



## BRIEFING PAPER

Number 8001, 14 May 2021

# Reform of adult social care funding: developments since July 2019 (England)

By David Foster

### Contents:

1. Background to the situation in July 2019
2. Developments since July 2019



# Contents

<b>Summary</b>	<b>3</b>
<b>1. Background to the situation in July 2019</b>	<b>4</b>
1.1 Labour Government 1997-2015	4
1.2 Coalition Government 2010-2015	4
1.3 Conservative Governments 2015-2019	5
<b>2. Developments since July 2019</b>	<b>7</b>
2.1 July 2019 – first speech as Prime Minister	7
2.2 July 2019 – Green Paper reportedly dropped	7
2.3 Conservative Party 2019 general election manifesto	8
2.4 January 2020 – PM: reforms “done within this Parliament”	9
2.5 March 2020 – letter to parliamentarians	9
2.6 June 2020 – delay to cross party talks	9
2.7 June 2020 – Prime Minister’s speech	10
2.8 November 2020 – Spending Review 2020	10
2.9 February 2021 – Health and Care White Paper	10
2.10 18 March 2021 – debate on social care reform	11
2.11 24 March 2021 – Prime Minister’s comments at Liaison Committee	11
2.12 April 2021 – start of engagement programme	12
2.13 May 2021 – Queen’s Speech	12

## Summary

Reforming the funding of adult social care, including how people pay for care, has been an issue for successive governments. This briefing provides a summary of developments in this area since Boris Johnson became Prime Minister in July 2019.

In his [first speech as Prime Minister on 24 July 2019](#), Boris Johnson stated that the Government would “fix the crisis in social care once and for all with a clear plan we have prepared to give every older person the dignity and security they deserve.”

Subsequently, the [Conservative Party’s 2019 general election manifesto](#) stated that a Conservative Government would seek a cross-party consensus in order to bring forward proposals for reform of how people pay for adult social care. It added that a prerequisite of the proposals will be that “no one needing care has to sell their home to pay for it.”

In January 2020, the Prime Minister [stated](#) that the Government would bring forward a plan “this year” and would “get it done within this Parliament.” However, the Government subsequently stated that it would not be possible to meet this timetable in light of the Covid-19 pandemic.

At the [Spending Review 2020](#), published on 25 November 2020, the Government stated that it was “committed to sustainable improvement of the adult social care system and will bring forward proposals next year.” This remains the current position, as most recently reiterated at the Queen’s Speech on 11 May 2021. The [background briefing notes to the Queen’s Speech](#) stated that “the Government “know there is more work to do so that everyone receives high-quality, joined-up care” and is “committed to improving the adult social care system and will bring forward proposals in 2021.”

Information on the funding of adult social care and how people currently pay for care is available in the following Library Briefings:

- [Adult Social Care Funding \(England\)](#), 11 December 2020.
- [Social care: paying for care home places and domiciliary care \(England\)](#), 8 July 2019.

### Health and Care Bill

As set out in a [White Paper published in February 2021](#), the Government is expected to introduce a Health and Care Bill during the current parliamentary session. This is expected to contain provisions related to adult social care, including concerning the integration and collaboration of health and social care services. However, the proposals do not address the wider funding of adult social care or how people pay for care. As such, this briefing only provides very brief information on the proposals contained in the White Paper (see section 2.9).

This briefing covers England only.

# 1. Background to the situation in July 2019

Proposals for the reform of adult social care funding already had a long history by the time Boris Johnson became Prime Minister in July 2019.

## Box 1: How do people pay for social care at present?

While the NHS is mostly free at the point of use (except e.g. dentistry, prescriptions for some groups), this is not the case for social care. Rather, a means-test is applied to determine if someone requiring social care support is eligible for local authority funding support.

