

## **Briefing Note – AWH Overview and Scrutiny Committee**

**29<sup>th</sup> October 2009**

### **Shaping the Future of Care Together Green Paper**



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### **Report of Peter Appleton, Head of Policy, Planning and Performance, Adults, Wellbeing and Health Service.**

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#### **1. Purpose of the Report**

- 1.1 The purpose of this briefing note is to provide an overview of the green paper 'Shaping the Future of Care Together', which was released on the 15<sup>th</sup> July 2009 by the Department of Health. The briefing note includes the consultation questions raised in the green paper.

#### **2. Background**

- 2.1 In December 2007 the government developed a concordat called 'Putting People First: a shared vision and commitment to the transformation of Adult Social Care'.
- 2.2 This concordat detailed a radical transformation of adult care services over the next three years, including plans for extensive public consultations, setting out the key issues and options for longer term reform of adult social care.
- 2.3 The Government launched this consultation in May 2008, entitled 'Case for Change – why England needs a new care and support system'. The findings of which have fed into the publication of the green paper 'Shaping the Future of Care Together'.

#### **3. The Case for Change**

- 3.1 The green paper defines 'care and support' as "activities, services and relationships that help people to be independent, active and well throughout their lives, and participate in and contribute to society".
- 3.2 The Government believe that the transformation programme to increase people's choice and control over care and support services has made significant progress. However a radical reform of the care and support system for adults is still required due to ongoing underlying concerns and the belief that the current system is not sustainable.

- 3.3 The current system provides social care only to people on low incomes who cannot afford to pay for themselves. Those who can pay for themselves have been expected to do so with no support from the state. For the large number of people who are expected to make provision for themselves, with no help towards the costs of care and support, this system can seem unfair.
- 3.4 Two major future challenges which will require a radical change to the way in which care and support services are provided are;
- Demographic changes, increasing the demand for services. Currently there are around four people under 65 for every person aged over 65. By 2029, there are expected to be three people under 65 for every person over 65. By 2029 it is estimated that there will be 1.7 million more adults who need care and support.
  - Rising expectations of care mean that people expect more choice and control over services.
- 3.5 The green paper states that the existing system makes poor use of its limited resources. Ever-increasing pressures on local authorities mean that resources are increasingly used to offer care and support when people's needs are highest. Money could often be better invested in prevention, rehabilitation and keeping people active and healthy.

#### 4. The Vision for the Future

- 4.1 To address the challenges facing the current care and support system a radical change to the way care is provided and paid for is proposed. To build a stronger, fairer Britain, the Government propose to build the first National Care Service in England. The vision is for a system that is "fair, simple and affordable for everyone, underpinned by national rights and entitlements but personalised to individual needs".
- 4.2 The green paper sets out **six expectations** that people can expect as part of a new **National Care Service**. These are;
- a Prevention and Early Intervention  
The right support to assist a person to stay independent and well for as long as possible and to stop individuals care and support needs getting worse. This includes ensuring people with low to moderate needs continue to get the support they need. Whilst people with greater service needs are assisted with targeted services such as re-ablement services, technology such as telecare, accessible information and a range of housing support options. This includes a proposal for the right for up to six weeks re-ablement when people leave hospital.
  - b National Assessment  
Wherever the location in England, people will have the right to have care and support needs assessed in the same way and, should they require financial support, the same proportion of funding to be provided wherever they live. The needs assessment will be portable and therefore individuals will not need to be re-assessed unless their needs change.

- c Joined-up Services  
Services would be expected to work together smoothly to ensure a person only requires one needs assessment to gain access to a whole range of care and support services, unless their needs change. Reviews and reassessments will continue to take place. This will build upon the arrangements for the Common Assessment Framework for adults.
- d Information and Advice  
Information, advice, guidance and support would be provided detailing what people are entitled to and what services are available in their area. Information must be available online and through other digital technologies. This builds upon Putting People First with an emphasis upon universal information, advice and advocacy services.
- e Personalised Care and Support  
Services would be based on personal circumstances and need. Care and support needs will be designed and delivered around individuals needs. People should be able to choose how much of their care and support is provided by a carer (someone who provides care without payment), and carers should be able to choose how much care and support they wish to provide. Personal budgets will be issued to everyone who is eligible.
- f Fair Funding  
Under the new system everyone who qualifies for care and support from the state would get some help with paying for these costs. Money will be used wisely to fund a care and support system that is fair and sustainable.

