



The All Party  
Parliamentary Group  
for Ageing and Older People

# Submission to the Dilnot Commission on the Funding of Care and Support

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January 2011

## Introduction

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The All Party Parliamentary Group on Ageing and Older People exists to discuss issues of importance to people in later life. The Group discusses both parliamentary proposals relating to older people and wider policy issues affecting them. It aims to bring together parliamentarians, policy makers, stakeholders and older people themselves to engage with issues in a way that contributes to the political agenda.

This document is the result of a meeting of the APPG to discuss the funding of the care and support system. The Group's intention for the meeting was to gather the views of members on the key issues affecting older people in the care and support system in order to communicate them to the Dilnot Commission on the Funding of Care and Support. This document outlines the main points that were made in the meeting and states where agreement was reached on ideas.

This meeting followed the Chatham House rule, and we have therefore not identified the name or affiliation of the speaker(s). The participants were all members of the APPG, including parliamentarians of both Houses and several political parties. As not every member of the APPG was present, however, the document is published in the name of the officers of the APPG solely.

# Executive Summary

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We believe the Commission's ultimate aims should be to:

- promote a national consensus on the future funding of care and support
- provide the foundation for a social care policy that is sustainable in the long term
- re-emphasise the importance of care and support

On the question of funding, we believe:

- There is need for clarity on national entitlement for care
- No-one should be excluded from access to basic care services for lack of means
- There should be some limit on the costs which have to be borne by the individual
- There needs to be a partnership between the individual and the state
- An insurance model involving risk pooling is the most promising way of funding the system
- Creative thinking needs to be given to funding, with more financial products available and an increased awareness of the various options
- Some of the group feel there should be basic universal services that everyone is entitled to whatever their circumstances

## Opening discussion

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### Key points

- The Commission is a chance to produce the care system we want and need
- The current care system is in a poor state
- There is need for more preventative care, rather than solely critical care
- The need for society to pay more for care services in the future due to the ageing demographic

### Recommendations

- The Commission should assess what the current unmet need is in order to know the extent of the problem that's being faced
- The opportunity posed by the changes to public health should be used to prioritise preventative care

The Commission is an opportunity to determine how to pay for care services and to develop a format that does what a care system "ought to do".

The Commission is starting from a low base in terms of the current state of care provision; services are deteriorating very rapidly and action must be taken to prevent huge bills being built up for the future. We feel the Commission should assess what current unmet need there currently is in order to know the extent of the problem that's being faced.

There have been years of inappropriate decisions made on the basis of departmental budgets, rather than the overall cost to the public purse and we believe this has resulted in many people being in inappropriate care settings. It seems social services for older people are dealing with the most difficult cases and are not in a position to help with smaller things as needed.

We believe there has been a general drift away from providing care at an intermediate level, with most councils only providing care at home when the need is critical. This has resulted in perverse economic consequences in that more people are living in residential care than would have been the case if their situation had been dealt with at an earlier stage. Health services in many areas need to go back to basics and recognise that earlier intervention in basic care is vitally important. We feel that services such as bathing and footcare would save money for the NHS and such things as cutting toenails could be devolved to people of lesser qualification.

It would be helpful to have a national service framework for older people's services. Additionally, advertising services and notifying people of the services which they have access to would be useful and not cost a huge amount.

We agree that in future society will need to pay more for care services due to the ageing demographic.

Finally, we would like to raise a general point regarding basic care. It is vital that GPs maintain focus on the need to prioritise these areas when developing commissioning plans. Advantage should also be taken of the new ascendancy of public health and the increased merger of health and social care, in order to promote basic care services. We are wary that the merger could threaten GPs prioritising essential services.