At present, care home residents with capital (which may include the value of their home) below £23,250 are eligible for such support, but have to contribute their income (and some of their capital if in excess of £14,250) towards the cost on an ongoing basis without limit. Even then, if their income exceeds what a local authority usually pays for a care home place, they may find themselves ineligible for financial help.

For those receiving social care in other settings, such as at home, local authorities can establish their own frameworks for charging (if they decide to charge) which must be at least as generous as the care home means-test. A key difference is that the value of a person's home is always excluded (or "disregarded") from the domiciliary care means-test.

There is no limit to the amount an individual can spend on social care support during their lifetime, which can lead to "catastrophic" social care bills of tens of thousands of pounds for some people.

However, if someone qualifies for NHS Continuing Healthcare because their needs are primarily health-related, then both their health *and* social care costs are met in full by the NHS without any financial contribution required at the point of use from the person receiving the care.

Further information can be found in the Library briefing papers [Social care: paying for care home places and domiciliary care \(England\)](#) and [NHS Continuing Healthcare in England](#).

## 1.1 Labour Government 1997-2015

The 1997–2010 Labour Government had appointed the Royal Commission on Long Term Care for the Elderly, whose March 1999 report called for free personal care to be introduced and a significantly more generous means-test, among other measures. While some of the Commission's proposals were implemented, on these points in particular the Labour Government rejected them, citing the cost.

While further proposals were subsequently put forward by the Government itself, fundamental change was not implemented during the remainder of the Labour administration.

## 1.2 Coalition Government 2010-2015

Following the May 2010 General Election, the Coalition Government established the Commission on the Funding of Care and Support, chaired by Sir Andrew Dilnot, in July 2010. A year later, the Commission published its proposals, central among which was the introduction of a cap on lifetime social care charges and a significantly more generous means-test.

The then Government accepted these proposals in principle, although they altered the parameters for the cap and the means-test as well as some of the detailed policy behind the cap. The *Care Act 2014* provided

the legislative changes to implement the novel policies proposed by the Commission, and an implementation date of April 2016 was set.

### 1.3 Conservative Governments 2015-2019

Two months after the 2015 General Election, the newly-elected majority Conservative Government announced that the introduction of the lifetime cap – plus the more generous means-test and other “Phase 2 reforms” of the *Care Act 2014* – would be “delayed” until April 2020.<sup>1</sup>

In his Budget Statement on 8 March 2017, the then Chancellor stated that the Government would “set out their thinking on the options for the future financing of social care in a Green Paper later this year”.<sup>2</sup> The then Health Minister, Philip Dunne, told the House later in March 2017 that “it would be fair to say that it is expected to be published in the summer”.<sup>3</sup>

The Conservative Party’s manifesto for the 2017 general election reiterated the commitment to publish a Green Paper on adult social care and set out three planned measures:

- A more generous, single means-test capital limit of £100,000.
- “So that people are looked after in the place that is best for them”, the manifesto proposed to “align the future basis for means-testing for domiciliary care with that for residential care” – this would mean that for those receiving domiciliary care the value of their home would be included in the means-test (at the time this only applied to care home residents, as continues to be the case).
- The extension of the deferred payments agreement scheme to those receiving domiciliary care whose home is included in the means-test.

The Queen’s Speech in June 2017 similarly stated that the newly-elected Conservative Government would “work to improve social care and will bring forward proposals for consultation”.<sup>4</sup>

In December 2017, the Government stated that it would not take forward the plan to implement the Stage 2 changes under the *Care Act 2014* – including the lifetime cap on social care charges – in April 2020. However, no new timetable was set, in effect indefinitely postponing the introduction of the changes.

The Government stated that further details on its plans would be set out in the Green Paper on adult social care, which at that point was expected to be published by the 2018 parliamentary summer recess (following two delays to the expected publication date).<sup>5</sup>

---

<sup>1</sup> [HLWS135 17 July 2015](#).

