

NORTH YORKSHIRE COUNTY COUNCIL

CARE AND INDEPEDENCE OVERVIEW AND SCRUTINY COMMITTEE

2 NOVEMBER 2009

GREEN PAPER: CALL ON FUNDING FOR SOCIAL CARE IN ENGLAND

Purpose of Report

1. To introduce the green paper on funding for Social Care in England, explain its implications and invite the committee to take a view on whether it wishes to be part of the consultation response.

Background

2. There is almost universal consensus that the current system on Social Care funding isn't sustainable and in urgent need of reform. Under the existing arrangements it is highly unlikely that in future the state will be able to support the cost of rising demands for long term care. The demographic picture is now well known to the committee, by 2026 it is estimated that 1 in 5 people will aged 65 of over and the number of over 85 will have increased by two thirds – this compares with over all population growth of just 10%.
3. The 2009 budget revises down the governments forecast for what it expects to spend on public services and benefits from 2011/12. But, given that the existing system is unsustainable doing nothing is not an option.
4. The government acknowledges in its green paper that the current system feels unfair to those not eligible for support, it is too complex, is overly focussed on high level needs rather prevention; creates wide regional variations in services. In some areas only those in severe need are helped. With increases in the number of older people and adults with disabilities the position is set to deteriorate significantly over the next few years. Public expectations of care standards and the degree of choice individuals should enjoy are increasing, which brings further cost pressures. Together these factors are seen as building a case for 'radical reforms'.
5. The green paper marks the launch of what the Government has called "the big care debate" – a wide ranging public consultation that runs until November on the principles behind the new service.

National Care Service: Improving the delivery of social care

6. The document sets out what every adult will be able to expect from a new National Care Service.

7. Many of these are framed as policy aspirations and are not accompanied by particular policy prescriptions or mechanisms for change.

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.

8. 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 individual organisation the role of providing advice to Government on best practice and best value for money in care and support.

The Choices Around Funding

9. The Green Paper suggests that any future funding system must be 'fair, simple and affordable'.
10. Two options are immediately ruled out: individual payments with no state contribution are dismissed because many would not be able to afford to pay for their care, and full state funding through taxation is rejected on the grounds that it would place too much of a financial burden on the working population.
11. The government favours a partnership model, in which a basic tax-funded contribution by the state, possibly combined with contributions from individuals organised through either a voluntary or a compulsory – termed 'comprehensive' – insurance system.

The current funding situation

12. The Government has said that currently people aged over 65 could well need care and support costing £30,000 during their lifetimes with 5% having needs costing £100,000 or more (excluding the cost of accommodation). It has pointed out that for those with savings of £23,000 or above there is no help from the state with these costs.

The proposal

13. It is proposed to give all people with a care need above a particular threshold at least some public funding for care; a minimum of a quarter to a third of the cost, rising to full support for those on the lowest incomes.

The Three Big Questions in the Green Paper

14. QUESTION 1: The Green Paper asks whether there should be a fully national system or whether we should have a part national/part local system where local authorities still have a lot of leeway in terms of what they provide. Under a fully national system, Government would decide how much funding individuals with particular levels of need should receive. There could be adjustments to take account of regional variations in cost. On the other hand in a part-national, part-local system the amount of funding available to individuals would be set locally.
15. QUESTION 2: The Green Paper asks people to choose between 3 different ways of funding care and support: the partnership, insurance or comprehensive models. The options proposed are:-
 - A partnership model, in which everyone who needs support would be entitled to state support for maybe a third or quarter of the cost – how much you get would depend on a means-test. While average costs for people over 65 would be around £20,000 to £22,000, those with the highest needs, such as those with Alzheimer's, could still face significant costs of £100,000 or above.
 - An insurance model, under which everyone would be entitled to have a share of their care and support costs met, just as in the partnership model but where the state would work with private insurance companies or set up its own scheme, into which individuals could pay in return for their care costs being met if they need care and support. The Department of Health estimated that people might need to pay £20,000 to £25,000 into the scheme, protecting those with higher needs against prohibitive costs.
 - A 'comprehensive' model, in which 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. This would reduce premiums to

£17,000 to £20,000, but people would need to pay regardless of whether they needed care or not.

Accommodation Costs

16. Accommodation costs in care homes would not be covered by this arrangement, but these would still be covered for those with the least means, as now.
17. However, the Government is proposing to set a universal deferred payment scheme, allowing homeowners to have their board and lodging costs met and then recovered on the sale of their properties. This would end the current situation where deferred payments are discretionary, with arrangements differing between councils.
18. QUESTION 3: The Green Paper asks if people think Attendance Allowance should be scrapped to help pay for the changes. Attendance Allowance is for people who are over 65 and need help with extra costs relating to disability.

What happens next?

19. The consultation period for the options set out in the Green Paper runs until 13 November 2009. The government has committed to setting up a 'national leadership group' made up of individuals and groups with expertise and experience in social care with the aim of sustaining the momentum for reform and creating a forum for resolving disagreements.
20. A White Paper is promised in 2010, though the government does not state whether it aims to do this before the general election.

Recommendations

21. The Committee's views are requested.

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22 October 2009

Background Documents: