

# **The Cost of 'Social Care': eight things disabled people should know about the Dilnot report**

## **Debbie Jolly**

The Dilnot report on the Future of Social Care was released in early July 2011. The Dilnot report is the outcome of the Dilnot Commissions' inquiry into the future of social care: a system that many of us agree needs urgent change to address the flaws in a system that increasingly looks as if it doesn't care at all.

A factor highlighted by issues that have been raised recently. For example the case of Elaine McDonald and the withdrawal of night time assistance by Kensington and Chelsea council; the cuts in funding for adult social care of up to 40% in some areas, and the loss of key local services; all are just the tip of the iceberg in the coalition's titanic austerity measures. In addition we had the closure of the Independent Living Fund to new applicants, no clear direction for existing claimants and a host of other cuts to support for disabled people. The much repeated mantra of Miller on 'supporting those in the greatest need' is constantly being proved false and no more than a euphemism for a series of ideologically driven 'cuts' by a government intent on removing the fabric of a post-war welfare state.

All provide the reality and misery of a system in crisis, a system that constantly denies individuals and families the support and investment that a relatively wealthy country is capable of providing. A crisis matched by the erosion of disability rights and supports fought for by disabled people over the past 20 years in a regime that is severely impacting on the lives of disabled people now, and that will impact negatively on future generations.

Cameron argued in 2010 that 'those with the broadest shoulders should bear the greatest load' who'd have thought our shoulders were so broad?

Key proposals in the Dilnot Report include:

- At age 65 people will pay a proposed £35,000 for their 'care' costs

- Private insurance is being mooted as the solution for individuals to pay for their 'social care' in later years
- A national eligibility framework is proposed starting at 'substantial'
- Portability of assessments rather than 'care packages' from one local authority to another
- Means testing remains but the threshold is set to increase to £100, 000
- Extra payments from those entering residential care of up to £10,000 per year proposed
- Deferred payments encouraged but local authorities to charge interest

## **1. Private insurance and a £35,000 payment for 'social' care.**

At the age of 65 the individual pays a sum of money for their 'care' until they reach the 'cap' of £35,000. The 'cap' is a suggested amount by the Dilnot commission. This is where the suggestion of a partnership with private insurance companies comes in- those of us on low incomes can apparently protect ourselves through paying an insurance company, and unsurprisingly some were involved in discussions with the Dilnot commission, so Dilnot and co may be able to provide us with a list.

Once the 'cap' is reached the state takes over and pays any additional costs. So in brief the suggestion is that individuals will pay the first £35,000 of their care costs. But....

- a) The 'cap' may be £35,000 at this stage, but as we know governments could increase this on a regular basis. The figure of £35,000 was arrived at on calculations of the cost of care for a 65 year old person and the costs over an average further 20 year life span; eighty-five is the predicted life expectancy. The Dilnot report has suggested a figure at which they hope we will pay our own costs and then die, allowing the state to appear overtly helpful, but avoid

any cost-More a solution for government than disabled people or those with long term health issues.

b) Am I alone in wondering why throughout our working lives we pay a chunk of our salaries out in *National Insurance* set up to provide all those things beloved of what used to be the welfare state?

Other questions are raised: What happens if an individual who hasn't opted for private insurance becomes disabled or encounters long term health issues before the age of 65? What happens to those of us already disabled or with long term health problems?

## **2. Increased Poverty of Disabled People and the Dilnot Solution**

As we know becoming disabled impacts negatively on ongoing income levels, with disabled people experiencing significantly greater levels of poverty compared to their non-disabled counterparts.

Figures show that 75% of disabled women and 70% of disabled men are already at the bottom end of Britain's income distribution scale living in poverty, the median level of total wealth for households headed by an employee is £217,500 compared to only £21,100 for households headed by someone who is sick or disabled<sup>i</sup>, the average gross hourly pay for disabled employees is £11.08 compared to £12.30 for non disabled employees<sup>ii</sup>. In addition, the Demos report found that

- 170,830 families where both parents care for a disabled child will lose £520m
- 516,450 disabled adults whose partner is a full time carer will lose £1.258bn
- 98,170 single disabled people will lose £127m

By 2015, this does not include losses due to the downgrading of incapacity Support to Employment Support Allowance or Job Seekers Allowance, nor the change from Disability Living Allowance to Personal Independence Payments which the coalition claims is set to knock at least 20% of current recipients off the system. So what's the Dilnot solution?