<sup>2</sup> [HC Deb 8 March 2017 c818](#)

<sup>3</sup> [HC Deb 14 March 2017 c48WH](#)

<sup>4</sup> [HL Deb 21 June 2017 c6](#), see also 10 Downing Street, [The Queen’s Speech and Associated Background Briefing, on the Occasion of the Opening of Parliament on Wednesday 21 June 2017](#), 21 June 2017, p58

<sup>5</sup> [HC Deb 7 December 2017 c1235](#)

## 6 Reform of adult social care funding: developments since July 2019 (England)

Following a series of delays, the expected adult social care Green Paper had not been published by the time Theresa May resigned and Boris Johnson became Prime Minister on 24 July 2019.

Further information on proposals for the reform of adult social care prior to July 2019 is provided in the following Library Briefing Papers:

- CBP 8000, [Social care: Government reviews and policy proposals for paying for care since 1997 \(England\)](#), 23 October 2017.
- CBP 7265, [Social care: Announcements delaying the introduction of funding reforms \(including the cap\) \(England\)](#), 23 February 2018.
- CBP 7106, [Social care: how the postponed changes to paying for care, including the cap, would have worked \(England\)](#), 22 July 2015.
- CBP 8002, [Adult social care: the Government's ongoing policy review and anticipated Green Paper \(England\)](#), 30 September 2019.

## 2. Developments since July 2019

On 24 May 2019, Theresa May announced that she would resign as Leader of the Conservative Party on 7 June and as Prime Minister once a successor had been elected. Following his election as leader of the Conservative Party in the subsequent leadership contest, Boris Johnson was appointed as Prime Minister on 24 July 2019.

In December 2019, a General Election returned Mr Johnson's Government with an overall majority of 80 seats in the House of Commons.

### 2.1 July 2019 – first speech as Prime Minister

In Boris Johnson's first speech as Prime Minister on 24 July 2019, he said:

My job is to protect you or your parents or grandparents from the fear of having to sell your home to pay for the costs of care and so I am announcing now – on the steps of Downing Street – that we will fix the crisis in social care once and for all with a clear plan we have prepared to give every older person the dignity and security they deserve.<sup>6</sup>

No indication was given by the Prime Minister as to when the prepared plan would be published.

While the Prime Minister referred to the "crisis in social care" for older people, he did not mention social care for other adults (in England, the total cost to the public purse of meeting the social care needs of adults under 65 years of age is around the same as that for those aged 65 and over).<sup>7</sup>

### 2.2 July 2019 – Green Paper reportedly dropped

On 31 July 2019, the Financial Times reported that "a consultative paper that laid out options for funding care for elderly and disabled people but which had languished unpublished as Brexit consumed ministerial attention" – presumably the social care Green Paper – had "already been ditched".

The reason cited was that the new Prime Minister "sought to inject more urgency into the process".

In its place, the FT reported, would be a White Paper, the publication of which was "expected in the autumn" and would propose "a clear course of action to address the crisis".

Supporting the suggestion that it had been dropped, responses to parliamentary questions on adult social care reform after Boris Johnson became Prime Minister no longer referred to a planned social care

---

<sup>6</sup> 10 Downing Street, [Boris Johnson's first speech as Prime Minister: 24 July 2019](#), 24 July 2019.

<sup>7</sup> Institute for Fiscal Studies and The Health Foundation, [Securing the future: funding health and social care to the 2030s](#), May 2018, p11 and footnote 15].

Green Paper.<sup>8</sup> For example, when asked directly when the Government “plans to publish the green paper on funding social care”, the then Minister for Care, Caroline Dinenage, told the House in September 2019:

The Government will set out a plan to fix the care system and give every older person the dignity and security they deserve.

We will set out our proposals in due course.<sup>9</sup>

Similar responses were given to subsequent similar parliamentary questions.<sup>10</sup>

## 2.3 Conservative Party 2019 general election manifesto

In their manifesto for the December 2019 General Election, the Conservative Party said “we need a long-term solution for social care” and that it was “committing to an ambitious three-point plan”:

1) £1 billion extra of funding every year for more social care staff and better infrastructure, technology and facilities.

