Sarah Wollaston Chair, Health Committee

I thank the Minister for giving way. He will know that the better care fund is an important redistribution mechanism, given the variable amounts that councils will be able to raise through the precept, which the Institute for Fiscal Studies estimates will raise £700 million over the next three years. Can the Minister give any encouragement on whether the better care fund will reflect the serious concerns around the problems with social care?

Marcus Jones Parliamentary Under-Secretary of State (Department for Communities and Local Government) (Local Government)

I think my hon. Friend is referring to what we term the improved better care fund, which will go directly to local authorities. That funding has been brought forward as part of the spending review 2015. She will probably know that that funding effectively was obtained by changing the way in which the new homes bonus operates, and sharpening the incentive in relation to the way in which that system operates. As such, therefore, that additional money is not freed up quickly enough to do what she says. Although this year £105 million comes into the system, next year it will be £800 million and the year after that—the last year of the Parliament—it will be £1.5 billion. Alongside that, in this financial year we have also put an additional £240 million into the social care system as a dedicated social care grant, which again has been realised from additional savings made through the new homes bonus.