

AGENDA ITEM

REPORT TO CABINET

26th November 2009

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Adult Services and Health – Lead Cabinet Member– Councillor Ann McCoy

Green Paper – Shaping the Future of Care Together

1. Summary

The green paper sets out the government vision for a new care and support system that is fit for the 21st Century and responsive to the changes in expectations and demographics of society. It attempts to address how the new way forward should be funded, by the state and individuals and identifies three main options on which the government wishes to consult. It also introduces the new concept of a National Care Service.

Following internal consultation a number of comments on the consultation questions have been collated. This feedback is included in this paper and will feed into the national consultation process.

2. Recommendations

To note the response to the Consultation questions for Stockton Borough Council.

3. Reasons for the Recommendations/Decision(s)

To highlight the direction of travel outlined in the Green Paper and note the proposals outlined.

To ensure that Stockton's feedback is included in the national consultation process

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraphs 10 and 11 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management of, any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

CABINET DECISION

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1. SUMMARY

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2. BACKGROUND

- 2.1 In the 2007 Pre-Budget Report and Comprehensive Spending Review the government committed to a 'radical rethink' on long-term care, including a green paper on how best to fund adult social care and support in the future.

In May 2008 the government published *The case for change – why England needs a new care and support system*. This paper defined the parameters of the debate and sought the views of the public, people who use services and people who work in care and support. The new green paper is the response to the views that were expressed and poses further questions for discussion.

- 2.2 It was found that rising aspirations demanded a better, fairer system of care and support both for those who look forward to a long and active old age, but who may need some support to stay well in their later years, and those who need some support earlier in their lives due to disability.

- 2.3 The green paper reflects a view that the current system is a legacy of a series of incremental steps rather than a single planned creation, such as the National Health Service. Some people qualify for support through disability benefits. By contrast, means tested social care support is only provided to people on low incomes who cannot afford to pay for themselves. Other people who are seen as being able to support themselves are expected to do so from their own resources such as savings and the value of their home if their savings or assets have a value of more than £23,000. A large number of people are expected to make provision for themselves and receive little in the way of advice and support whilst having to make difficult and expensive decisions about care and support.
- 2.4 Beyond the above perceived unfairness, the current funding mechanism is seen as unsustainable because of the shifting demographics within society. This means that there will be considerably more people living into their later years and fewer people of working age. By 2026 it is likely that 1.7 million more adults will need care and support. Rising expectation means that they will expect more choice and control over their services. Failure to reform the system will also restrict the effectiveness of such initiatives as Putting People First and the personalisation agenda. Therefore doing nothing is not a viable option.
- 2.5 There are weaknesses noted in the current system with wide variations in standards and quantity of care and support offered by different local authorities, which is seen as a post code lottery. Each local authority establishes different levels of entitlement within the prescribed Fair Access to Care Services (FACS) eligibility criteria. Someone moving between areas has no guarantee that they will receive the same level of support.
- 2.6 In order to address this, the green paper introduces the concept of creating a National Care Service to bring together the concepts of fairness, simplicity and affordability. It builds on a recognised shared responsibility by society to make sure that people receive the care they need. It also addresses options for a new funding system that are fairer, proportionate to what people could afford and easier to understand.

3. LOCAL CONTEXT – DEMOGRAPHIC CHANGES

- 3.1 While the social care needs of younger people with disabilities are briefly addressed within the green paper, the main focus is on older people, and one of the key drivers for the proposed way forward is the demographic changes that are forecast in coming years and the funding shortfall created by a growing older population.

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3.2 Population Growth – Older People

- The number of people aged over 65 is expected to grow by about a third by 2025 from 15,200 in 2008 to 20,200 in 2025.
- The projected growth in the 85+ age group by 2025 is 75%. This is an enormous increase and can be accounted for largely by the 120% increase in the number of men expected to live over the age of 85 years by 2025 (although the growth in the number of women is also above average).
- This growth in the population of very old people is likely to have a significant impact on the demand for housing, health and support services, particularly with respect to increasing numbers of couples and older informal carers.

3.3 Projecting Needs for Care and Support Services

- Application of current ratios of care to projected figures suggests that, overall, more day care, hospital and/or care in a twenty four hour setting and home care provision is needed to meet growing demand, and support for carers is also highlighted as vital.
- Of the 14,837 over 65s estimated to have a Limiting Long Term Illness (LLTI) currently, 9,306 are estimated to need help with self-care and 10,152 are estimated to need help with domestic care. However, 4,790 received community based services in their own home from the Local Authority.
- By 2025 it is projected that 22,632 older people within Stockton will have a LLTI, 14,432 will need help with self-care and 15,744 will need help with domestic tasks.
- There is a projected growth in the number of unpaid carers between 2008 and 2025, from 3,224 to 4,731. There will also be an increase in the proportion of carers who will be aged over 75, providing over 50 hours of care and potentially in poor health themselves.
- In addition, the growth projected in the number of informal carers does not match the projected increases in the number of people who require care. This could imply that there is a group of hard-to-reach older people living alone who are not accessing services or will find it difficult to access services in the future.
- The data also suggests that increasing life expectancy will result in a considerable number of older people already living in care homes who may live for another 10-15 years.