2) We will commit to urgently seek a cross-party consensus in order to bring forward the necessary proposal and legislation for long-term reform.

3) The prerequisite of any solution will be a guarantee that no one needing care has to sell their home to pay for it.<sup>11</sup>

On the final point, this appears to be a significant departure from the current means-test. At present, the value of someone’s home is only included in the means-test if they are receiving social care in a care home setting, although it must be disregarded from the means-test if a partner or (in some cases) a relative continues to live there. If it is included in the means-test, then in many cases a deferred payment agreement can mean that a care home resident doesn’t have to sell their home during their lifetime. However, upon their death, the house is sold and the proceeds used to repay the local authority that had been funding the care home place.

The manifesto set out the Party’s principles in its approach to the question of funding social care:

We need to have a system to give every person the dignity and security that they deserve. This is a significant and complex challenge and in order to lay the foundations, we must plan for the infrastructure, workforce growth and healthcare integration that is required for a care system fit for the 21st century.

Because this is a long-term problem that will affect so many people, any solution has to be able to survive long-term. We must

---

<sup>8</sup> For example, references were still being made to the publication of a social care Green Paper under Ms May’s leadership shortly before Mr Johnson became Prime Minister, see [PO 272233 10 July 2019](#).

<sup>9</sup> [PO281725 9 September 2019](#)

<sup>10</sup> For example, [PO7622, 29 January 2020](#); [PO 66924, 6 July 2020](#).

<sup>11</sup> Conservative and Unionist Party, [Get Brexit Done – Unleash Britain’s Potential](#), November 2019, p12



build the same level of consensus on social care as we have already built on the NHS.

So we will build a cross-party consensus to bring forward an answer that solves the problem, commands the widest possible support, and stands the test of time. That consensus will consider a range of options but one condition we do make is that nobody needing care should be forced to sell their home to pay for it.<sup>12</sup>

## 2.4 January 2020 – PM: reforms “done within this Parliament”

On 14 January 2020, the Prime Minister was questioned about the reform of social care. During the interview on BBC Breakfast, Mr Johnson was challenged that he had said in July 2019 that he already had a plan for social care reform, and was asked “where is that plan”. In response, he replied: “we will be bringing forward a plan this year but we will get it done within this parliament.”<sup>13</sup>

## 2.5 March 2020 – letter to parliamentarians

On 6 March 2020, the Health Secretary, Matt Hancock, [wrote](#) to parliamentarians “to begin the process of seeking to build a cross-party consensus on social care.” The letter stated that the Government sought to “build a cross party consensus so that the reforms we progress will last long into the future, nobody is forced to sell their home to pay for care, and everybody accessing care has safety and security.”

The letter asked MPs and peers for “your views, your proposed solutions and your concerns about reforming the way that people pay for their care.” It added that the Government then planned to move to structured talks on reform options in May 2020.

## 2.6 June 2020 – delay to cross party talks

In answer to a question at the then daily coronavirus press conference on 2 June 2020, the Health Secretary suggested that it may not be possible to meet the previously set timetable for the reform of adult social care funding in light of the coronavirus outbreak. He stated:

Well, the time frame has been clear, which is that we have got to get these reforms done in this parliament and the prime minister has previously said we will get them set out this year.

That was before coronavirus – we will still try to do that but it is not straightforward.<sup>14</sup>

Subsequent responses to parliamentary questions, including on 2 July 2020, have stated that the cross party talks – originally planned for May

---

<sup>12</sup> Conservative and Unionist Party, [Get Brexit Done – Unleash Britain’s Potential](#), November 2019, p12

<sup>13</sup> BBC, [The Big Interviews: Boris Johnson on BBC Breakfast](#), (at 16 minutes 25 seconds), 14 January 2020

<sup>14</sup> [Coronavirus pandemic could delay reforms to social care, health secretary says](#), Independent, 2 June 2020.