## Funding

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### Recommendations

- There is need for clarity on national entitlement for care
- There should be some limit on the costs which have to be borne by the individual
- There needs to be a partnership between the individual and the state
- An insurance model involving risk pooling is the most promising approach for providing support
- Creative thinking needs to be given to funding, with more financial products available and an increased awareness of the options
- Some of the group feel there should be basic universal services that everyone is entitled to whatever their circumstances
- No-one should be excluded from access to basic care services for lack of means

There is an important distinction between long term care and health care in terms of funding, as long term care is there for those who are, in general, in a deteriorating state, towards the end of their lives. We believe this affects the way in which it can be funded.

Some of the group feel there is a basic injustice in the idea that people who have saved have to use everything they own to pay for care which is free to other people who have not saved. They therefore suggest that there should be basic universal services that everyone is entitled to whatever their circumstances and that it would be fairer to have a system where the better off have to pay something towards care, but not everything. Equally, it was felt that no-one should be excluded from access to basic care services for lack of means.

There should be flexibility and a greater range of choice in the type of care that people can access in later life.

There are often differences in local authority charging policies for social care services and we therefore believe that there is need for a system which lays down quite clearly who should not have to pay and provides clarity about what the national entitlement would be. We also suggest that if particular services are provided nationally then other services could be provided by, for example, local Age UKs.

There is a strong feeling that means-testing needs to be more tapered, moving away from an all or nothing funding system.

Local authorities often charge on an hourly basis for many of the home services they provide and certain services have tripled their costs in the last 18 months. Some members feel that there is scope for reducing costs and providing the type of services needed in different ways by, for example, capitalising on Big Society models. In order to achieve change, however, they felt there would need to be a big push towards services that do not cost the state anything. These members further argue that families should be encouraged, where possible, to look after different generations with perhaps a tax benefit for looking after a dependent.

We feel that an insurance model involving risk pooling is the most promising approach for providing support.

There is a great need to be creative in developing funding options; we feel a “revolution” of what’s on offer needs to take place. Additionally, the choices which are available need to be promoted. Products enabling asset liquidation, equity release, and insurance should also be considered.

We feel that consideration should be given to pensions or occupational pension schemes being designed to be not just for pension purposes, but for long term care as well. Insurance against low-cost care needs to be looked at too, as does general financial advice on pensions and long term care.

Some ideas we feel warrant closer examination by the Commission are outlined below:

- In the current system anyone with assets worth more than around £23,000 has to fund 100% of their residential care. One proposition which would address this problem would be for people to be incentivised to take out insurance that would cover them for future residential care needs. International evidence suggests that voluntary insurance schemes do not work, as they are not taken up in sufficiently large numbers. We believe incentivised insurance schemes, with tax breaks for premiums, for example, are therefore worth looking at. Another suggestion is that for a certain period of years, people fund their own care with insurance, with the State paying for any care beyond that period.
- If an individual had an asset, i.e. a home, that was not going to be lived in again, this could be rented back to a third party or local authority to alleviate pressure on housing stock.
- A person could sell their home and buy a unit in a residential home, which could then, in the future be passed on to someone else. Individual extra care homes are being built where the majority of units are 1 or 2 bedroom and it should be possible to purchase a lease rather than pay a rent.

A number of financial products for paying for care have failed, and we believe the Dilnot Commission should be looking into why this is and what change needs to take place to enable them to succeed.

More generally, a great deal of work needs to be done on increasing awareness of the cost of care.

On individual budgets, there is some concern that the effect will be instant but not necessarily good; possibly leading, in some cases, to atomisation of care services. Individual budgets must therefore be accompanied by a greater selection of services in order to effect positive change.

## Final remarks

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The APPG for Ageing and Older People is very pleased to be able to contribute to the Dilnot Commission's work on the funding of care and support and hopes that the points made in this document are helpful. The APPG is keen to be kept involved in the work of the Commission and would be very happy to assist with this work in any way it can.

This submission is made on behalf of the officers of the APPG for Ageing and Older People, Co-Chairs Penny Mordaunt MP, Greg Mulholland MP, Malcolm Wicks MP, and Secretary, Stephen Lloyd MP.



Penny Mordaunt MP



Greg Mulholland MP



Malcolm Wicks MP



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