

REPORT TO: Healthy Halton Policy & Performance Board

DATE: 10th November 2009

REPORTING OFFICER: Strategic Director, Health & Community

SUBJECT: *'Shaping the Future of Care Together'*
Green Paper

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To present a summary of the Green Paper's key points and potential impact on the Authority and the Authority's response to the consultation questions

2.0 RECOMMENDATION: That the Board: -

(1) Note and comment on the content of the report

3.0 SUPPORTING INFORMATION

3.1 Shaping the Future of Care Together Green Paper's (published on 14th July 2009) main thrust is the building of a National Care Service to provide care and support that is fair, simple and affordable.

3.2 It is acknowledged in the paper that the current system is piecemeal, inconsistent and full of uncertainties. It makes poor use of resources. The 'demographic time bomb' is highlighted in that by 2026, 1.7 million more adults will be in need of care and support. The absence of any reform will result in further rationing of public resources. This is an opportunity to build on Putting People First concordat (Dec 2007).

3.3 The Green Paper lists 6 things that people should be able to expect from a National Care Service:

- The right support to help people stay independent and well for as long as possible and not get worse. Those leaving hospital should have a right to 6 weeks re-enablement.
- Wherever you live in England, the assessments and the funding should be the same.
- All services will work together smoothly and be joined up, particularly when needs are assessed.
- The system will be simplified to enable people to find their way round it.

- Care and support will be based on people's individual circumstances and need.
 - Money will be spent wisely and everyone who qualifies will receive some financial support.
- 3.4 To make this vision a reality it is proposed that there is a need for more joined up services between health, housing and social care and between social care and the disability benefits system, resulting in a wider range of services with better quality and innovation.
- 3.5 The Green Paper states that there needs to be better use of the public money already in the system, with the bringing together of a number of allowances, (e.g. Attendance Allowance, disability benefits). There also needs to be new money in the system. In addition to being fair, simple and affordable, it needs also to be both universal and personalised
- 3.6 There are 5 funding options spelled out for the National Care Service:
- **Pay for yourself.** Insurance policies to cover some of these costs, or use income/savings. This is ruled out as is fundamentally unfair because people can not predict what care and support they will need
 - **Partnership.** The state would pay a set proportion of costs which the individual would have to make up.
 - **Insurance.** This could be private or a state scheme. People could pay by instalments or a lump sum, before or after retirement or the payment could be deferred until after death. It is estimated that about £25000 would be needed. Care would then be free when required.
 - **Comprehensive.** Everyone over retirement age would have to pay into a state insurance scheme. Contributions would be varied according to income but care would then be free.
 - **Funded from general taxation.** This is ruled out because of the burden it puts on those currently working. *(In all these schemes the costs of food and accommodation would need to be met by the individual).*
- 3.7 The Government believes that 2, 3 and 4 are worth further consideration but inclines towards the Partnership model. Under Partnership, existing Government funding is allocated more fairly and everyone would get some help with paying for care and support.
- 3.8 In the new system everyone who needs care and support will get a national assessment, information and advice leading to personalised care and support. These measures will help carers by making the process of getting appropriate care and support easier. By improving

support to people who need care, carers will be supported, particularly people who care for those who would have received no state funding under the current system.

- 3.9 There is still a debate as to whether the system should be a 'fully national' one or allow for local flexibilities ('part national'). In 'fully national' it may be more difficult for local authorities to tailor the care package and to respond to local circumstances. However a 'fully national' system would be easy for people to understand and plan for and enable people to move around more freely. In 'part national' the local authority would be responsible for deciding how much an individual should receive, giving flexibility. But this would mean that people could still get differing amounts of funding dependant on where they live. Whichever is chosen, local authorities would have, as at present, a key role to play.
- 3.10 There are 3 consultation questions and the responses will be used to frame the White Paper to be published in 2010. Any changes will be phased in over a period yet to be determined. Consultation runs until the 13th November 2009. The Consultation Questions and Halton Borough Council's response can be found in **Appendix 1**.