2020 - would now take place “at the earliest opportunity in light of the current circumstances.”<sup>15</sup>

## 2.7 June 2020 – Prime Minister’s speech

In a wide-ranging speech on 30 June 2020, the Prime Minister stated that now was the time to fix the problems that were “most brutally illuminated” by the coronavirus outbreak, including “the problems in our social care system.” He added that:

“...we won’t wait to fix the problem of social care that every government has flunked for the last 30 years. We will end the injustice that some people have to sell their homes to finance the costs of their care while others don’t. We are finalising our plans and we will build a cross-party consensus.”<sup>16</sup>

## 2.8 November 2020 – Spending Review 2020

At the Spending Review 2020, published on 25 November 2020, the Government announced additional funding for adult social care in 2021-22. It additionally stated that “In the longer term, the government is committed to sustainable improvement of the adult social care system and will bring forward proposals next year.”<sup>17</sup>

## 2.9 February 2021 – Health and Care White Paper

In February 2021, the Department of Health and Social Care published a White Paper setting out legislative proposals for a Health and Care Bill. The White Paper set out a number of proposals relating to adult social care, including:

- Proposals aimed at improving the integration and collaboration of health and social care services.
- Plans to allow the collection of more data from social care providers.
- Proposals for a new assurance framework for adult social care, including a new duty for the Care Quality Commission to assess the delivery of adult social care by local authorities, and a new power for the Secretary of State to intervene where a local authority is failing to meet its duties.
- The introduction of powers to allow the Government to make direct payments to adult social care providers.
- The introduction of a legal framework for the discharge to assess model, whereby care assessments etc are done after hospital discharge.
- A technical change related to the provision of funding for the Better Care Fund.<sup>18</sup>

---

<sup>15</sup> [PO 64976](#), 2 July 2020; [PO 59766](#), 22 June 2020.

<sup>16</sup> Prime Minister’s Office, [PM Economy Speech: 30 June 2020](#), 30 June 2020.

<sup>17</sup> HM Treasury, [Spending Review 2020](#), November 2020, para 4.10.

<sup>18</sup> DHSC, [Working together to improve health and social care for all](#), 11 February 2021, paras 5.99-5.100 & 5.103-5.117.

Regarding wider reform of adult social care, the White Paper stated that the Government “intends to bring forward separate proposals...later this year.”<sup>19</sup> It added:

The Department recognises the significant pressures faced by the social care sector and remains committed to reform. We want to ensure that every person receives the care they need and that it is provided with the dignity they deserve. Our objectives for social care reform are to enable an affordable, high quality and sustainable adult social care system that meets people’s needs, whilst supporting health and care to join up services around people. We have committed to bringing forward proposals this year but, in the meantime, our legislative proposals [see above] will embed rapid improvements made to the system as it has adapted to challenges arising from Covid-19.<sup>20</sup>

## 2.10 18 March 2021 – debate on social care reform

In response to a debate on social care reform on 18 March 2021, the Care Minister, Helen Whately, reiterated that the Government “are absolutely committed to the reform of the adult social care system... [and] will bring forward proposals this year.”

The Minister stated that the Government wanted “to tackle the problem of the catastrophic costs of care that a minority face” and emphasised that it had “made the commitment that no one who needs care should be forced to sell their home to pay for it.”