## 5. Making the Vision a Reality

- 5.1 To make the vision for the future of care and support a reality, the green paper identifies **three key changes** which are required;
  - a More Joined Up Working  
Better joined up working between health, housing and social care services and between social care and the disability benefits section would be needed. The green paper states that “services will be fully joined up between the NHS and the new National Care Service”. This does not necessarily need to involve structural change but a change of mindset and behaviour of staff alongside shared goals and joint ways of working.  
  
To tackle obstacles to joined-up working the recently established Ministerial Group on Integration of Health and Social Care Services will develop a strategy to support local leaders in making sure that the services that are delivered are joined up.
  - b Wider Range of Services in Care and Support  
This involves the provision of a wider range of quality care and support services which meets the needs of individuals in the area. Local authorities need to undertake the following functions;

- Understand how care and support services will need to adapt as more people begin to have more control over their care.
- Play a crucial role in making sure that there are high-quality services available in their area, working closely with providers, including those from the third sector and private sector. Commissioning is a vital tool in this.
- Help providers to think of individuals as being their key customer rather than the local authority.
- Involve care and support organisations from third and private sectors in their joint strategic needs assessment.
- Make information on care and support publicly available.

c Better Quality and Innovation

The National Care Service would be underpinned by rights and entitlements with the aim of supporting a high quality service. In addition to this there would be an emphasis on workforce development, regulation, standards and safeguarding. Over the next few months, the Department of Health will develop an action plan to look at how the workforce will need to develop in the medium and long term. The Social Work Taskforce has also been asked to identify any barriers that social workers face in doing their jobs effectively and to make recommendations for improvements and long term reform in social work.

The Government also proposes the establishment of an independent body to provide clear advice and evidence on what works best for those needing care and support, and what gives best value for the resources invested. This would be the equivalent of the National Institute for Health and Clinical Excellence (NICE) for social care.

## 6. The Choices Around Funding

- 6.1 In deciding how to fund care and support the Government acknowledge there are some very difficult decisions to be made. The **choices focus upon who should be responsible for providing care and support and paying for it.**
- 6.2 Funding could work in many different ways. The responsibility for providing and paying for care and support could be balanced between people who need care and support, their families and everyone through the state.
- 6.3 The Government consultation, 'Case for Change – why England needs a new care and support system' which influenced the green paper found that there was widespread agreement that there should be a significant role for the state and that individual's and their families should also share this responsibility.
- 6.4 There is an assumption that the state will always be responsible for paying for some care and support and therefore prioritisation of funding could be done in a number of ways;
- State funding could vary according to where people live.

- State funding could vary according to when people develop a care and support need, or
- State funding could vary according to whether people are able to pay.

## 7. Funding Options

7.1 The green paper states “as a society, we will **need to spend more money on care and support** to meet the needs and expectations of people who will need care and support in the future”.

7.2 In the current system some people face really high costs of care and support and may have to use up their savings and the value of their homes, down to £23,000, before they get any help from the state. A 65 year old can expect to need care costing on average £30,000 during their retirement. But there are great differences in people’s needs and the amount that they pay; 20 per cent of people will need care costing less than £1,000 during their retirement but 20 per cent will need care costing more than £50,000. Some people who spend years in a care home could face a bill of more than £100,000.

7.3 The green paper suggests that improvements can be made to make the most of current funding by drawing some funding streams together. The King’s Fund report ‘Securing Good Care for Older People’ (2006) suggested an integration of some disability benefits (such as Attendance Allowance) and the social care system. This is an option which the green paper suggests should be considered.

