

GREEN PAPER SHAPING THE FUTURE TOGETHER

To: **Cabinet**

Date: **20th October 2009**

From: **Rod Craig Executive Director, Community and Adult Services**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **To update Cabinet on the national consultation on the shape and funding of adult care and support services, launched through the Green Paper, Shaping the Future Together – especially with respect to the views of members to date and to confirm the process following Council on 13th October 2009. The national consultation runs until 13th November 2009.**

Recommendation: **Cabinet is recommended to:**

- (i) **Note the detail of the Green Paper and that the process of gathering further views from members will now include:**

Discussion at the Community and Adults Spokes meeting on 3rd November 2009

A second members' seminar on 6th November.

- (ii) **Delegate authority to the Cabinet Member for Health and Adult Care in consultation with the Executive Director Community and Adult Services to agree the final written response to the national consultation by 13th November 2009.**

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1. INTRODUCTION

- 1.1 The Government's new Green Paper **Shaping the Future of Care Together** sets out a vision for a **National Care Service for all adults in England**. A service that is designed to be fair, simple and affordable for everyone underpinned by national rights and entitlements and personalised to individual needs. It asks for views on some difficult choices that need to be made for this vision to become a reality. The proposals in the Green Paper are some of the most fundamental reforms ever in this area.

1.2 Why do we need a debate?

We are an ageing society. For the first time ever there are more people over the age of 65 than there are under the age of 18. Life expectancy is going up and advances in medical science mean that people with a disability are living longer. This is worth celebrating but it does mean a radical change to the way care and support is provided and paid for. The current system has its basis in the 1940s and there have been huge social changes in terms of what we value and what we want from public services. People now want more independence, choice and control, and we need to reflect these demands.

- 1.3 As a society we will have to spend more on care and support in the future. One of the most important issues is what is fair to ask people to pay for themselves, and how people are protected from having to pay a huge bill if they need long-term residential care.

1.4 The process

The Green Paper has been informed by a six-month engagement process that took place in 2008 in which thousands of people were asked about their views on the challenges that we all face for the future and the problems with the current system.

- 1.5 Cambridgeshire County Council Members have so far received two written briefings with respect to both the Executive Summary and full version of the Green Paper. In addition there was a presentation and discussion at the Members Seminar on 9th October 2009. A summary of issues raised are contained in the body of this report.

- 1.6 As there was not sufficient time at Full Council on 13th October to discuss the Green Paper it is proposed that the process will now consist of:

- Discussion at the Community and Adults Services Spokes meeting on 3rd November 2009
- A further Members Seminar has been arranged for 6th November 2009

- That the Cabinet Members for Health and Adult Care agree the final submission to the national consultation

2.0 The vision for the future

2.1 The suggested six key things that everyone should expect from a National Care Service are:

- **Prevention services**
Receive the right support to help stay independent and well for as long as possible and to stop care and support needs getting worse.
- **National assessment**
Wherever you live in England, the right to have care and support needs assessed in the same way and the right to have the same proportion of costs paid for.
- **A joined-up service**
All the services needed will work together smoothly, particularly when needs are assessed. There will be one assessment of needs to access a whole range of care and support services.
- **Information and Advice**
If care and support are needed, or prepared for, it will be easy to get information about who can help, what care and support can be expected, and how quickly it can be found.
- **Personalised care and support**
Care and support will be designed and delivered around individual needs. As part of a care and support plan, there will be much greater choice over how and where support is received and the possibility of budgets being controlled by the individual wherever appropriate.
- **Fair funding**
Everyone who qualifies for care and support from the state will get some help meeting the cost of their care and support needs. The money will be spent wisely to fund a care and support system that is fair and sustainable.

2.2 Consultation Questions:

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| (a) | Is there anything missing from list? |
| (b) | How should this work? |

2.3 The issues arising from the Members Seminar include:

- Broad welcome for the Green Paper in that it sets out options to deal with the grave concern that funding for adult social care cannot match the demographic demands of the next 20 years.
- The Green Paper does not take sufficiently into account the connectivity of a whole system that includes health and preventative services (such as Supporting People) provided by a wide range of partners – including how those are resourced
- Not sufficient attention to the crucial and central role of carers
- The issue of how the system can potentially have a negative impact or induce dependency, potentially too much emphasis on welfare rather than promoting wellbeing.

