1. Introduction

1.1 Andrew Dilnot, Jo Williams and Norman Warner were asked by Government in July 2010 to form a commission and produce recommendations for the future funding of social care in England. This is a summary of their report, which can be downloaded in full: http://www.dilnotcommission.dh.gov.uk/2011/07/04/commission-report/

1.2 Everyone who receives their care for free now would continue to do so; and people who currently pay for their care would pay less under their proposals (foreword). The Commission does advise that “Government must devote greater resources to the adult social care system.” (pg. 7)

1.3 The Government have advised that they will consider the report alongside the Law Commission’s recommendations to amend community care legislation (published May 2011). The Government has advised they will publish a White Paper on social care in the Spring of 2012.

2. Main recommendations

2.1 The lifetime contribution to adult social care costs that any individual needs to make should be a maximum capped at between £25,000 and £50,000. The Commission believe that £35,000 is an appropriate and fair figure (pg. 5).

2.2 Means-tested support should continue for those of lower means, and the asset threshold for those in residential care beyond which no means-tested help is given should increase from £23,250 to £100,000 (pg. 5).

2.3 Those who enter adulthood already having a care and support need should immediately be eligible for free state support to meet their care needs, rather than being subjected to a means test. Additionally, people who develop need before the age of 40 would be eligible for non-means tested free support.

2.4 The cap creating the maximum that anybody would be liable for (see 2.1) would increase with age. For instance, those who developed needs aged between 40 and 49 would have a cap/maximum liability of £10,000. For those aged 50 to 59, this would rise to £20,000; it would be £30,000 for those aged 60 to 64 before reaching the limit of a £35,000 cap on personal spending on care for those aged 65+ (pg. 24).
2.5 This cap would only apply to care costs, and not general living costs such as food and accommodation in residential care. People should contribute a standard amount which could be between £7000 and £10,000 p/a to cover these costs (pg. 6).

2.6 There should be national eligibility criteria (pg. 6) and the capped cost offer could work with the current assessment process for a time and eligibility should be set at a minimum of substantial (pg. 45).

2.7 There should be portability of assessments (pg. 6). Anyone moving from one local authority to another should retain their needs assessment until the new local authority reassesses that individual. The receiving local authority should have a duty to meet all eligible care needs in the intervening period (pg. 45). Local authorities will still be responsible for delivery and commissioning (pg.42).

2.8 Universal disability benefits for people of all ages should continue as now. Attendance Allowance should be renamed (pg. 6).

2.9 The Government should develop a major new information and advice strategy to help when care needs arise and local authorities should have a duty to provide info, advice and assistive services in their area as the Law Commission proposed (pg. 6).

3. What did the Commission say about carers?

3.1 The thrust of the report is that they recognise carers as the foundation of the care and support system and view their proposals as bringing substantial benefits to carers because of increased state support, lower costs and greater clarity (pg. 51).

3.2 The Commission advises that the current methods of supporting carers – respite care support, Carer’s Allowance and National Insurance Credits – should continue in their proposed system (pg. 51). Their proposed system would remain ‘carer-sighted’ meaning the contribution of carers is taken into account when deciding on the appropriate package of support to the cared-for.

3.3 However, the Commission does think it is important that carers are fully consulted about what is a reasonable contribution and any specific support that they need. The Commission believes the needs of the carer (e.g. in relation to work (paid or unpaid), leisure and education) should be taken into account (pg. 52).

3.4 The Commission also recommends Government implements the Law Commission’s recommendation that local authorities should decide whether to provide services for
carers against a national eligibility framework and would be required to meet the eligible needs of carers (pg. 52).

3.5 Carers should receive an assessment at the same time as the community care assessment of the cared-for (pg. 6) and a review should be offered every year (pg. 53).

3.6 The Commission strongly recommends that carers benefit from greater access to information and advice services (pgs. 16 & 42).

4. How to pay for the new system

4.1 The Commission advises that if there was a maximum liability cap of £35,000, the new system would cost the Government an extra £1.7bn p/a by 2015/16 using 2010/11 prices (pg. 71).