7.4 The Government have looked at five ways in which the National Care Service could be funded. Two options ‘Pay for Yourself’ and ‘Tax-funded’ have been ruled out as unsuitable as they would leave many people without care and support or place a heavy burden on people of working age.

7.5 **Three further options have been proposed for consideration**, as follows;

a Partnership

**In this system the responsibility for paying for care would be shared between the Government and the person who has care needs.** Everyone who qualified for care and support would be entitled to have a set proportion (e.g. a quarter or a third) of their basic care and support costs paid by the state. People who were less well-off would have more care and support paid for (e.g. two-thirds), while the least well-off people would continue to get all their care and support for free. This would mean the majority of working age adults who needed care would get all their care for free as many younger people in need of care have comparatively low incomes.

A 65-year-old in England will need care and support that costs on average £30,000 during their retirement, so someone who got the basic offer of a third or a quarter paid for might need to pay around £20,000 or £22,500. Many people would pay much less. And some people who needed high levels of care and support would pay far more than this, and would need to spend their savings and the value of their homes. However the green paper suggests the

introduction of deferred payments, so that no one would have to sell their home to pay for residential care in their lifetime if they chose not to. This system would work for people of all ages.

**The Government believe the Partnership option should be the foundation of the new system.**

**Advantages** of the Partnership option are;

- People only have to pay for their own care costs, and if they don't develop a care need, they don't have to pay anything.
- A large number of people who have lower care costs, or those on higher incomes who do not receive any state support currently would benefit from this system. It is estimated that the amount of 'unmet need' could be reduced by half compared to the current system.
- The system would be fairer and people who need care would only pay in what they could afford.
- It would be affordable to the state and to people who need care.

**Disadvantage** of the Partnership option is;

- People who have really high care costs and own their own homes or have savings might still have to pay very high contributions.

b 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 **system would go further to assist people to cover the additional costs of their care and support through insurance**, if they wanted to. The state could play different roles to enable this.

**Private Insurance**

The Government could work closely with the private insurance market, so that people could receive a certain level of income should they need care and support. The Government would need to work with the insurance industry to develop a framework for simple and standardised insurance products for this option to be effective.

**Advantage** of the Private Insurance option is;

- Flexibility of the products, people would be able to choose how much they wanted to pay and how much they wanted to protect themselves.

**Disadvantage** of the Private Insurance option is;

- Products may not be available for people who were born with a care and support need. This is because people cannot insure against the risk of something that has already happened.

**State-backed Insurance**

Alternatively 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.

**Advantages** of the State-backed Insurance option are;

- People who were in the scheme would be sure that the care they needed would be paid for.
- People would be able to protect more of their estate and hand it on to their children.
- People would have choice and flexibility over whether they wanted to pay to insure themselves.

**Disadvantages** of the State-backed Insurance option are;

- People who chose not to take out insurance would still face the risk of potentially high costs later on in life. If they needed residential care, they would be likely to have to use their savings or their assets to pay for care.
- A voluntary scheme like this would have fewer people in it and therefore it would be more expensive to be a part of than a system where everyone was enrolled.

In terms of costs for the Insurance option, people might need to pay around £20,000 to £25,000 to be protected under a scheme of this sort, compared with the average cost of care for a 65-year-old which is £30,000. Once people paid, the insurance payment would help people to protect their wealth and the value of their homes. This system would work for people over retirement age.

#### c Comprehensive

**Everyone over 65 years old who can afford it would pay into a state insurance scheme meaning everyone who needs care will receive it for free.** The state would put in existing funding from taxes which are used for social care and any disability benefits that are integrated. 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.

Alternatively, if people wanted to be able to know exactly how much they would have to pay, most people other than those with lower levels of savings or assets could be required to pay a single, set figure, so that people knew how much they would have to save for. It is estimated that the cost of being in the system could be between £17,000 to £20,000, compared with the average cost of care for a 65-year-old which is £30,000.