4.0 POLICY IMPLICATIONS

- 4.1 What ever the outcome of the consultation, there will be a significant impact on Local Authorities in the delivery and management of care and support.
- 4.2 In the new National Care Service, everyone who qualifies for care and support from the state will get some help paying for it. Local Authorities may be responsible for deciding how much an individual should receive for care and support, giving them flexibility to allow for local circumstances, or national government would decide how much funding people get, instead of local authorities.
- 4.3 Local Authorities will be responsible for ensuring that there is a wide range of services available in their area and encourage the development of new services – this could impact on the commissioning process to identify innovative care.
- 4.4 The role of the Joint Strategic Needs Assessment (JSNA) will be fundamental in understanding how care and support services will need to adapt to meet future demands.
- 4.5 Strategies and policies will need to support greater joint working between housing, social care and health and changes in national systems such as the benefits system.

5.0 OTHER IMPLICATIONS

- 5.1 The cost of implementing the future white paper is not yet known. The issues set out in the Green Paper and the possible responses will need to be consistent with the Government's economic and fiscal strategy, and considered alongside other public spending priorities and their affordability.
- 5.2 If a national scheme is adopted it is likely that this may result in a reduction of funding for Local Authorities in order to finance the scheme i.e. Less local discretion/flexibility for Local Authorities in the services they deliver.
- 5.3 Charging for residential care costs are covered under statute by Charging for Residential Accommodation Guide (CRAG). Charging for non-residential can be determined locally. Within the Green Paper it does not reference CRAG or changes to it. The Green Paper states that although the state would contribute towards the cost of care within residential care, there still may be some costs, which the individual may have to pay. In addition, accommodation costs for residential care will have to be covered by the individual if their assets are above the threshold eligible for full state support. In a bid to ensure that nobody is forced to sell their house in order to cover their residential costs during their lifetime, the Green Paper outlines proposals to extend the option of deferred payment schemes (already available to some by their local authority) making it universal and available for all, so individuals can defer payment of care and accommodation costs until after death.
- 5.4 The Green paper comments that that care costs for women tend to be higher. As actual rates for care services are identical for men and women, this comment must be based on either a) women having a longer lifespan and therefore receiving services for a longer period of time or b) the benefits system paying couples benefits to husbands, therefore leaving wives with very little income of their own and so causing LA's to fund them to a higher degree.
- 5.5 Since the publication of the Green Paper, and the subsequent Party Conferences, there has been widespread media coverage on this issue. A summary of the main political parties current views on how social care should be funded in the future can be found in **Appendix 2**.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 6.1 The impact on the Local Authority is likely to be significant, but as the funding model (Partnership, Insurance, Comprehensive etc) and whether the implementation will take a National or Part National approach is not yet known, the impact on the Council's Health and Wellbeing priorities will not be clear until the White Paper is published (expected in early 2010).

7.0 RISK ANALYSIS

7.1 A risk assessment will be undertaken when the outcome of the green paper is known

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 A summary of the key messages arising from the likely impact of the reforms being considered with the Green Paper on the different equality strands:

- **Age:** Reform of the system will improve risk management to reduce the likelihood of financial exploitation. The proposed systems would also help reduce the possibility of unmet needs among older people.
- **Gender:** Changes to the funding system would mean that women in particular would benefit as they would be entitled to a degree of state care which, given the fact that 'care costs for women tend to be higher', could help to reduce the cost of care for women, particularly those who currently self-fund their entire care.
- **Disability:** Extension of the personal budget approach would have a positive impact on quality of life outcomes as a result of greater choice and flexibility, particularly for people with mental health problems and other disabilities. A national assessment process would provide greater flexibility, particularly for young disabled people, to move around more freely as the new assessment process will be standardized and portable. In addition, as there would be a minimum threshold for which someone was eligible for state support, this means that people with a certain level of need will receive funding to meet their care costs wherever they live.
- **Sexual orientation:** Personal budgets are seen to have great potential in delivering personalised care that meets the lifestyle and cultural needs of LGBT people. Reform of the assessment process, in particular the way carers are considered within the new system, will need to ensure that the definition of 'carers', which usually defines them as family members, recognises that for LGBT people the term 'family members' is more broad, and that carers are often friends or partners of the individuals in need
- **Faith/belief:** One of the few exceptions found that there were high levels of concern among some religious groups about the idea of releasing equity from homes to pay for care, feeling that it was the right of the individual to leave an inheritance to his or her family members. The preferred funding options provide these groups with greater protection of their inheritance, with the choice to protect more of their inheritance through insurance.
- **Race:** Personal budgets are seen to have great potential in

delivering personalised care that meets the lifestyle needs of BME groups, as it allows them flexibility to acquire the care they need according to cultural requirements. A simpler system may result in more applications from BME groups. However, these groups are often not in touch with the care and support system and greater awareness would need to be created so these groups felt more comfortable to apply.

Halton Borough Council's response to 'Shaping the Future of Care Together' Green Paper Consultation September 2009

Consultation Questions – Proposed response from Halton Borough Council Health & Community Directorate

- 1. We want to build a National Care Service that is fair, simple and affordable. We think that in this new system there are six things that you should be able to expect:**

Prevention services
National assessment
A joined-up service
Information and advice
Personalised care and support
Fair funding.

a) Is there anything missing from this approach?

The role of appropriate transport to support services

Financial advice should form a critical part of the 'information and advice' principle to ensure that service users are able to make informed choices

b) How should this work?

There should be choice and flexibility within the system to enable Local Authorities to make decisions to support the preventative agenda, based on local issues.

Agreed that greater integration with other providers, including Health Services is required to provide a more joined up service, although not clear how this will be achieved given there are differing outcomes and performance frameworks.

An opportunity to provide feedback on services, and services to commit to be responsive to this feedback needs to be built in.

- 2. We think that, in order to make the National Care Service work, we will need services that are joined up, give you choice around what kind of care and support you get, and are high quality.**

a) Do you agree?

Whilst the logic behind the proposed National Care Service is clear, Local Authorities will need to maintain a level of autonomy and discretion to meet the needs particular to the local area

b) What would this look like in practice?

Requirement for innovation in the provider market place, and within local authority services, to develop a diverse range of services to provide increased choice of what type of care and support is available.

Information and advice, coupled with brokerage will need to be high quality and may impact on the 'traditional' role of the social worker and will have workforce development implications.

c) What are the barriers to making this happen?

There is no explanation of what 'care and support' means in practice or how this is different from healthcare

Attendance allowance is an important benefit in relation to independence and prevention, however, the removal will inhibit people's ability to maintain that independence and in fact ensure that they are dependent. The removal of attendance allowance will potentially further increase the gap between the adults who receive DLA and subsequently ILF unless DLA is increased to cover the over 65's. If AA and DLA is subsumed into the care and support pot, how will people who currently receive these benefits but who are not eligible for other forms of financial support get assistance? Given that attendance allowance and disability living allowance the is concern where the preventative agenda will go in the light of the removal of attendance allowance

Other potential barriers include Timing; Information constraints; Funding constraints; Not everyone will be willing to join up; Boundary issues; Differing priorities; impact on workforce skills requirements,

3. The Government is suggesting three ways in which the National Care Service could be funded in the future:

Partnership – People will be supported by the Government for around a quarter to a third of the cost of their care and support, or more if they have a low income.

Insurance – As well as providing a quarter to a third of the cost of people's care and support, the Government would also make it easier for people to take out insurance to cover their remaining costs.

Comprehensive – Everyone gets care free when they need it in return for paying a contribution into a state insurance scheme, if they can afford it, whether or not they need care and support.

a) Which of these options do you prefer, and why?

