**A picture containing graphical user interface

Description automatically generatedThe Government proposed social care reforms will discriminate against Disabled people with the lowest income and wealth**

The Government is trying to implement its proposed reforms to social care charging through the Health and Care Bill, which is currently in the House of Lords. We urge you to table amendments to ensure reforms positively impact social care users with the lowest income and wealth.

On Wednesday, September 17, the Government announced a fundamental last-minute change to how the social care cap will work, making only individuals' assessed contribution for care costs count towards the cap. This is contrary to the system legislated for in the Care Act 2014.

We are asking members of the House of Lords to scrutinise the amendments being made to the Care Act 2014, particularly why no changes were proposed to the current means-test that looks at income also, what the proposed reforms will do for Disabled and older people without assets including the Government's refusal to implement the original Dilnot proposals which recommenced a zero cap for working-age people who have eligible care and support needs.

**Why we are concerned**

**Working-age Disabled people, many of whom are unable to work to supplement income or accumulate assets, are forced to pay for care out of means-tested and disability benefits to get the vital support they need. This will push many service users into deeper poverty, causing some to choose between heating and eating.**

The social care means test looks at both capital and income. Therefore, people without assets must still pay out of their income towards the cost of social care support. Pensions, means-tested benefits and extra costs benefits such as Personal Independence Payment, Disability Living Allowance, Attendance Allowance, are regarded as income in the social care means test. Consequently, local authorities often take away the welfare benefits - designed to pay for the additional costs associated with disability - to pay for social care support via social care charges.

**Case Study - Nadia**

A disabled person like [Nadia](https://www.youtube.com/watch?v=GZ9eKt2PwLs&t=3s), without assets and minimal chances to enter the labour market and accumulate wealth, must pay for care from means-tested benefits. The Government sets minimum amounts of money people should be left with. These vary depending on age, personal circumstances, and the impairment's severity, starting from £72.40 per week[[1]](#footnote-2).

Young adults such as [Nadia](https://www.youtube.com/watch?v=GZ9eKt2PwLs&t=3s) with high support needs are left with £151.45 per week to live on. With her contribution of £68 per week, Nadia and people in a comparable situation will have to live on as little as £151 per week for 24 years. After that, they qualify for free care and keep all of their disability benefits. If the cap were implemented the way it is currently legislated for in the Care Act, Nadia and people in a similar situation would reach the cap much quicker because their support needs are high.

**What is wrong with the reforms?**

The Government's reforms proposals are primarily based on the recommendations of the Dilnot Commission.[[2]](#footnote-3) However, two key recommendations were ignored: a zero cap for working-age disabled people and what counts towards the cap on care costs. Instead, the reforms propose the same cap for all age groups, and only actual contributions will count towards the cap.

Combined, those two changes to the original proposals mean the reforms will benefit people with the most significant assets and wealth and do nothing for people with the lowest income and savings[[3]](#footnote-4).

The only measure announced by the Government that will help Nadia and others like her is a promise that the levels of MIG (Minimum Income Guarantee) will rise with inflation next year. This will add a few pounds extra per week every year to the amount disabled people are expected to live on.

MIG levels have remained frozen since 2015. They are now almost 10% lower than they would have been if they had risen in line with inflation over the last seven years. So, for example, a person like Nadia is now £15 per week worse off in real terms.

**We urge you to table the amendment to implement a zero cap for working-age, disabled people.**

**The reforms will exacerbate the social care funding crisis**

The Parliamentary Health and Social Care Committee estimated that an £8 billion annual increase is needed to restore care provision to 2010 levels[[4]](#footnote-5). Moreover, four out of five Directors of Social Care are not fully confident they have enough budget to meet statutory obligations. The £5.4 billion allocated for social care is primarily targeted at implementing the cap. The cap will increase the administrative burden on local authorities and create additional complexity. Consequently, fewer resources will directly support people with social care needs.

According to the Health Foundation: "In 2018/19, social care user charges for younger adults were £630m: 9% of the value of expenditure by local authorities. Meanwhile, user charges for older people were around £2.2bn: 40% of the value of expenditure by local authorities." Therefore we believe implementing a zero cap for younger people is possible and must have been considered. Considering that the majority of this money is raised by taking away welfare benefits, we believe it is only fitting that additional funding raised through the Social Care Levy is used to increase the living standards of the poorest.

**The Social care cap amendments offer little protection against catastrophic costs for those with lower levels of wealth.**

Sir Andrew Dilnot [told](https://www.parliamentlive.tv/Event/Index/d5c6a213-1d8e-4f8f-90d8-2c7dc331c8b5) the MPs on the Treasury Committee (Wednesday, November 18) that the alteration is a "big change" which "finds savings exclusively from the less well off". The change was [not revealed when the Government unveiled its reform plans in September.](https://www.communitycare.co.uk/2021/09/07/government-resurrects-cap-care-costs-plan-four-years-ditching/)

In effect, the reforms will not make a big difference to people with assets less than £106.000[[5]](#footnote-6). The reforms will also make no difference to disabled and older people who do not have assets and pay for care out of their means-tested benefits[[6]](#footnote-7).

**What we want**

We want disabled and older people to get good social care support, enabling them to live a good life. No one should have to sell their house to pay for care. However, it is equally essential to ensure that the poorest are not pushed further into poverty because they rely on social care support to do the basic things.

**Therefore, we urge you to**

Raise concerns about the lack of significant improvement of the reforms on less well-off disabled and older people and table and support the amendment to implement a zero cap for working-age disabled people and oppose amendments to the Care Act that the Government is trying to make through the Health and Care Bill. Or table an amendment to remove Section 140 from the Bill.

1. See DHSC’s circular for 2021/22 rates <https://www.gov.uk/government/publications/social-care-charging-for-local-authorities-2021-to-2022/social-care-charging-for-care-and-support-local-authority-circular-lacdhsc20211> [↑](#footnote-ref-2)
2. Dilnot Commission recommended a 0 cap for people under 40, see page 24 <https://webarchive.nationalarchives.gov.uk/ukgwa/20130221121529mp_/https://www.wp.dh.gov.uk/carecommission/files/2011/07/Fairer-Care-Funding-Report.pdf> The government accepted those recommendations and this was reflected in section 15 of the Care Act, which allows different levels of cap to be set. [↑](#footnote-ref-3)
3. See analyses from the Health Foundation <https://www.health.org.uk/news-and-comment/news/last-minute-changes-to-social-care-reforms-are-a-step-in-the-wrong-direction> [↑](#footnote-ref-4)
4. Social Care Funding and Workforce inquiry report available at <https://publications.parliament.uk/pa/cm5801/cmselect/cmhealth/206/20604.htm#_idTextAnchor013m> [↑](#footnote-ref-5)
5. See analyses from the4 Health Foundation here <https://www.health.org.uk/news-and-comment/news/last-minute-changes-to-social-care-reforms-are-a-step-in-the-wrong-direction> [↑](#footnote-ref-6)
6. https://www.kingsfund.org.uk/press/press-releases/social-care-cap-change [↑](#footnote-ref-7)