

# **LGA Community Wellbeing Board**

## **Government proposals for adult social care funding reform**

6<sup>th</sup> March 2013

**Social Care**

# What are we changing

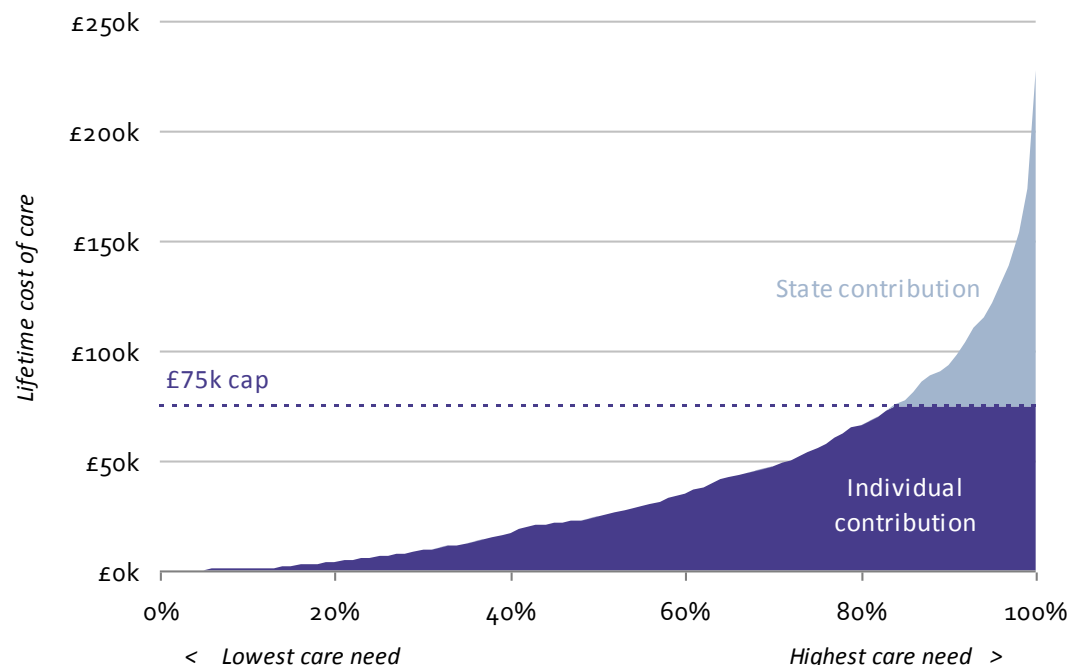
- We are introducing historic reforms to give everyone more certainty and peace of mind over the cost of old age
- Making sure we can all get the care we need without facing unlimited care costs, whilst ensuring most support goes to those in greatest need

From April 2017...

We will offer people a clearer, fairer and more affordable way to plan for and manage their care costs

## Peace of mind

- **Increased planning, preparing and prevention**
- **Space for Financial Services and Products**
- **People make informed choices about their care**



**Social Care**

# Subject to the passage of legislation, we will fully reform how care is paid for in 2017

- We will accept the Dilnot recommendations to protect people from huge costs if they develop very complex care needs such as dementia
- These changes will provide people with a new legal right to financial protection

## **A cap on reasonable care costs**

People over 65 receiving care which has a cumulative value of £61k (equivalent to £75k in 17/18) will become eligible for state support for reasonable care costs.

People of working age who develop care needs before retirement age will benefit from a cap that is lower than £61k

People who have care needs before they turn 18 will have their cap set at zero.

## **New financial protection for those with modest wealth**

Those with £100,000 or less (£123,000 in 17/18 prices) will receive financial support for residential care.

Most financial support will go to those with the greatest care needs and the least in savings or home value

This will help them pay towards the cap. The poorest people will continue to have the majority of their care costs paid

## **New contribution towards general living costs for people in residential care**

People in residential care will make a contribution towards the costs that they would have to meet if they were living in their own home – such as on food, energy bills and accommodation – of around £10,000. In April 2017, £10,000 is expected to be around £12,000.

# Builds on reforms that subject to the passage of legislation will come into effect in 2015



- **We have committed to implementing other Dilnot recommendations in April 2015 (subject to legislation) to make the system clearer**

## **Paying for Care**

### *Help to financially plan*

Improved information and advice to help people financially plan

We expect financial services to develop new products to help with care costs

### *Introduce universal deferred payments*

Duty on local authorities to offer Deferred Payments to anyone who qualifies to defer fees until after their death, or to repay earlier if they choose.

Local Authorities will be able to charge interest (rate to be set) and charge a modest upfront admin fee to cover legal expenses.

## **Care and Support Reform**

### *A national minimum eligibility standard*

Making access to care more consistent around the country

### *A new right for carers*

Carers will have a legal right to support to meet their needs for care for the first time

### *A modern system*

More personalised, preventive and integrated care

# There are a number of areas that we want to explore with local government and others



- **Identifying the major areas of change to Local Authority systems, processes and resources\***
- **Exploring how greater contact with Local Authorities could influence commissioning\***
- **Test proposals on how Deferred Payment Agreements would work\***
- Understanding the variation of impact on local authorities from the cap, new financial protection for people in residential care, and deferred payments
- How to communicate the system to care users and the wider public so they understand what protection provided by the new reforms
- Exploring the impact on Local Authorities of the changed relationship with self-funders

*NB: \*Items identify areas where we will be focussing our attention in the short term*

**Social Care**

# Implementing funding reform

*The timetable below is subject to parliamentary approval*

Easter  
to  
Summer 2013

- We will engage on the details of how we implement funding reform proposals
- We will Consult to ensure we get the details right

2013 - 2014

- Subject to introduction and passage, the **Care and Support Bill** will create the new legal framework, including the cap, extended means-test, deferred payments.
- We will continue our work with local authorities and care and support stakeholders to ensure that the scheme is practical to local government and care users.

April 2015

- Introduction of **Deferred Payments**, and wider reform including the **national minimum eligibility standard**

April 2017

- Introduction of **Capped Costs Systems**, and **increased financial protection for people in residential care.**