support by the 'fiscal drag' of means test thresholds that have not increased since 2011. If they had, the 'upper threshold' – the amount of assets which disqualify people from any state support with care costs – would be at £33,654 instead of £23,250.

And once they are self-funding, people face paying far more for their care than people who are state-funded, as providers increase fees to subsidise low local authority rates.

Not all providers can do this, however. Some do not have self-funders at all – most obviously, those providing learning disability support to working-age adults. Others (for example, in the

north east) have a smaller proportion of self-funders than the affluent south east.

It is by no means clear whether this trend will continue into 2025/26 and beyond. Although [local authority spending power](#) will grow by 7.6% in 2025/26 and is projected to grow by 6.1% in 2026/27, councils report increasing difficulty in balancing budgets. Half of councils with social care responsibility say they are likely to have to apply for emergency government bailout agreements within the next three years, according to a [Local Government Association survey](#). A further complicating factor is a change to the way national funds are distributed to local authorities. Though the intention is to better match spending with need, it will mean some local authorities having higher spending power and others having less to spend.

Taken together, the picture for social care remains precarious, then, with significant pressure on the government to ensure stability in the sector in the medium term, and on the Casey Commission to identify coherent proposals for reform in the long term.

Further details



Access

Requests for support

There were 2 million new requests for publicly funded social care in 2024/25.

Access

More people are now receiving publicly funded adult social care.

Financial eligibility

The means test keeps on getting meaner.

[Find out more >](#)

[Find out more >](#)

[Find out more >](#)

Expenditure and providers

Expenditure

Increased spending is now funding both higher provider fees and more people receiving support.

[Find out more >](#)

Cost of commissioning

Fees paid by local authorities are rising but not keeping pace with costs.

[Find out more >](#)

Care home places

The total number of care home places has declined slightly.

[Find out more >](#)

Workforce and carers

Care worker vacancies

Vacancies have fallen due to an increase in overseas staff.

[Find out more >](#)

Pay

Careworker pay is increasing and a fair pay agreement is on its way.

[Find out more >](#)

Carers

Despite recent increases, fewer carers receive support than in 2014/15.

[Find out more >](#)

Quality

Quality ratings

Quality is largely stable but fewer ratings are now being published.

[Find out more >](#)

Direct payments

The fall in people using direct payments levelled off in 2022/23.

[Find out more >](#)

User satisfaction

Satisfaction of people drawing on services is stable.

[Find out more >](#)

Public attitudes

Public attitudes

Public prioritisation of social care has fallen since Covid-19.

[Find out more >](#)

Data and methodology

How is Social care 360 put together?



Read previous editions

- [2024 Social care 360 review](#)
- [2023 Social care 360 review](#)
- [2022 Social care 360 review](#)
- [2021 Social care 360 review](#)
- [2020 Social care 360 review](#)
- [2019 Social care 360 review](#)

With thanks to

Acknowledgements



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 Press release

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Councils are raiding financial reserves to fund the costs of increasing social care support, report finds

The King's Fund reports councils are draining reserves to cover rising adult social care costs, boosting care access but leaving local authority finances increasingly unsustainable.

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