4.2 The Commission advises meeting this cost is a political choice offering three options (pg. 74):

- Through an increase in general taxation income which can be used to fund government spending on social care
- Reprioritise existing expenditure because it places greater value on this than other spending.
- Introduce a specific tax increase, which could at least in part be paid by those who are benefitting directly from the reforms including those over state pension age. The Commission believes it would be more sensible to do this through an existing tax rather than creating a new tax.

4.3 The Commission recommends that people should have different options for meeting their private contribution to care costs advising some people may choose to pay for all their care through their income or savings, whilst others may decide to release some of their housing assets or take out a specific financial product (pg. 21).

4.4 The Commission describes three financial products that could help people meet their private costs of care (pg. 40).

4.5 **Products linked to pension.** A disability linked annuity works by reducing the income from an otherwise flat annuity (say by around 10%) but then doubling or trebling income at the point of developing a care need (e.g. failing three activities of daily living) or reaching a certain age (e.g. 85)

4.6 **Products linked to housing assets.** To release housing equity, some people may decide to downsize, others to take out an interest-only loan secured on their house.
Equity release may be attractive for some people and the industry may develop new mortgage-based solutions specifically to meet this need in the future.

4.7 At a minimum, the Commission recommends an extension to the current deferred payment scheme so that it is a universal offer across England. Anyone who would be unable to afford care charges without selling their home should be able to take out a deferred payment. In making this change, we believe it would be sensible for local authorities to be allowed to charge interest to recover their costs, to make the scheme cost neutral.

4.8 **Products linked to insurance** – convert critical illness cover or life insurance policies to offer cover for care costs. A further insurance area that could potentially grow is top-up insurance, which could provide an extra amount of money to supplement the amount people spend on accommodation and general living.

5. **Other recommendations**

5.1 Consider introducing a taper into the means test, which could be set at 65% so it is in line with Universal Credit (pg. 69). For example, under the current system, those receiving home care see every extra pound above the minimum threshold (around £170 a week for older people) taken away in social care charges. A taper would mean that only 65p for each pound of income above the minimum is chargeable income and could be taken away in social care charges.

5.2 In addition to recommending national eligibility criteria, Government should urgently develop a more objective assessment framework than Fair Access to Care Services (FACS) (pg. 6).

5.3 As in the current system, no one will be expected to contribute their entire income to their residential care costs; everyone will be left with a certain amount of money for personal expenses each week. Under the current system, this amount is £22.60 a week (the Personal Expenses Allowance (PEA)), which the Commission thinks should continue, and encourages the Government to consider increasing it in the future (pg. 26).

5.4 Government undertake a new awareness campaign on the cost of care and support and the new funding system.

5.5 Overall, the state spends around £140 billion on older people in England. Of this, social care represents around 6%; the NHS, 35%; and social security benefits (including the state pension and disability benefits), 59%. The Government should consider how
the different streams can be brought together better in the interest of individuals and carers (pg. 57).

5.6 Re-ablement services which are currently free of charge should continue to be so in the future (pg. 59).

6. Recommended timetable

6.1 By December 11, Government should have published a White Paper and set up three working groups: – one to develop a more objective, portable, national eligibility and assessment framework, and how this might align with disability benefits; – one to look at how to support the development of new financial products; and – one to design a new national and local framework for information

6.2 During 2012, Government should introduce a bill on social care and sets out a firm timetable for the introduction of reforms – including the capped cost element and changes to the means-tested system. Government runs awareness campaign and starts to implement an improved information and advice service in collaboration with stakeholders.

6.3 During 2013, Government should implement changes to the funding of adult social care.

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The Princess Royal Trust for Carers and Crossroads Care are the two biggest providers of services for carers in the UK and work together at a national level to promote policies and guidance that will support carers.

The Princess Royal Trust for Carers (The Trust) through a network of 144 Carers’ Centres, 85 young carers’ services and interactive websites (www.carers.org and www.youngcarers.net) provides quality information, advice and support services to over 400,000 carers, including 25,000 young carers.

Crossroads Care works with over 41,000 individuals and their families, helping carers make a life outside of caring. The charity employs over 6,000 trained professionals, providing flexible services to people of all ages and with a range of disabilities and health conditions.