The Partnership Option is the preferred option, dependent on the framework in which it will be operated. Without the detail of how these options will be financed is it difficult to choose.

b) Should local government say how much money people get depending on the situation in their area, or should national government decide?

There is a balance required between a more equitable approach versus Local Authority discretion. Local Authorities should be able to maintain an element of flexibility and discretion to meet specific local need.

General observations/comments

- Lack of focus on younger disabled adults and working age adults who have complex needs like learning disabilities and how changes will affect them
- Although the government is clear regarding the service's underlying principles it is less clear regarding the financial detail or even to recommend a funding option so how will they choose
- The intended change in attendance allowance will affect the whole of the UK, however, the remit of the green paper will be for England, it is not clear how this will be resolved
- There are issues regarding the variable costs of care in the country and in different parts of the country;
- Questions about peoples ability to purchase insurance;
- Equity regarding ability/willingness to pay for services – how this is decided
- Charging for residential care costs are covered under statute by CRAG. Charging for non-residential can be determined locally. Within the Green Paper it does not reference CRAG or changes to it

Summary of the main political parties current views on how social care should be funded in the future

Labour

The Shaping the Future of Care Green Paper rules out paying for care entirely from taxation or from individuals' own resources. It sets out three options for the state and individuals to share the costs of care in partnership, with different levels of contribution by individuals.

As the Green paper focuses primarily on older people, further clarity is needed about the implications for working age adults with disabilities and about the affordability of a free system for those of working age that doesn't impact on current benefits.

£20,000 that the Department of Health has estimated would be the upper amount everyone over retirement age would need to contribute to a new compulsory social insurance fund, either as lump payments or periodic contributions.

That system would provide all adults with free social care at the point of need, although those who needed a care home would still have to pick up the bill for accommodation costs, typically just over half of the average weekly charge of £500.

Although the £20,000 cost would initially be borne by over-65s, the green paper proposes that this might eventually evolve into a payment people could spread over their working life.

However, at the recent 2009 Labour Party Conference, the Prime Minister made a pledge for free personal care in their own homes for people over the age of 65 with critical needs under the Fair Access to Care (FACS) eligibility criteria. This measure was not identified as an option within the Green Paper. There is little information available about how this much will cost and how it will be funded, but figures cited within the Demographic Health Network *Health and Social Care Round-up* bulletin (Sept 09) suggest that it will be in the region of £670 million over two years, with £400 million to be found from the Department of Health and the remainder from Local Authorities.

Conservative

Conservatives plan for a social insurance system costing around £8,000 per person that would cover residential care costs for life. The up-front charge to the retired, would go into a pool and pay for those among the cohort – just over a quarter – who would end up needing long-term residential care. The 'Home Protection Scheme' would be voluntary, with the one-off fee paid at 65.

Points for consideration

- Residential care is just one form of social care support.
- Older people may prefer to stay in their own homes for as long as possible
- There is a risk that this scheme will create a perverse incentive whereby those with insurance are more likely to go into 'free' residential care rather than stay in their own homes, where they would have to pay for their own care and living costs.
- More detail is required about how this scheme would guard against inflating care home prices, encourage better quality and avoid reinforcing historical over-supply of care homes in some areas.

Liberal Democrats

Proposed introduction of a 'Care Guarantee' by spending 2 billion on personal care payments for all elderly people requiring care, based on need and not their ability to pay.

The Liberal Democrat's approach is based on the partnership model in which the Government would pay for a minimum standard of care for everyone according to need, without regard for their means topped up by private contributions until a maximum benchmark is reached.

There is also a heavy emphasis on both the use of individual budgets to give those needing care more control and on support for unpaid carers.

Source: Demographic Health Network Health and Social Care Round-up

Source: Health & Social Care Journal

Source: The King's Fund. The King's Fund aims to be a resource to parliamentarians at Westminster and the devolved institutions by providing impartial analysis on health and social care developments