4. KEY PROPOSALS

4.1 The principal proposal in the green paper is a new National Care Service. This would incorporate a universal framework for care and support that is simple to understand. Its aim would be to support people to stay independent, and to provide services based on individual circumstances and need. The government envisages the new National Care Service being fully 'joined up' with the NHS to help people receive more appropriate care in the right setting.

The key features include:

4.2 Prevention services

People would have free support to help them stay independent and well in their own homes for as long as possible. This could include a period of reablement following discharge from hospital, housing support or telecare services. Information about prevention and early intervention would be easily accessible.

4.3 Standardised national assessment of needs

Care needs would be assessed in the same way wherever the person lives and assessment would be portable, applying anywhere in England. There would be the right to have care and support needs assessed in the same way and the same proportion of care and support costs would be paid for wherever the individual lives, with a set minimum proportion of care to be funded by the state, for example a third or a quarter.

4.5 Joined up service

All the services would work smoothly together, particularly when needs are assessed. Services would be focused round the individual and be better joined up, whatever care and support needs were identified. One assessment of needs would gain access to a whole range of care and support services. This would, for instance

include 'joined-up' adult care, health, housing and benefits services as part of the commitment to keeping people well, independent, and living in their own homes.

4.6 Information and advice

Readily available information about the care and support system would need to be simple to understand. This would help individuals to know what care and support they are entitled to and what is available in their area. Feedback on service user experience of services would need to be captured and used to help shape this information. Also, an independent body could be established to provide advice on what works best for those needing care and support.

4.8 Personalised care and support

Services would be based on an individual's personal circumstances and need. Their care and support would be designed and delivered around their individual needs and there would be much greater choice over how and where they receive support, including controlling their own budget wherever appropriate.

4.9 Fair funding

A fundamental aim is to ensure that money is well spent on high quality, cost-effective services. To ensure fairness some state support should be available to everyone who qualifies for care and support to help meet their care costs.

4.10 In order to make the National Care Service reform work the paper outlines three key changes:

4.11 Joined up Working

There is an expectation that there will be better joined up working between health, housing and social care services and also between social care and the disability benefits system.

4.12 A wider range of services in care and support

There is a continuing expectation that local government would provide good quality information on the services available, to ensure individuals can connect with providers. There is also an expectation that local government should play an important role in supporting providers to shift their focus from the council's requirements, relating to service provision, to the achievement of the outcomes of each individual.

4.13 Better quality and innovation

To ensure high quality, cost-effective services based on dignity and respect, the government emphasises the importance of supporting people who work in care and support to develop their skills. The government also proposes giving an independent organisation the role of advising them on best practice and best value for money in care and support to learn which care and support services are most effective.

5 PROVIDING AND PAYING FOR CARE

5.1 The vast majority of responses to the government's previous consultation process argued that everyone in society is responsible for ensuring people receive the care they need, including individuals, families, employers, communities and government. Almost everyone agreed that the government should share care costs through a largely tax-based system.

5.2 Three principles to determine how state resources are spent are put forward for further consultation:

- Variation according to where people live: this was viewed as unfair by the majority of respondents because where someone lives should not influence what level of care they can receive;
- Variation according to when someone develops a need: this is about whether there should be one system for everyone, or different systems based on the different needs people have. People were less concerned about how money is raised so long as individuals with different needs are entitled to the same outcomes.
- Variation according to whether people are able to pay for their care: the paper reports mixed views with some people believing state funds should focus on people with greatest need (and lowest means), but others finding it unfair that those who save all their lives have to pay for themselves, whilst those who have never saved get their care for free.

5.3 In order to make the best use of existing funding, the government recognises that there are many different sources of money that are currently used to pay for care and support. Some are seen as working well, such as Supporting People and Disability Living Allowance. Other funding streams are seen to be used less well, for example Attendance Allowance (AA), which is not means tested.

5.4 Five funding models are outlined as ways of bringing new money into the system: individuals paying for themselves; partnership; insurance; comprehensive; and tax funded. Of these, the government has three preferred options for a funding model that is universal, helps everyone who needs care to pay for it, is fair and affordable and is simple and easy to understand. These are the partnership model, the comprehensive model, and the insurance model. The models are outlined below.