**Advantages** of the Comprehensive option are;

- It would provide peace of mind as once people had paid their contribution they would be entitled to the care and support they need.
- Nobody who qualifies for care and support would go without the care and support they needed.
- People's wealth and the value of their homes would be protected.

- A free care and support system for people of working age would run alongside this option.
- This would be a cheaper option than the Insurance option as it would be compulsory so individual's contributions would be less.

**Disadvantage** of the Comprehensive option is;

- Everyone would need to pay into the system whether they actually needed care and support or not.

## 7.6 Accommodation Costs

Accommodation costs for residential care are in addition to the care and support costs, addressed above. The Government believe that these costs are a normal part of everybody's life, regardless of whether people have a care need or not, therefore they believe it is fair to expect the majority of people to cover these costs themselves.

The Government are proposing a universal deferred payment mechanism, allowing residential care and accommodation costs to be charged on a person's estate when they die, rather than selling their homes when they require care.

## 7.7 National Consistency and Local Flexibility

The Government believe that the care and support system should be fair and universal, ensuring everyone who qualifies for care and support can receive it regardless of where they live. The green paper states that the government would set at a national level, both the level of need at which someone becomes eligible for some support and the proportion of the care and support package that would be met. However, because of the need to provide services to meet local needs they have suggested that the system could be approached in one of two ways as follows:

### a A part-national, part-local system

Under this system, people would know that they were entitled to have their needs met, and a proportion of their care and support would be paid for by the state, wherever they lived. However, **local authorities would be responsible for deciding how much an individual should receive to spend on overall care and support**, giving them the flexibility to take into account local circumstances. Under this system local authorities would continue to raise some of the money that goes into care and support through council tax. A part-national part-local system would work with the Partnership system and the Comprehensive system.

The advantage of this system, according to the green paper are that local authorities would be able to set the actual amount of funding that someone would receive, thereby giving the flexibility to encourage new kinds of care and support in their area. The disadvantage is that people could still get different amounts of funding in different places which might be seen as unfair.

b A fully national system

**Under this system national government would decide how much people would be allocated.** The amount of funding could be consistent or could vary according to location to take account of the different costs of care across England. A fully national system would work with the Partnership, Insurance and Comprehensive systems proposed.

The advantage of this approach is that it is an easy to understand and potentially fairer system. People would be able to move around the country more freely and live the lives they want. The disadvantage is that it is a more rigid system which could be more difficult to adapt to local circumstances. It could be more difficult for local authorities to tailor the care and support package to meet individual's wishes. Under a national system the green paper states that it is likely that all funding for care would need to be raised nationally through taxation instead of some of it coming through council tax.

**Local Authority Role**

Under either system, local authorities would continue to play a 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.

**8. Organisations Views on the Green Paper**

Organisations views regarding the Green Paper are attached for further information at Appendix 2.

**9. Consultation Engagement Process**

- 9.1 The Department of Health launched the green paper with a consultation engagement process entitled 'The Big Care Debate'. This has included regional consultation events and a dedicated website. The consultation engagement process runs until the 13<sup>th</sup> November 2008.
- 9.2 A copy of the Green Paper has been placed in the Members Library for information and an email has been issued informing Members of the consultation.
- 9.3 A final draft of the consultation response to be submitted on the Green Paper will be shared with Adults, Wellbeing and Health Portfolio Holders.
- 9.4 Information on the Green Paper consultation can be found at the Durham County Council consultation webpage which can be accessed at [www.durham.gov.uk/Pages/Service.aspx?ServiceID=7107](http://www.durham.gov.uk/Pages/Service.aspx?ServiceID=7107).

- 9.5 Responses to this consultation can be made directly to the Government at [www.careandsupport.gov.uk](http://www.careandsupport.gov.uk).
- 9.6 AWH Overview and Scrutiny Committee are invited to submit comments as part of the green paper consultation. The Government have set questions in relation to the green paper which they would welcome responses to, a copy of these can be found at Appendix 3.

