

## A critical summary of the report “Fairer Care Funding”

Andrew Dilnot’s report “Fairer Care Funding” has received almost universal praise for its solutions to the problems of care funding. Whilst some of the recommendations are excellent, the majority appear to misunderstand the nature of the care system and the problems that are faced by those moving into care.

The government will shortly be debating the care system and a white paper is expected by Spring 2012.

This is a summary of the main points of the report with our comments in italics:

- Should a person be assessed as needing care an individual’s lifetime contribution towards their social care costs is currently unlimited. The commission recommends a cap on costs of £35,000, after which an individual will receive full state support. *A current problem in the care sector is that state support is usually lower than the actual cost of care – unless state support is realistic, it is likely that individuals will remain liable for a portion of their care costs long after the £35,000 has been spent.*
- The £35,000 limit covers the cost of care only. People will be required to contribute a national standard amount towards their living costs such as food and accommodation, known as the ‘hotel bill’. The report suggests that this should be £10,000 a year. *The report fails to recognise that care homes are different or explain whether the amount the state will pay for care will be unlimited, in which case people will flock towards the luxury part of the sector. If the amount is capped this is only a contribution towards living costs and should be expressed as such.*
- The means tested threshold at which people become eligible for their full care costs to be paid should be raised from £23,250 to £100,000. *Dilnot recommends that the current tariff income system should be kept and calculated on the difference between the lower means test limit of £14,250 and £100,000. This means that people with £100,000 would be required to pay a tariff income of £343 a week or £17,836 a year. At current local authority care rates most people would be better off continuing to fund their care privately until their assets deplete further.*
- Everyone should be subject to a national eligibility criteria and portable assessments to remove inconsistencies in care availability from county to county.
- The Government and Financial Services Authority should work to develop greater support for those seeking information on financial planning for older age.
- A new social care statute should place duties on authorities to provide advice, assistance and information service in their area.

This system intends to provide a partnership between the individual and state whilst limiting an individual’s liability to the cost of care. It is hugely complex and probably unworkable in practice. The number of integrated capping systems could need regular, possibly monthly, financial assessments for all paying for care. The key issue in this sector is that the state currently pays an insufficient amount to meet residential care costs. Unless this is resolved these proposals will leave the care sector underfunded and will see care homes close.

For more information on the Fairer Care Funding report or on working with the Care Fees Advice Agency for your elderly clients please call 0800 078 7430 or visit [www.carefeesadvice.com](http://www.carefeesadvice.com).