5.4.1 The partnership model

The responsibility of paying for care would be shared between the government and the individual. Everyone, regardless of income or assets, would have a guaranteed minimum proportion (for example a quarter, or a third) of their care costs paid by the state. An individual's income and assets would determine the personal contribution. For example, someone with a moderate income who owned their own home might be expected to pay for half of their care costs, but if their needs became more severe the government might assume a greater responsibility. Conversely, someone on a low income who did not own their own home might have all their care paid for by the state, even if their need was comparatively low.

5.4.2 Insurance model

The insurance model is like the partnership model but with the cost of the self-funded element covered through optional insurance. The state could either work with the private sector to strengthen the insurance market or create a state based insurance scheme. Insurance payments could be made as a lump sum or instalments, either before or after retirement or death.

5.4.3 The comprehensive model

Everyone over retirement age would be required to pay a set amount (or an amount related to what they could afford) into a state insurance scheme. The amount payable could vary depending on an individual's savings or assets, or the amount could be set at a particular level. A free care system for people of working age would sit alongside this funding model. The government would offer a range of ways to pay the amount: in one payment out of an individual's savings, spread over the course of an individual's retirement, or out of an individual's estate upon death.

5.4.4 'Pay Your Own' and 'Fully Tax Funded' models

Other funding models, such as 'Pay Your Own' and 'Fully Tax Funded' were dismissed by the government for the following reasons:

- The Pay Your Own model is dismissed because some people would not be able to afford to pay for their care, and those that could might lose all their savings.
- The Tax Funded model is dismissed as it would put the majority of the burden for paying for care on people of working age, who will constitute a smaller proportion of the population over the next fifty years.

5.5 Accommodation costs

In care home settings, in addition to care and support costs, individuals would be required to pay for their accommodation costs, i.e. those relating to food and lodging. It is proposed that a universal deferred payment mechanism, would allow care home and accommodation costs to be charged upon a person's estate when they die.

5.6 Carers

The government acknowledges the vital role that carers play in the current system. Under a new system, the government would ensure everyone who needs care and support gets a national assessment, information and advice and personalised care and support. The government believes these measures will help carers by making the process of getting care and support easier.

5.7 A national or local funding system?

The government wants to establish standardised national needs assessment, a nationally set level of need at which individuals qualify for state funding and a guaranteed portion of funding for an individual's care package. Beyond this they are proposing two options for administering and funding care and support:

- Part national, part local. Under this model people would know what they were entitled to in order to have their needs met and that a proportion of their care package would be paid for by the state. Beyond this councils would be responsible for deciding how much an individual should receive to spend on overall care and support. This would provide flexibility to take account of local circumstances.
- Fully national. Under this model central government would decide how much funding people would get to meet their needs, not councils. This could be consistent across the country or could vary. The government recognises such a model would mean major changes to the way in which money for care and support is raised and spent. Unlike the part national, part local system, this fully national proposal would not take account of the different costs of care across England, and councils would therefore not have the ability to decide how much they would spend on care.

6 NATIONAL CONSULTATION

The Government has posed 3 national consultation questions to gather the views of all stakeholders. They have run a number of road shows (*The Big Debate*) to engage a range of views on these proposals and requested comments to be fed back by the 13 November 2009.

A policy briefing session for Members was held on 2 November 2009. Responses from Members can be found in the attached Appendix 1. Responses from health and social care managers have been incorporated into the Primary Care Organisation response submitted on behalf of the Strategic Health Authority area and is attached as appendix 2. ADASS has also submitted a response.

The results of the consultation will be published in due course and a national leadership group will be established, bringing together the leading experts and organisations across care and support to drive forward changes and to resolve issues where clear differences remain. A white paper will be published on care and support in 2010 with detailed proposals for implementing a new National Care Service offering care and support for everyone

FINANCIAL IMPLICATIONS

Not applicable at this stage. However if the Policy were to be implemented a full assessment of the implications would need to be undertaken.

LEGAL IMPLICATIONS

Not applicable

RISK ASSESSMENT

Not applicable

COMMUNITY STRATEGY IMPLICATIONS

The Sustainable Community Strategy (Shaping Our Future) for Stockton-on-Tees 2008-2021 sets out the vision and key improvement priorities for the local area. The principles outlined in the Green Paper support the general direction of travel.

Stockton on Tees Council Plan 2008-2011 sets out directives aimed at helping create a sustainable community in which residents and local organisations play an active role in developing and maintaining their own environment and society. 'Being healthy, improved access to integrated services, improved health and emotional wellbeing, improved quality of life, increased choice and control, and leadership' are key objectives in the Borough.

EQUALITIES IMPACT ASSESSMENT

Not applicable

CONSULTATION INCLUDING WARD/COUNCILLORS

National Consultation events have been arranged with stakeholders and representatives invited. A local Policy Update session has been undertaken and the feedback has fed into the consultation responses detailed above.

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Background Papers

Ward(s) and Ward Councillors:

A Policy Update Briefing session has been undertaken

Property

Not applicable