

# BRIEFING NOTE

**TO: SOCIAL CARE AND INCLUSION SCRUTINY AND PERFORMANCE PANEL**  
**DATE: 6 OCTOBER 2009**

**RE: Shaping the Future of Care Together – National Consultation**

## **Purpose**

To provide a summary of the Green Paper issued by the government on 14 July 2009 and invite Panel Members to comment on the consultation questions issued to inform the council's response.

## **Summary of the report**

The report outlines the vision of the Government with regard to introducing a national care service and options for funding it.

There are 3 consultation questions in the Green Paper which the Government invites a response to. They are;

Question 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? b) How should this work?

Question 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?
- b) What would this look like in practice?
- c) What are the barriers to making this happen?

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

**Author**

Margaret Willcox

Assistant Director Adult Services



[willcoxmargaret@walsall.gov.uk](mailto:willcoxmargaret@walsall.gov.uk)

## **Shaping the Future of Care Together. July 2009.**

### **The Vision.**

This Green Paper sets out the Government's vision to introduce a national care service based on 3 principles;

- treating people fairly, whichever part of the country they live in
- having a simple system so people know what to expect and what they need to do to get help
- providing care and support that is affordable for everyone.

The Paper outlines six things that all citizens should expect;

1. The right support to help people stay independent and well for as long as possible and to stop their care and support needs getting worse.
2. The right to have care and support needs assessed in the same way and the right to have the same proportion of care and support costs paid for, regardless of where in England a person lives,
3. All the services working together smoothly.
4. A system that is easily understood and simple to find your way through.
5. Services based on personal circumstances and need.
6. Money spent wisely and everyone who qualifies for care and support from the state will get some help meeting the cost of care and support needs.

It also identifies 3 key changes;

1. More joined-up working between social care, health, housing and the disability benefits system.
2. A wider range of services in care and support.
3. Better quality and innovation

### **Funding the National Care Service.**

Included in the paper is a consideration of drawing funding streams together, including some elements of disability benefit, such as Attendance Allowance.

The Government has looked at five potential ways of funding the National Care Service;

1. Pay for Yourself – In this system, everybody would be responsible for paying for their own basic care and support, when they needed it.
2. Partnership – In this system, everyone who qualified for care and support from the state would be entitled to have a set proportion – for example, a quarter or a

third – of their basic care and support costs paid for by the state. People who were less well-off would have more care and support paid for – for example, two-thirds – while the least well-off people would continue to get all their care and support for free.

3. Insurance – In this system, everyone would be entitled to have a share of their care and support costs met, just as in the Partnership model, but this would go further to help people cover the additional costs of their care and support through insurance, if they wanted to. The state could play different roles to enable this. It could work more closely with the private insurance market, so that people could receive a certain level of income should they need care and support, or the state could create its own insurance scheme. If people decided to pay into the scheme, they would get all their basic care and support free if they needed it.

People could pay in several different ways, in instalments or as a lump sum, before or after retirement, or after their death if they preferred. Once people had paid their contribution they would get their care and support free when they needed it. However people paid, the insurance payment would help people to protect their wealth and the value of their homes. Whether they decided to pay during their working life, during their retirement or after they died, people would know that once they had made their contribution and paid for their accommodation, the costs of their care and support would not prevent the rest of their wealth being passed on to their children.

4. Comprehensive – In this system, everyone over retirement age who had the resources to do so would be required to pay into a state insurance scheme. Everyone who was able to pay would pay their contribution, and then everyone whose needs meant that they qualified for care and support from the state would get all of their basic care and support for free when they needed it. It would be possible to vary how much people had to pay according to what they could afford. The size of people's contribution could be set according to what savings or assets they had, so that the system was more affordable for people who were less well-off.

However people paid, the insurance payment would help people to protect their wealth and the value of their homes. Whether they decided to pay during their working life, during their retirement or after they died, people would know that once they had made their contribution and paid for their accommodation, the costs of their care and support would not prevent the rest of their wealth being passed on to their children. The possibility of having a free care and support system for people of working age alongside this would also be explored.

