

Emerging Older People Policies from a Housing Perspective

The Future Funding of Social Care: Dilnot Review

What is this all about?

Funding for adult social care has been the subject of a number of reviews in recent years, possibly because of a mismatch between what people expect the state to provide and what they actually receive. Use of housing equity to pay for residential care has been particularly contentious, despite being a favoured option amongst most political parties looking to find ways to reduce expenditure.

The state spends around £140 bn pa on older people; adult social care spending at 6% is small in comparison with health services (35%) and social security (59%). The latter two are based on national systems of entitlement (health services free at the point of delivery, welfare benefits based on a solid legislative basis) but social care, whilst underpinned by national legislation, is delivered in a variable way by county or unitary council social services, and hence prone to 'postcode lottery' criticism.

The Commission on Funding of Care and Support is an independent body set up by the Dept of Health in 2010 to review the funding of adult care and support in England. It is headed by statistician Andrew Dilnot and delivered its report and recommendations, '*Fairer Care Funding*', on 6th July 2011.

What does this Review recommend?

Sharing of responsibility for adult social care costs between the state and the individual, spreading risk, reducing uncertainty and fairer use of assets underpin the proposals. Key recommendations include:

- Free care for an adult whose need for care commences before the age of 40 yrs
- Limiting the lifetime contribution to care costs [but only where needs are officially assessed as substantial] that an individual makes to c£35,000
- A national system of assessment which is portable ie if a person moves to another LA they will have the same entitlement and will not need to be re-assessed using local criteria
- Increasing the asset threshold for those in residential care beyond which no means-tested help is given from £23,250 to £100,000
- Introducing a living costs payment of c£10,000 pa for those residential care to be paid out of income and resources in addition to care costs (the latter being potentially payable by the state)
- An expectation that the insurance industry will create new products to further limit expenditure eg. to cover the £35,000
- Retention of universal disability benefits but rename and repackage the Attendance Allowance

Pros and Cons?

Low equity home owners with limited savings could be the main potential beneficiaries as this group is currently most at risk of losing the majority of their assets if they need higher levels of care. At the moment if an older home owner has to move to residential care, all assets, including their home, which amount to more than £23,250 have to be used to pay for their care home costs.

For example, if Mrs Jones [whose £100,000 home plus £23,250 savings amount to £123,250] needs to move to residential care she will currently have to spend £100,000 on the care home fees before social services meet any costs ie sell her home and use the proceeds, or social services have the power to place a charge on the property.

Under the new scheme she could keep £100,000 and only have to spend £23,250 before social services pay the care home fees (subject to their locally determined limits). However, she would have to pay c £10,000 pa towards the care home as a daily living costs contribution out of any income and remaining assets (not currently the case).

Note that there are similar illustrations of different aspects of the proposals in the report.

Unfortunately the proposals do not incorporate the spending on preventative measures (eg. adaptations) and for care needs that are below the 'substantial' threshold into the financial modeling so some people could have to spend a high proportion of their assets on such provision prior to expenditure counting towards the £35,000 limit.

Administration of the new system would add significantly to the responsibilities of social services for assessment of need. In order to start 'clocking up' the £35,000 everyone, including self funders, would have to be assessed and their package costed and tracked.

Is it good or bad news for housing?

There is a limited reference to housing (see below);

"The Commission understands the critical role that housing provision plays in improving well-being and delivering better outcomes for individuals. Being housed in suitable accommodation can improve someone's overall quality of life by offering greater security, support and peace of mind. Specific support through aids, adaptations and home modifications can help people remain at home and manage needs better." (p61)

What happens next?

The proposals have been broadly welcomed by the social care sector. However, so far government has not come out with a ringing endorsement and is clearly exercised by the potential price tag of £2b pa to introduce the new system. Paul Burstow, the DH Minister with social care responsibilities, has said that the Treasury is examining the proposals in detail alongside the findings of the recent Law Commission report into the legislative framework for adult social care.

