

Care and Support Green Paper

15 July 2009

Key Messages

- The LGA has long called for reform of our adult social care and support system. Councils do an incredible job to ensure the vulnerable members of our society get the services they need but the system is not fit for the challenges of the twenty first century. The combination of insufficient funding, increased demand from an ageing society and escalating costs is already placing an immeasurable strain on adult care.
- We recognise the perceived and real unfairness that has resulted from the way the current system is funded and therefore support a nationally consistent system of assessment alongside a commitment for the state to fund an agreed minimum portion of each individuals care package.
- Councils know all too well, as the Government acknowledges in the paper, that there is a need for society to pay more for care and support in the future if we are to meet the needs of all those who require care. We accept therefore the need to consider options such as insurance schemes. This must be done alongside a wider debate on the total funding for health and social care, to ensure scarce resources are used effectively and focused on prevention, particularly after a decade that has seen funding for health increase in real terms by more than 6 times the increase in funding to local government to deliver services like social care. We do not believe it is right to conclude that there is not enough money in the system before having this debate.
- Local government already contributes a significant amount to total local adult social care expenditure through Council Tax. We estimate that local government contributes 39%, or more than £5.3bn to total adult care spend of over £13bn. In some areas councils fund more than 80% of their adult care expenditure through Council Tax.
- The Green Paper presents two system options: a part local/part national model and a fully national model. We want to see a part-national, part-local system with a single, transferable assessment of needs and means being applicable anywhere in the country but the services to meet need and the amount to pay for them decided locally.
- The LGA would strongly reject any attempt to 'nationalise' the care service. We do not support the option for a National Care Service that is fully nationally funded. This would:
 - undermine councils' flexibility in commissioning and designing care services around the needs of the user, which is clearly at odds with the commitment to personalisation;
 - hamper the ability of councils to join-up social care, health, housing and other systems to provide better outcomes for local people;
 - be less responsive than a locally-funded and locally-managed system;
 - lessen accountability by removing overall decision-making from democratically elected local councillors. Local people would effectively lose their voice on a service area that will affect everyone; and
 - change the nature local government funding which could reduce local flexibility.



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briefing

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- Balancing national consistency and local flexibility is key to the future of a successful, reformed system of adult care and support. Democratically elected local government must be able to decide with individuals what form support should take, within a national framework and an adequately funded system. This means adequate resources being allocated at a local level to take account of local need, local markets, and the local range of statutory and non-statutory organisations that are involved in care and support, which are unique to each area.
- Reform will take time but the difficult decisions that need to be made must not allow this crucial issue to slip down the agenda nor can the real funding pressures that are facing councils today be ignored. We are pleased that social care is finally getting the recognition it deserves and no longer being seen as the Cinderella service alongside health and education.

The LGA set out detailed proposals for a reformed system in *A Fairer Future* – available at <http://www.lga.gov.uk/lga/aio/2001605>.

Main Proposals

- A new National Care Service with a universal offer for care and support that is understandable to everyone, supports people to stay independent, and provides services based on individuals' circumstances and need. Key features include:
 - a standardised national needs assessment;
 - a nationally set level of need at which people qualify for care and support; and
 - a set minimum portion of care to be funded by the state e.g. 1/3 or 1/4
- Recognition of the need to increase available funding, with three preferred models:
 - Partnership: A guaranteed minimum of every individual's care costs paid for by the State (regardless of the individual's income), with the remainder of costs being met by the individual (subject to their means); or
 - Insurance: An extension of the partnership model with the option of additional care costs covered through insurance; or
 - Comprehensive: The requirement for everyone over retirement age to pay into a state insurance scheme.
- Two options for deciding how much an individual should receive to spend on care and support:
 - Part national/Part local – local authorities responsible for deciding how much an individual should receive to spend on care and support; or
 - Fully national – government would decide how much funding an individual should receive. This could be consistent nationally or vary across the country, based on nationally agreed amounts.
- Renewed focus on joining up social care, health, housing and other systems to provide seamless services that deliver better outcomes.

- An expectation that councils will play a key role in helping to develop the local market for care and support services.
- A commitment to looking at how the social care workforce will need to develop in the medium and long-term through an action plan that will be developed over the coming months.
- Possible integration of Attendance Allowance and social care funding.
- To establish an independent organisation with the role of providing advice to government on best practice in terms of services and value for money.

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Background

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 to best fund adult social care and support in the future.

In May last year 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 views. The public engagement process concluded on 28 November 2008. A copy of our response is available at: <http://www.lga.gov.uk/lga/aio/1271794>

The deadline for consultation responses on the Green Paper is 13 November 2009.