## **3. Prove Eligible need and get no Cost support**

The Dilnot report proposes that those who are disabled or encounter long term health issues before or at the age of forty will be entitled to no cost support. This appears promising and a recognition of the limitations

on building up savings and assets.

Yet this will require proof of 'eligible need'. So it will be on the basis of what different local authorities identify as 'eligible need' an increasingly difficult thing to reach. As we know this is currently framed by a postcode lottery based on where you happen to live rather than need.

As the majority of authorities have now raised their eligibility criteria to 'substantial' and 'critical' then what counts as disabled may be something very different to current common-sense views of what it really means to be disabled . It is flawed and promotes greater inequalities rather than promoting a solution.

The proposal is that after the age a forty a sliding scale of cost will be applied rising to the full proposed £35,000 at age 65.

The Dilnot report offers a solution to the postcode eligibility issue in the form of a national eligibility framework but this is set at 'substantial' following from this it becomes clearer that qualifying for 'no cost' support may become increasingly difficult if not impossible for most.

#### **4. National Eligibility Framework**

The Dilnot report proposes that all authorities should be offering exactly the same eligibility levels to avoid the postcode lottery, something that the strangely titled Fair Access to Care or FACs was set up to address and clearly failed to do.

The report suggests starting the national eligibility level for assessments at 'substantial' ensuring that those rare local authorities with eligibility starting at 'moderate' join the majority of authorities to set the level at 'substantial' and 'critical' only.

There is some optimism that the option of 'portability of care packages' has appeared in the report, unfortunately this a play on words and doesn't mean what we want it to mean: which is that if a person moves house to another local authority area they keep their 'care package' avoid waiting times and reassessment in the new local authority area.

#### **5. Portability**

The Dilnot report does not suggest the 'portability of care packages' from one location to another called for by many disability groups. Instead, it suggests the portability of assessments which is something entirely different.

The most likely outcome is that an individual presents their assessment and is reassessed by their new local authority. It is not clear to me how this can be considered an advance on the present system. It is no surprise that 'means testing' will remain.

## **6. Proposal to Increase Means Testing Threshold**

The increase threshold of imposing means testing to those with assets of £100,000 instead of the current £23,250 appears at first glance an improvement; however, this may also point to home owners having their assets counted for services other than just for residential care, as at present. This would mean that home owners may in future be financially assessed not only on their savings but also on the value of their homes and be forced to release equity to pay for any local services they might need.

## **7. Residential Care: extra Costs Proposed**

Those in residential care would be expected to pay what the Dilnot report implies is a 'hotel charge' (clearly they have not been to many residential homes). The extra charge will be for accommodation and food. This is slightly confusing as I wonder what those currently in residential homes are paying for through either the sale of their own homes or their family's sale of their homes to pay costs.

## **8. Loans with interest to pay for 'care'**

Local authorities should offer loans to pay for care to those who could later sell their homes to pay the costs with interest to the local authority. What happens to those without homes to sell is unclear.

All the proposals set out in the Dilnot report are just that: proposals. Proposals can be rejected, amended or accepted by the government.

It is clear that the crisis in 'social care' needs addressing as a matter of urgency. Yet the government have suggested that they will not respond to the crisis or the proposals until mid April 2012 at the earliest.

The Dilnot Report can be downloaded in full from

<http://www.dilnotcommission.dh.gov.uk/2011/07/04/commission-report/>

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<sup>iii</sup> Data from Family Resources Survey and the National Equalities Panel Research (2010)

<sup>ii</sup> Office for National Statistics Labour Force Survey, Jan - March 2009