A White Paper has been promised by Spring 2012

Where to find out more

The background to the Commission, its final report, summary brochure plus detailed supplementary reports about the evidence, data and analysis underpinning the recommendations are available on their website www.dilnotcommission.dh.gov.uk

LIVING WELL AT HOME: PARLIAMENTARY INQUIRY REPORT

What is this all about?

The All Party Parliamentary Group (Housing and Care) is chaired by Lord Best, long standing champion of housing and currently president of the Local Government Group. It aims to highlight the importance of the role of housing alongside social care and health in the context of an ageing society.

It recently held an Inquiry into the topic of '*Living well at home*' which focused on the living situations of the majority of older people ie those who live in mainstream housing. Evidence was presented by a wide range of organisations (listed in the report) at a series of three hearings in the House of Lords. The report draws on that evidence to highlight the significant role played by the quality and suitability of older people's own homes, particularly in the light of current debates about population ageing and care.

What does this Inquiry recommend?

It concludes that a suitable place to live can mean independence for far longer; prevent the need for residential care; reduce requirements for care at home; mean fewer accidents and hospital admissions; and allow people to leave hospital earlier, with less risk of immediate readmission.

The report considers the obstacles to obtaining assistance with basic home repairs and adaptations, or domiciliary help unless care needs are assessed as critical; its recommendations are focused on how to overcome these difficulties. They include recommendations

That Government should:

- help to promote a new overarching vision of housing for older people to provide the catalyst for statutory, voluntary and commercial organisations, older people, family and carers to identify and maximise the housing solutions across all tenures for older people
- make specific provision on planning for an ageing society in the National Planning Policy Framework, to facilitate the supply of sufficient housing for older people to meet the demands and overcome the barriers to moving
- give impetus to local government, planners, designers, architects, developers, providers and older people's organisations to embed ageing in their local strategies and encourage the adoption of Lifetime Homes Standards as part of local 'age-friendly' neighbourhood criteria
- provide long term funding to FirstStop as part of a commitment to a "*Living Well at Home*" strategy
- convene an industry-wide task group to stimulate development and growth in equity release products for older people; this group should explore the potential for a government backed bond and kitemark
- reconsider the abolition of Private Sector Renewal funding for home improvements that make the homes of low income elderly owner occupiers fit to live in
- encourage local authorities and the NHS strategically to commission integrated community based support, Home Improvement Agency and handy-person services for older people across housing, health and social care, thereby combating fuel poverty, and reducing excess winter deaths, accidents in the home, and longer stays in hospital

That Local Authorities should

- be at the heart of implementing "*Living Well at Home*" strategies and that the new Health & Wellbeing Boards should give equal attention to housing, health & social care

- coordinate the provision of face-to-face housing information and advice services for older people in their areas and, alongside service providers, improve the way they produce and convey information for older people about the service options, costs, quality outcomes and sources of further assistance
- in collaboration with partners from statutory, voluntary and commercial sectors, develop a community of practice with supporting advice and information tools to raise awareness and offer reassurance about the availability of equity release, private finance & loan facilities for older people
- make full use of central government funding for Disabled Facilities Grants and, as appropriate, work with Health Trusts to secure additional resources for aids and adaptations that can save NHS funds

That local statutory, voluntary and commercial housing, health and social care, along with professional bodies such as Foundations and the College of Occupational Therapists, should produce joint good practice guidelines and procedures that facilitate effective, person-centred, transfer of care back home following a hospital admission

What happens next?

Whilst the report has no official standing with regard to shaping government policy, at its Parliamentary launch a verbal response was made by junior DCLG Minister, Baroness Hanham. Its main aim is stimulate greater interest both within Parliament and in the wider policy environment in enabling older people to live well for longer in their own homes.

Members of the APPG will seek meetings with Ministers in relevant Depts, particularly DCLG and DH, to discuss how their Depts plan to address the issues highlighted and hopefully to implement some of the recommendations.

