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**Health and Adult Social Care Policy and  
Scrutiny Committee**

**21 February 2023**

Report of: Jamaila Hussain Corporate Director of Adults and Integration

**Adult Social Care Reform: Cap on Care**

**Summary**

1. This report is to provide an update to Health and Adult Social Care Scrutiny Committee regarding Social Care Reform particularly around cap on care costs, following the government's announcement in September 2021 to implement the cap on care cost by October 2023.
2. The implementation date has since changed, and the cap of care implementation has been delayed until 2025. This will allow local authorities to put the right process in place to support citizens.

**Background**

3. The Care Act 2014 ('the Act') sets out the core legal duties and powers that underpin the care and support system. The Act also paved the way for the proposed charging reforms, with Section 15 of the Act containing provisions to create a cap on the costs of care. Alongside this sits the white paper People at the Heart of Care ([www.gov.uk](http://www.gov.uk)).
4. Part of the system reform is a cap on the amount that anyone in England will need to spend towards their personal care over their lifetime. The cap will be set at £86,000. This will provide financial protection from unlimited care costs and, as a result, give people peace of mind from knowing that they will keep more of their assets when paying for their care.
5. In addition, the reforms propose a point at which a person is eligible for local authority means-tested support. The upper capital limit (UCL) will rise to £100,000 from the current level of £23,250 and the lower capital limit (LCL) will increase to £20,000 from £14,250. This

more generous means-testing limit means that more people will be eligible for some state support towards the cost of care earlier and reduces the amount that people will have to pay for their care each week. Anyone with assets under £20,000 will not have to pay anything for their care from their assets.

6. Although the plans have been delayed, the Council is working towards having systems in place to support the cap on care when implementation is required.

### **Implementing the New Rules**

7. A self-funder who arranges their own care will receive an independent personal budget (IPB), which will specify the amount the local authority would pay to their needs. In determining this, the guidance proposes that local authorities should follow the same principles as for direct payments that are already in operation. IPBs should be based, as far as possible, on the local authority's best available real cost of care data and the appropriate purchasing process be in place. All individuals will receive a care account that will be monitored every six months and individuals updated on spend levels.
8. Payments, known as 'top ups', will not count towards the cap. Local authorities should not be at risk of having to pay top ups in cases where the person becomes unable to pay.
9. Therefore, while it is for the Local Authority to determine whether a person is able to pay if there is, for instance, a reasonable expectation that the top-up will not be affordable for the duration of the person's expected care journey.
10. Furthermore, the cap on care reform when in place will provide people the option to benefit from their local authority's expertise and support. Self-funders in domiciliary care are already able to request their local authority to arrange their care to meet their eligible needs. This right will be further extended to self-funders in residential care once the cap on care is implemented.

### **Preparing for Implementation**

11. The expectation is that all local authorities understand the likely changes in demand that will result from the reforms through self-funder populations, targeting where appropriate; and conducting

early needs and financial assessments of self-funders under the current system.

12. The introduction of the cap on care reform will result in system and workforce capacity requirements. The Council is required to understand and model the impacts for them and implement the required system upgrades and increase their workforce and operational capacity as required. This will result in more assessment, commissioning, and financial resource.

### **Consultation**

13. There are no consultation requirements at this stage.

### **Council Plan**

14. Adult Social Care Reform is part of the City of York's Council Plan.

### **Implications**

15. As the Cap on Care has been delayed until 2025 this will enable all Local Authorities to complete planning and work with the wider populations in terms of the Adult Social Care Reforms. The additional time will also enable robust modelling and a clearer understanding of the required resource to support the reforms on an ongoing basis.

### **Risk Management**

16. Further work is ongoing to ascertain the total cost of implementation. The Cap on care has now been delayed until 2025.

### **Recommendations**

17. Members of the Health and Adult Social Care Policy and Scrutiny Committee are asked to note the report. A future report will come to scrutiny committee following the publication of the white paper: People at the Heart of Care.

Reason: To keep the Committee updated on Social Care Reform, particularly around cap on care costs.

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Date: 8 February 2023 Approved: ✓

### Wards Affected:

All



**For further information please contact the author of the report**