She added that the reforms would “be informed by a wide range of voices, not only colleagues and experts in the sector but also care providers, the workforce and those with lived experience of the care sector.”<sup>21</sup>

## 2.11 24 March 2021 – Prime Minister’s comments at Liaison Committee

In his appearance before the Liaison Committee on 24 March 2021, the Prime Minister stated the following on social care reform: “If you are going to ask if we need a plan to do it—a long-term plan, a 10-year plan—the answer is yes, and the Government will be bringing forward our proposals on social care and social care reform later this year.” He then added that it was “highly likely” that social care would be mentioned in the Queen’s Speech.<sup>22</sup>

While some press reports interpreted this as meaning the Government hoped “to bring forward plans to reform social care as early as May”, it was not clear if the Prime Minister was referring to anticipated proposals for reform of how people pay for adult social care or to the

---

<sup>19</sup> As above, para 2.7.

<sup>20</sup> As above, para 4.4.

<sup>21</sup> [HC Deb 18 March 2021, cc230WH-31WH](#).

<sup>22</sup> Liaison Committee, [Oral evidence: Evidence from the Prime Minister](#), HC1285, 24 March 2021, Q37-8,

anticipated Health and Care Bill, which is expected to include other measures related to social care (see section 2.9 above).<sup>23</sup>

## 2.12 April 2021 – start of engagement programme

In a newsletter published on 1 April 2021, the Department of Health and Social Care announced that it had begun “a comprehensive engagement programme to develop a long-term vision for social care.” It added that:

The Department...is engaging with system leaders, stakeholders, experts and the public, as part of the Government’s commitment to bring forward social care reform proposals.

This week, two roundtables were held with think tanks and people with lived experience of care services. Further roundtables with providers, commissioners, professional bodies, workforce representatives and charities will run in the coming weeks.<sup>24</sup>

## 2.13 May 2021 – Queen’s Speech

The Queen’s Speech on 11 May 2021 stated that “proposals on social care reform will be brought forward.”<sup>25</sup> The background briefing notes on the speech added that the Government “know there is more work to do so that everyone receives high-quality, joined-up care” and is “committed to improving the adult social care system and will bring forward proposals in 2021.”<sup>26</sup>

The background briefing notes also stated that the anticipated Health and Care Bill would be introduced (see section 2.9 above) and provided some further information.

The absence of further details on the reform of how people pay for social care in the Queen’s Speech was criticised by a number of stakeholders. For example, see:

- Local Government Association, [LGA: Failure to act on social care in Queen’s Speech will be ‘bitter blow’ say councils](#), 10 May 2021.
- ADASS, [ADASS Responds: The Queen's Speech \(May 2021\)](#)
- King’s Fund, [The King's Fund comments on the Queen's Speech](#), 11 May 2021.
- Health Foundation, [Queen’s speech shows government recognises major health challenges facing the country but not the scale of action needed](#), 11 May 2021.
- Nuffield Trust, [Nuffield Trust: Further delay to social care reform a betrayal of commitments made by government](#), 11 May 2021.
- Carers UK, [Carers UK responds to Queen's Speech](#), 11 May 2021.

---

<sup>23</sup> [Social care reform to be announced in Queen’s speech, hints Boris Johnson](#), The Times, 25 March 2021.

<sup>24</sup> DHSC, [Adult social care update](#), 1 April 2021.

<sup>25</sup> [HC Deb 11 May 2021, c3](#).

<sup>26</sup> Prime Minister’s Office, [Queen's Speech 2021: background briefing notes](#), 11 May 2021.

- Care England, [The Queen's Speech: Years of Neglect and Disappointment Extended](#), 11 May 2021.

In a report on the Government's Health and Care White Paper, published on 14 May 2021, the Health and Social Care Committee noted "that the Queen's Speech did not include detailed plans for social care reform" and said that the Committee "will be extremely disappointed if these plans are not brought forward by the end of the calendar year."<sup>27</sup>

---

<sup>27</sup> Health and Social Care Committee, [The Government's White Paper proposals for the reform of Health and Social Care](#), HC 20 2021-22, 14 May 2021, para 55.

### About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publicly available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email [papers@parliament.uk](mailto:papers@parliament.uk). Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email [hcenquiries@parliament.uk](mailto:hcenquiries@parliament.uk).

### Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).