



TOWARDS A SOLACE RESPONSE TO DILNOT DISCUSSION PAPER

April 2012

On the 4 July 2011 the Secretary of State made a statement on the reform of social care committing to respond to both the Law Commission and the Dilnot Commission in the spring of 2012. The Secretary of State also committed to publication of full proposals on the reform of adult social care in a White Paper and a progress report on funding reform¹.

On 9 May 2012, the Queen's speech announced that the Care and Support Bill would be published in draft form. Whilst the draft Bill will seek to address the system's anachronistic legal base it will not address the broken financial framework underpinning the system, which remains a priority area of concern for the sector.

SOLACE will continue to press for timely decisions on the funding of social care, not just because of the impact on vulnerable people but also its considerable effect on the sector's finances.

To help us do this effectively, and to aid the formation of a SOLACE position on funding reform, we would like your views on the key proposals recommended by Andrew Dilnot in his report *Fairer Care Funding*. The following briefing note provides a background to reform and sets out some key questions for consultation with members. To input, please send your comments on the questions to Philippa.mellish@solace.org.uk by Friday 22 June 2012.

Drivers of reform:

- There is increasing pressure on the system resulting from an aging population and rising expectations of the quality of care.
- Individuals cannot protect themselves against the risks of very high care costs (Dilnot estimated 1 in 10 65-year-olds can expect costs of over £100,000).
- The system is perceived to be unfair, particularly by individuals who are required to sell their assets to pay for their care.
- The system is inadequately funded and people are not receiving the care and support they need. Social care expenditure on older people has not kept pace with the increase in demand. In January 2013, Age UK estimated that the funding gap in social care stood at £500 million².

¹ <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110704/debtext/110704-0001.htm#1107044000628>

² <http://www.ageuk.org.uk/latest-press/500m-funding-gap-for-older-peoples-social-care/>

- Provision of information and advice is limited and quality is poor.
- In addition, central government sees excess variation in eligibility for services across the country, and assessments lacking transparency, consistency and clarity as well as being not portable.

The Commission on Funding of Care and Support

In July 2010, the Government tasked Andrew Dilnot with conducting a review of the funding system for care and support in England. The Government asked the Commission to recommend:

- How best to meet the costs of care and support as a partnership between individuals and the state;
- How people could choose to protect their assets against the cost of care;
- How public funding for the care and support system might be best used to meet care and support needs.

The final report of the Commission recommended the following key measures as a means to achieving the above aims:

- Capping the lifetime contribution to adult social care costs that any individual needs to make at between £25,000 and £50,000 - £35,000 was recommended. Where an individual's care costs exceed this cap, they would be eligible for full support from the state. This removes the risk of high care costs.
- Continuing to offer means-tested support to those who cannot fully make their contribution and raising the upper threshold within the residential means test from £23,250 to £100,000³.
- That those who enter adulthood with a care and support need be immediately eligible for free state support rather than be subjected to a means test.
- The Government considers how better to align benefits with the reformed social care funding system and that the Attendance Allowance be re-branded to clarify its purpose.
- People in residential care should contribute a standard amount, between £7,000 and £10,000 a year, to cover general living costs.
- Eligibility criteria should be set on a standardised national basis and there should be portability of assessments. In the short term, a minimum

³ In residential care, someone's housing assets are taken into account in the means test, as long as there is no dependant still living at home.

eligibility threshold should be set nationally at 'substantial' under the current system. Over the longer-term, the Government should develop a more objective eligibility and assessment framework.

- The Government invests in an awareness campaign to inform citizens about the new system and the importance of planning ahead.
- The Government develops a major new information and advice strategy to help when care needs arrive.
- Carers should be supported by improved assessments. Dilnot supported the Law Commission's proposals that carers be given new legal rights to services and improved carers' assessments.
- Government should review the scope for improving the integration of adult social care with other services in the wider care and support system.
- The Law Commission recommended extending the current deferred payments scheme so it is a full, universal offer across the country. Dilnot proposed that should this be the case, local authorities should be allowed to charge interest to recover their costs.

A cost worth counting?

Dilnot estimated that reform to the social care funding system would cost between £1.3 billion for a cap of £50,000 and £2.2 billion for a cap of £25,000. Dilnot outlined three possible ways to meet the cost of reform:

- Through general taxation
- Government re-prioritising spending
- A specific tax increase

Concerns about the cost of implementing Dilnot have resulted in the search for alternatives. Extreme positions, such as that the cost of reform should be met fully through general taxation or by individuals, have been largely discounted.

Questions for consideration:

- What aspects of Dilnot does SOLACE support, reject or feel warrants further consideration/detail?
- In particular, does SOLACE feel the disadvantages of Dilnot's approach are understood and deliverable (for example, non-contributors are potential 'losers' if their care costs are counted into the cap)?

- Does SOLACE think that there is a viable alternative to Dilnot? What might that be, and what would be the pros and cons?
- Were Dilnot to be implemented, at what level should the cap should be set and why?
- Is SOLACE able to agree a view on how the cap/reforms as a whole should/should not be funded?
- Based on the view that Dilnot's proposals for a national eligibility threshold set at 'substantial need' is not dissimilar to current practice in local authorities, which have not helped the financial situation, do you think SOLACE should support the development of new eligibility criteria with the 'lower' criteria focused on prevention?
- Should SOLACE be supportive of making Direct Payments the default for all customers, accepting that this would need the system to be less complex than it is now?
- Is SOLACE able to support the Law Commission's recommendation that the current deferred payments scheme be extended to become universal?
- Is SOLACE able to adopt a position on what contribution local government should make to a new information and advice strategy?⁴
- Does SOLACE have a view on whether/how the Government might align a new eligibility framework for social care with the assessment process for NHS Continuing Healthcare?
- In our response to the Government engagement exercise on care and support services (December 2011) we called on the Government to⁵:
 - Ensure current incentives are better aligned to promote integrated care, for example through flexible tariffs;
 - Rebalance funding between NHS acute care and community based preventative services;
 - Encourage movement away from activity-based to outcome-based commissioning to incentivise providers to collaborate across health and social care at a local level.

⁴ In our response to *Caring for our future: shared ambitions for care and support* SOLACE called on the Government for a joint central government, local government and financial services public awareness campaign on the future funding of social care.

⁵ http://secure.solace.org.uk/PolicyBrief/05-12-2011/files/SOLACE_response_to_the_future_of_social_care-021111_pdf.pdf



Is SOLACE able to detail further how reform might achieve greater integration across social care, health and other key services, such as housing, leisure, planning, transport etc.?

Next steps

In consultation with members, the SOLACE working group on social care will work to develop a position statement on Dilnot and seek to align this, where appropriate, with that of the LGA and ADASS in order to achieve a strong, coherent and consistent voice on behalf of the sector.



NOTES:

SOLACE is the representative body for senior strategic managers working in the public sector in the UK. We are committed to promoting public sector excellence. We provide our members with opportunities for personal and professional development, and seek to influence debate around the future of public services to ensure that policy and legislation are informed by the experience and expertise of our members. Whilst the vast majority of SOLACE members work in local government we also have members in senior positions in health authorities, police and fire authorities and central government.

This discussion paper was produced by the SOLACE Health and Social Care Network, co-chaired by Tony Hunter, Chief Executives of North East Lincolnshire Council, and David White, Chief Executive of Norfolk County Council. Geoff Alltimes, former Chief Executive of the London Borough of Hammersmith and Fulham, is Advisor to the Network.

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