

# The Future of Adult Social Care:

**Preparing for  
Reform**

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**Summary of the Health and Social  
Care (Building Back Better) charging  
reforms**

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# Summary of proposed Adult Social Care funding reforms

## Context

In September 2021, the government published its Building Back Better plan for reforming the funding of Health and Social Care. This was followed in November 2021 by the publication of the White Paper for reforming the delivery of Adult Social Care (People at the Heart of Care).

CCN and Newton are partnering to draw together these recent proposals with the vision set out in our 2021 [Future of Adult Social Care report](#). In June 2022 we will publish a short paper which will analyse the operational and financial impact of the proposals, and suggest practical steps Local Authorities and the sector can take to best manage implementation of the proposals, and the support required from Government.

This document provides a short summary of the key charging reforms proposed, to inform the development of the analysis and the supporting sector engagement.

## Key changes (most from October 2023):



**1. Care cap:** a cap on the amount any individual can spend on their personal care over a lifetime.



**2. Means testing:** a new system of means testing to take account of individuals' assets and income.



**3. Fair cost of care:** a consistent cost of care will be established to support providers.



**4. Care brokerage:** Enacting section 18(3) of the Care Act will mean all individuals can ask the council to arrange their care.



## 1. Care cap

There will be a cap of £86k on the amount any individual can spend on their personal care over a lifetime. The Local Authority will help individuals 'meter' towards the cap through a 'Personal Care Account' accounting for any money you spend on care. Once this cap is reached, care will be funded by the Local Authority. This will mean that individuals with more assets/savings pay less for their care than at present, and the Local Authority will pay more.



## 2. Means testing

The introduction of a more generous means test will mean that anyone with assets of less than £23k will not pay for their care at all, and anyone with assets between £23k and £100k will receive some assistance. The Minimum Income Guarantee (MIG) and Personal Expenses Allowance (PEA) will be unfrozen, ensuring individuals keep more of their own income. Where a person receives support from the state, the £86k cap will still apply to the individual's personal contribution.



## 3. Fair cost of care

Local Authorities are required from October 2022 to establish a 'fair cost of care'. This is intended to ensure providers receive sustainable funding, to deliver high quality, consistent care.



## 4. Care brokerage

Implementing section 18(3) of the Care Act will require those who pay for their own care to be supported to be assessed by their Local Authority. They will also be able to ask the Local Authority to source and broker their care for them. This should mean that self-funders also pay the fair cost of care, if the Local Authority arranges their care. This will result in people paying a lower rate for their care, and consequently, providers losing income from this cohort, who currently usually pay a higher rate.