Weblink to further information about the APPG (Housing and Care) and the report:

www.counselandcare.org.uk/appg-on-housing-and-care-for-older-people

What is this all about?

The Centre for Social Justice is a policy body, originally set up by DWP Minister Iain Duncan-Smith, with a focus on finding solutions to social breakdown and helping transform the lives of people in poverty.

In 2010 it published a detailed report called '*The Forgotten Age*' which set out in some detail the problems of poverty and social isolation amongst older people and sought to broaden the ageing debate out from a focus on pensions and social care. The latest report, *Age of Opportunity- Transforming the lives of older people in poverty* sets out its proposals for tackling the issues and problems identified in *The Forgotten Age*.

What does it have to say about housing?

The section on housing is unusual in that it highlights the social problems arising from the growing number of low income, older owner occupiers who are finding it difficult to meet repair, maintenance and adaptations costs. Most policy documents about housing and ageing tend to focus on social rented, special needs and supported housing, even though a minority of older people live in this form of accommodation. This report recognises the reality of where most disadvantaged, isolated and excluded older people actually live ie. in private sector and mainstream housing.

The report makes extensive reference to the importance of the work of local Care & Repair / home improvement agency services in tackling poor and unsuitable housing conditions.

Housing related recommendations include:

- *An integrated system should be established for both disability adaptations and home repair. This system should be clear in terms of entitlement and efficient in terms of delivery, hinging upon a central distinction between minor and major 'interventions'. In terms of both repair and adaptations, vital, preventative minor works – i.e. handyman services, paring down carpets, grab-rails, ramps, or contribution towards disability-related adaptations – should be freely available and universally provided at the local level. (Such a system could thus be free of the current means-testing which makes the system extremely complex to navigate and slow to operate.) Major works, by contrast – whether adaptations such as installing through-floor stair-lifts, room extensions or repairs such as installing new roofs, electrics or heating systems – should increasingly be funded by contributions from homeowners who can afford it, by accessing appropriate amounts of their property's equity.*
- *Given the relative underachievement of the [equity release] market to date, we believe the Government may need to consider direct market stimulation in order to redress a lack of take up. Such action, which should be a time-limited interim measure, could begin to drive up the competition of product offers, including making interest rates more affordable.*
- *Local authorities' new health and wellbeing boards, if forthcoming, should take responsibility for the delivery of this new integrated system for repairs and adaptations.*
- *As a temporary measure the Government should immediately restore funding for Private Sector Renewal. This funding stream should then be phased out gradually in line with the expansion of a proper equity release market for low income homeowners giving them the real choice of safely drawing upon their capital to fund major repairs and adaptations*
- *As a temporary measure, until the equity release market has been properly expanded, the maximum threshold for a means-tested Disabled Facilities Grant should be reduced from its current level to the average value of a grant: £6,500.*

- *A greater proportion of the capital grants the Government makes available to build new affordable homes needs to be allocated to housing specifically designed for older people, whether in the mainstream or specialist sectors.*
- *Through the 'ground rules' it sets for planning policy, central government needs explicitly to include older people's housing within its priorities.*
- *All planning authorities should be required to produce an older person's housing strategy based on their assessment of predicted demand in their area.*

What happens next?

Think-tanks have no direct influence of the formulation of policies by specific government departments, and it would not be usual for a formal response to be made by Ministers or Departments.

However, the Department for Work and Pensions is the lead Government Dept for all matters concerning older people and is headed by CSJ founder, Iain Duncan Smith. This report can be expected to have more chance than most in influencing emerging policies and in shaping the thinking of Ministers.

It is not yet clear whether DCLG/ DH or any other Departments will be taking up the specific recommendations.

Click here to [read the Centre for Social Justice report](#)

For an electronic version of 'The Supplement' go to our website, click on INFORMATION then WHAT'S NEW

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