5. Tax-funded – In this system, people would pay tax throughout their lives, which would be used to pay for all the people who currently need care. When, in turn, people needed care themselves, they would get all their basic care free. This system would work for people of all ages.

The Government has dismissed the first and fifth options, so there are only three options included in the consultation; Partnership, Insurance and Comprehensive. Their view is that the Partnership option should be the foundation of the new system as that would ensure fairer allocation of existing government funding.

Everyone who has high levels of care and support need would get some of their care and support paid for by the state, and many people would get all of their basic care and support for free.

Under Partnership, everyone would get some help with paying for care and support. For most people, it would provide a good level of support. However, Partnership does not fully protect people against the risk of having to pay high costs towards their care and support – and, if they are one of the small number of people who spend years in residential care and own their own home, they might still have to use almost the whole value of their home to pay for care and support.

That would bring in the Insurance option, a system where people could choose to protect themselves against the risk of potentially high care and support costs, or the Comprehensive option where everyone had to make a contribution and everyone's basic care and support costs would be covered.

### **Implementation.**

As the proposals would be a significant reform, there is an expectation that the introduction of the new National Care Service would be phased in over a number of years.

As well as care and support costs, people entering residential care have to also pay for their accommodation costs, for example food and lodging. Although there will always be a role for the state to play in helping people with low income and assets, the paper states it is fair to expect the majority of people to meet these costs themselves and proposes a universal deferred payment mechanism, allowing residential care and accommodation costs to be charged upon a person's estate when they die.

### **Carers.**

The new system proposed in this Green Paper includes help for carers. Everyone who needs care and support will get a national assessment, information and advice, and personalised care and support. Each of the three funding options would provide some funding for people who qualify for care and support.

### **Consistency and Flexibility.**

The Green Paper also raises the issues of national consistency and local flexibility.

If it was a part-national, part-local system, people would know that they were entitled to have their needs met, and a proportion of their care and support package would be paid for by the state, wherever they lived. Local authorities would be responsible for deciding how much an individual should receive to

spend overall on care and support, giving them the flexibility to take into account local circumstances.

So a disabled person would know, before they moved somewhere, what level of support they would be entitled to in the new area, but the actual amount of funding that was put into their care could vary from place to place. This would reflect the fact that the costs of care and the requirements of individuals would also be likely to vary across the country.

They suggest the advantage of the part-national, part-local system is that local authorities would be able to set the actual amount of funding that someone would receive. Whilst this could provide more space and flexibility for local authorities to encourage new kinds of care and support in their area, it would mean that people could still get different amounts of funding in different places, which might be seen as unfair.

In a fully national system, government would decide how much funding people should get, instead of local authorities. The amount of funding allocated could be consistent across the country, or could vary depending on location to take account of the different costs of care across England.

They believe the advantage of this system is that it would be easy for people to understand and plan for, enabling them to move around more freely and live the lives they want, wherever they are. They suggest the disadvantage is that the system would decide at national level how much funding someone was going to receive and it could be more difficult for local authorities to tailor the care package that people receive to their wishes and to respond to local circumstances. At the moment, local authorities can decide to fund social care by using funding from council tax over and above the funding they receive from national government. Under a national system it is likely that all funding for care would need to be raised nationally through national taxation instead of some of it coming through council tax.

Under either system, local authorities would play the key role in delivering care and support. They would continue to:

- be the channel for state funding and support
- undertake assessments
- provide information, advocacy and care management for individuals
- provide and commission services, and manage the market of care and support providers
- foster innovation in care and support, using their freedom to decide exactly how services are delivered at a local level.

## **Consultation.**

Consultation commenced on July 14<sup>th</sup> 2009 and will close on November 13<sup>th</sup> 2009. The Green Paper sets out 3 consultation questions, each of which has a number of subsets.

Margaret Willcox. 14:09:2009.