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**Appendix 1: Implications**

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**Finance** – The report outlines possible funding options and implications. All of the financial options outlined in the green paper would inevitably have an impact upon Durham County Council’s income collection.

**Staffing** - Staff will require the right training and skills to provide the care that people want. Over the next few months, the Department of Health will develop an action plan to look at how the workforce will need to develop in the medium and long term.

**Equality and Diversity** - The new National Care Service aims to create a service which is fairer, simpler and more affordable for everyone. This is to address the inequalities identified in the current system.

**Accommodation** – The funding options proposed do not include accommodation costs for service users. The Government are proposing a universal deferred payment mechanism, allowing residential care and accommodation costs to be charged on a person’s estate when they die, rather than selling their homes when they require care.

**Crime and disorder**- n/a

**Sustainability** – The green paper states that the current care and support system is not sustainable and that radical reform is required to deal with the demographic changes and rising expectations.

**Human Rights** – The new National Care Service will be underpinned by citizen rights and entitlements.

**Localities and Rurality** – n/a

**Young people** – n/a

**Consultation** – The report outlines the consultation engagement process and key dates.

**Health** – The green paper states that “services will be fully joined up between the NHS and the new National Care Service”. This does not necessarily need to involve structural change but a change of mindset and behaviour of staff alongside shared goals and joint ways of working.

**Personalisation** – The fundamental principles of ‘Putting People First’ are embedded in the green paper. Prevention, early intervention and personalised care and support form part of the key expectations of a new National Care Service.

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**Appendix 2: Organisations View on the Green Paper**

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**The Kings Fund**

The Kings Fund conference (21<sup>st</sup> July, 2009) regarding the green paper highlighted the many complex and contentious issues with the Governments proposals. The Kings Fund believe that many of the National Care Service expectations are “framed as policy aspirations and are not accompanied by particular policy prescriptions or mechanisms for change”. There needs to be clarity about how social care funding reform will move from aspirations to concrete action and how this will impact upon resources.

The green paper envisages a positive, strategic role for local authorities, however the Kings Fund believe this raises profound questions about the balance of responsibilities between central and local government, including finance and accountability, that will need careful analysis. The Kings Fund state that nationally defined assessment and eligibility arrangements are likely to change existing local arrangements between councils and primary care trusts.

The funding options focus upon older people, while the implications for those of working age are unclear, even through the biggest current pressure on council's social care budgets are from learning disability services. The Kings Fund state that full costings of the options are not included in the green paper making it difficult to understand the potential costs.

The Kings Fund believe that despite the recognition of the need for change, the timing of the green paper is poor. A cross party consensus around any changes would need to be agreed as subsequent legislation to support a White Paper could take years to deliver.

**The Democratic Health Network (DHN)**

DHN state that the green paper has been widely welcomed by organisations involved in social care. They believe it is helpful that the Care Services Minister when introducing the green paper states that whatever the outcome on funding options the Government will ‘pursue personalisation relentlessly’.

DHN believe that the green paper confirms the role of local authorities. However it does not make it clear how greater equality between health and social care will be achieved. DHN state that an important issue that councils will need to consider are the national and local models of setting the cost of care. The move to a national model would involve major change and DHN believe a debate around the pros and cons, including the value of local flexibility is essential.

The Secretary of State indicates that the proposals are based on better use of existing resources, rather than providing additional funding to meet the shortfall.

DHN believe protests from disability groups may come in relation to the proposal of integrating some elements of disability benefits into social care.

DHN believe that some issues in the green paper are not clear, for example, to what extent are preventative services free or part of the funding system? What happens to local authority charging in the partnership model? However DHN do believe that the green paper overall is a positive step on the path to making social care a nationally consistent service.

**Shaping the Future of Care Together Green Paper Consultation Questions**

1. The Government want to build a National Care Service that is fair, simple and affordable. They 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?**

2. The Government think that, in order to make the National Care Service work, they 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?**

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?**