Key Proposals

A summary of the main proposals in the Green Paper is provided below.

Chapter 3: the vision for the future

This chapter sets out what every adult will be able to expect from a new National Care Service.

Prevention services

- Free support to help people stay independent and well for as long as possible: a period of reablement following discharge from hospital; housing support, telecare services to help individuals stay in their own homes, information about prevention and early intervention, and a possible independent body to provide advice on what works best for those needing care and support.

National Assessment

- The right to have your care needs assessed in the same way and for the assessment to be portable, so it applies anywhere in England.
- The right to have the same proportion of your care and support costs paid for wherever you live.

A joined up service

- All services an individual may need (social care, health, housing, benefits)

- to work together smoothly.
- Only one assessment of needs to gain access to a whole range of care and support services.

Information and advice

- Readily available information to help individuals understand what care and support they are entitled to, and what is available in their area.

Personalised care and support

- Services to be based on personal circumstances and care and support to be designed and delivered around individual need – including greater choice over how and where individuals receive support.

Fair funding

- Money to be spent well on high quality, cost-effective services.
- Some state help for everyone who qualifies for care and support to help meet the cost of care

LGA View

We support a greater focus on prevention and early intervention and believe these types of service can dramatically improve people's lives and save money in the long term.

We have called for a single, transferable assessment that covers needs and means and automatically triggers consideration of what related additional benefits and allowances an individual may be entitled to in our recent policy paper. Although individuals have a right to expect a package of care which meets their needs, we do not believe individuals should expect to receive exactly the same funding or services if they move into a new area. With an in-depth knowledge of their budgets, their citizens' needs, their partners' priorities and resources, and the local infrastructure available to support services, councils are best placed to interpret the local response to an individual's need. This local knowledge and flexibility is key to the delivery of the adult social care transformation agenda, with its emphasis on achieving outcomes for individuals, their families and communities.

We have long said that supporting older and disabled people is about more than just providing services delivered by council adult social care departments. It is about those departments working with appropriate health, housing, leisure, library, and transport services to name a few. We therefore support a focus on joining up all relevant services that support an individual's wellbeing, in particular through better alignment of planning and budgets.

Information and advice will be crucial to people in the future and councils, working with their partners, are ideally situated to meet this demand. Information and advice must play a dual role of helping people to think about (and take steps to improve) their quality of life, and supporting people with care needs who require services. The LGA and the IDeA, working with partners, are undertaking more work on commissioning effective information, advice and advocacy.

We support the personalisation agenda and believe it has great potential to transform people's experience of social care through personal budgets and improved opportunities to exercise genuine choice and control; not just about how support is provided, but also over the nature of that support.

Fair funding will be central to the realisation of these goals. True



personalisation means a person having choice and control over all the public support he or she receives so that the whole of it can be used flexibly. This includes the wide range of public services (adult care and support, health, housing, education, leisure, transport etc) which are brought together at the local and personal level. Councils are in a position to pursue this agenda and maximise the benefits of personalisation for both the individual and the public purse if central government will work with them to remove the bureaucracy and barriers which currently separate the funding streams which individuals receive to support their everyday lives.

Chapter 4: making the vision a reality

The paper identifies three areas of work that need to be addressed to make the government's vision a reality.

Better joining up of social care with health, housing and benefits services

- The government is keen to join up adult care with health, housing and benefits services as part of the commitment to keeping people well, independent, and living in their own homes. 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.

A wider range of services in care and support

- To ensure individuals can connect with providers local government is expected to provide good quality information on what services are available. Capturing service user experience of those services to help shape information is also seen as important.
- The government also believes local government should play an important role in supporting providers to shift their focus from the council to the individual.

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.
- To learn which care and support services work best the government proposes giving an independent organisation the role of providing advice to government on best practice and best value for money in care and support.

LGA View

We agree that greater focus on partnership working and the effective joining up of services will lead to improvements. Supporting older and disabled people is about more than just providing services delivered by adult social care providers; it is about ensuring individuals can access appropriate health, housing, transport and leisure services. Councils – as leaders of their local communities – are perfectly placed to work with a range of partners from the public, private and independent sectors to ensure all relevant resources, expertise and services work effectively together.

Councils recognise the role they have to play in helping to shape the local care market, particularly as more people become recipients of Direct Payments and Individual Budgets. They can shape a comprehensive supply of care and support services that are responsive to the needs of local residents.

With a number of dedicated improvement bodies already in place – many of which deal with adult care and support – we do not believe an additional organisation is needed, particularly at a time when cost effectiveness is so

important. This could duplicate existing work, increase bureaucracy, and raise further accountability issues. What is important is that councils lead their own improvement, with the IDeA supporting councils to learn from each other. Sector-led improvement in this way is a valuable, cost effective way to learn from each other. If a new independent body was to be created we would not want their information and evidence requests to become a burden on councils.

Chapter 5: the choices around funding

This chapter sets out four key issues that need to be addressed: (1) who should be responsible for paying for care and, linked to that; whether or not state funding should be distributed according to (2) where people live; (3) when people develop a care and support need; (4) whether people are able to pay.

Providing and paying for care

- The paper reveals that the vast majority of responses to the engagement process argued that everyone in society is responsible for ensuring people receive the care they need – from individuals, families, employers, communities and government.
- It reports that, of the three main ways of paying for care (individuals paying for themselves, families paying, and everyone in society paying via the state); almost everyone agreed that the government should share care costs through a largely tax-based system.

Distributing state funding

Three principles to determine how state resources are spent are put forward for discussion, based on the questions posed during the engagement process:

- Variation according to where people live: this is viewed as unfair by the majority of respondents to the engagement process because where someone lives should not impact on 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 are 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.

LGA View

This chapter highlights some of the difficult issues that need to be addressed if reform is to be lasting and successful. The mix of views from people who contributed to the engagement process shows it is difficult to build strong consensus for any one funding model.

We support a nationally applicable needs test because we agree that the availability of quality care should not be determined by where an individual lives. We also support means testing for higher care costs, with comprehensive information and advice available for those making their own arrangements.

Chapter 6: funding options

This chapter sets out the government's thoughts on two key funding issues:

making the most of the money currently in the system; and how to bring more money into the system.

Making the best use of existing funding

- The government acknowledges the many different pots of money that are currently used to pay for care and support, and argues many of these (e.g. Supporting People and Disability Living Allowance) are working well.
- Other funding pots are seen to be used less well. Attendance Allowance (AA) is identified in this respect because recipients get it regardless of how well-off they are.
- The government suggests looking at how to integrate AA funding with social care funding.

Bringing new money into the system

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.

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.

2) Insurance model

- As per 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.

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 go out of an individual's savings, spread over the course of an individual's retirement; or out of an individual's estate upon death.

The other options

- The other funding models (Pay Your Own and Tax Funded) are 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.

Accommodation costs

In addition to care and support costs, individuals are required to pay accommodation costs e.g. food and lodging. It is proposed that a universal deferred payment mechanism, allowing residential care and accommodation costs to be charged upon a person's estate when they die.

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 will get a national assessment, information and advice and personalised care and support. These measures, the government believes, will help carers by making the process of getting care and support easier.

A national or local funding system?

The government wants to establish a 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 there are two options:

- *Part national, part local.* Under this model people would know that they were entitled 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.

LGA View

This is the most important chapter in the paper and this briefing can only summarise some of the complex and difficult issues it discusses.

We believe a fairer funding settlement must consider the totality of money available in the current system – in particular health. We support the idea of looking at whether certain funding streams could be brought into the wider care funding pot.

We believe the government's three preferred options for increasing available funding are the only three realistic options of the five put forward. Whatever system might be established in the future, local government will continue to play a crucial role in its operation and success – from supporting people to receive good quality financial advice to incentivising financial products which enable people to make their personal contribution.

We strongly oppose a fully national funding system. The green paper recognises such a model would make it difficult for councils to tailor care packages to individuals' needs and would significantly lessen councils' control of costs. A fully national system would have to be fully funded through national taxation, which would mean a transfer of funding out of the local government finance system. This would involve enormous amounts of money and could jeopardise the huge range of other invaluable services councils commission and provide for their local communities.

We want to see a part-national, part-local system with a single, transferable assessment of needs and means being applicable anywhere in the country but the services to meet need and the amount to pay for them being decided locally. This would be key to the personalisation agenda and would provide the flexibility needed to take account of local variation in market costs and ensure that individuals receive the care and support they need.

We are pleased to see that the needs of carers are covered in the paper. Informal carers are an often undervalued but crucial part of our care and support system, saving the state £87bn a year according to research. Their role will remain critical in any future system so their needs also need to be addressed.

Next steps

The LGA will work with members and officers and other stakeholders to:

- develop a response to the consultation that reflects the importance, experience and expertise of local government in developing and delivering adult care services;
- analyse in greater detail the government's two preferred models for increasing the amount of money available for adult care;
- ensure the issues identified in this briefing are addressed; and
- maintain the profile of the debate on adult social care for the coming months.

briefing

Government Ageing Strategy

The Care and Support Green Paper is a vital part of the Government's new wide ranging ageing strategy published yesterday. The strategy is briefly summarised below. A full copy is available at:

<http://www.hmg.gov.uk/buildingasocietyforallages.aspx>

The main proposal affecting local government is the Government's plan to develop a new National Agreement between central government, national agencies that represent local authorities (including the LGA) and Primary Care Trusts to 'help them prioritise' the needs of older people in their area.

Key Messages

- A number of case studies included in the consultation document illustrate that councils are taking a leading role in empowering and supporting older people to redesign services and policies that meet their needs. The LGA Group is committed to supporting councils achieving their ambitious and innovative plans.
- We do not believe that a new National Agreement between central government, national agencies that represent local authorities and PCTS to help them prioritise the needs of older people in local communities is necessary as this is already part of councils' day to day work. It would be a retrograde step in imposing national requirements in place of local solutions and would not mean a better deal for older people.

Background

The strategy is described as building on the 2005 *Opportunity Age* strategy which the Government states has largely been delivered. The Government's vision is 'a society for all ages, where people are no longer defined by age and everyone is able to play a full part.' This strategy sets out steps the Government plans to take to achieve this vision.

Summary of Proposals

Chapter 3 – Having the later life you want

- Online, telephone and face-to-face support from across Government and the third sector will be drawn together to create a 'one stop shop' for individuals wanting to plan ahead, including information about planning for retirement, state pensions, workplace pensions and working longer.
- An Adult Advancement and Careers Service will be made available across England from August 2010.
- A new national *Active at 60* programme will be launched in 2010 that will bring together information from across Government to inform people about the opportunities available to lead an active life.
- The Government will work with local authorities to test an all-in-one smart card, based on concessionary bus passes, to provide both central and local government entitlements.

Chapter 4 – Older people at the heart of families

- From 2011, National Insurance credits towards the basic State Pension will be provided to grandparents who care for members of their family aged 12 or under for at least 20 hours a week.
- A Families and Relationships Green Paper will be published in the autumn alongside a summit for grandparents.
- From December, voluntary access to training programmes will be extended to carers who are employed for 16 weeks or less.
- The Government will run digital inclusion projects targeted at giving people in sheltered housing access to new technology.





Chapter 5 – Engaging with work and the economy

- The 2011 review of the Default Retirement Age of 65 will be brought forward to 2010.
- The Government will seek to attract ex-teachers to help them deliver their pledge of 600,000 one-to-one tuition places in schools.
- A package of support, both financial and advice, will be developed for people over 50 considering self-employment or social enterprise.

Chapter 7 – Better public services for later life

- The Government will develop an agreement between central government, national agencies that represent local authorities (including the LGA) and Primary Care Trusts to 'help them prioritise' the needs of older people in their area. This agreement will include commitments and outline existing and future duties for local authorities and PCTs relating to ageing issues. It is intended to be launched immediately following consultation on this strategy in autumn.
- Performance will be monitored through the CAA framework. Poor performance will be addressed by Government Offices working with central and local partners to agree appropriate action. Central government retains its powers to intervene where poor performance is longstanding. This may include an 'Improvement Notice' issued by the Secretary of State, use of statutory powers to direct an organisation to take specific action, or removal of specified functions.
- The new 'National Agreement' will be also used to share best practice. The Government will develop steps for adopting and implementing this strategy and communicating it to all councillors, chief executives and local strategic partnerships.
- The Government will provide small amounts of funding to test new and innovative approaches to delivering services for older people at a local level.
- The Government has announced new regional forums on ageing and new resources in Government Offices to encourage and support local areas to engage better with their local people in the design and delivery of services.
- In 2008 the Government announced the introduction of health protection packages with the aim of encouraging the use of prevention services. Details of these packages will be provided later this year.

Chapter 8 – Building communities for all ages

- The Government will provide training on making the most of public transport to those who stop driving and start using other transport.
- Alternatives to the national concessionary fares scheme will be explored.

Responding to the Consultation

The proposals set out in the strategy are part of a full, formal public consultation. The Government is seeking views and is keen to receive responses from local government on how to implement the proposals and what more can be done. The closing date for responses is Monday, 12 October 2009. The LGA will be responding in detail. If you would like your authority to respond, please visit the following link to find out how: <http://www.hmg.gov.uk/buildingasocietyforallages/consultation.aspx>