3.0 Making the vision a reality

3.1 To deliver the vision three main changes are required to the care and support system.

- **More joined-up working** between health, housing, social care and benefits systems.
- **A wider range of care and support services**, so people have a greater range of services to choose from.
- **Better quality and innovation.** Staff must have the right training and skills, and services should be based on the best and most recent information about what works well in providing care

3.2 Consultation Questions:

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| <ul style="list-style-type: none"> (a) Do you agree? (b) What would this look like in practice? (c) What are the barriers to making this happen? |
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3.3 The issues arising from the Members Seminar include :

- A recognition that Cambridgeshire actively promotes integrated working, a wider range of services and increasing quality and innovation. More can be done, especially with respect to earlier intervention and prevention.
- Some concern that a National Care Service interacting with a National Health Service might affect finding local solutions.

4.0 Funding care and support in the future

4.1 The vision will be achieved by making better use of taxpayers' money so funding is focused on people who can benefit from it and need it most. But the money in the system at the moment won't pay for all of everyone's care in the future.

4.2 In deciding how to fund care and support, there are some very difficult decisions to make.

4.3 Funding options

The Government proposed three options for funding a National Care Service.

- (i) **Partnership:** The responsibility for paying for care and support would be shared between the Government and the person who has care and support needs. The Government provides between a quarter and a third of the cost of care and support, more for people on a low income. Today's 65-year-olds will need care and support costing on average £30,000.

The Partnership system would work for adults of all ages. Under this system we expect many people born with a care and support need to qualify for free care, as they do under the current system. Those working-age adults who do not qualify for free care (those who are better off) would have the same offer around funding as people over 65.

- (ii) **Insurance:** The same as Partnership but the Government could help people prepare to meet the costs that they would have to pay for themselves through an insurance-based approach. As well as providing people with between a third and a quarter of the cost of care and support, the Government would make it easier for people to take out insurance to cover care and support costs if they want it. It is estimated that the cost of insurance could be around £20,000 to £25,000.

The insurance part of the second option would be likely to be less relevant to people who have been born with a care and support need, since people cannot insure against the risk of something that has already happened. However, many people born with a care and support need are likely to qualify for free care under the Partnership element of the system.

- (iii) **Comprehensive:** Everyone over retirement age who can afford it would pay into a state insurance scheme, so that everyone who needs care and support will receive it free. It is estimated that the cost of being in the system could be between £17,000 and £20,000.

The Comprehensive system would be for people over retirement age, but we would also look at having a free care and support system for people of working age alongside this.

- 4.4 The Government have ruled out a system based on tax funding, because it would put a large burden of paying for care and support on people who are working. Given demographic changes, there will be an increasing pressure on a shrinking proportion of working-age people. In 2007, the number of people aged over 65 became greater than the

number of people under 18 for the first time. Because the majority of people benefiting from a reformed care and support system will be pensioners, it is fairer to think about more targeted ways of bringing in extra funding, rather than placing a lot of the burden of the system on people of working age.

4.5 **Disabled people of working age**

At the moment, people who are disabled when they are born, or who become disabled during their working lives, are likely to have lower incomes and so will struggle to meet the cost of their care and support. In the future, more disabled people will be working, but those who are on low incomes will have their care and support funded by the state.

4.6 **What about accommodation costs?**

It is important to note that these options consider only the cost of people's care and support. People entering a care home would have to pay for their accommodation costs, such as the costs of food and lodging. This is because the state would not pay for people to buy their food or pay their mortgage or rent if they were living at home.

Of course, the state will always have a role in supporting people who are in a care home who cannot afford these costs.

4.7 Consultation Questions:-

a) Which of the three funding options do you prefer and why?
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4.8 The issues arising from the Members Seminar include:

- Concern that, with respect to residential and nursing home funding, accommodation costs are not included. Therefore, service user may use an insurance or comprehensive funding route and still need to sell their home
- Consideration should be given to a national equity release scheme
- How state benefits are included or not excluded given this funding element is potentially confusing and the consequences and impact are not clear
- The Green Paper is silent on the funding investment of Council Tax into adult social care and how this is to be handled – especially as there is such wide variation between Councils
- The insurance model needs both consensus and a wider take-up than the 1 in 10 - 1 in 5 predicted.
- A view that the flat “rate” of the comprehensive model would be seen as a retrogressive tax.
- Given the challenging impact on public sector funding of the recession, how would this affect the “entitlement” set out in the Green Paper.

5.0 A National or Local System?

5.1 The Government believe that the care and support system should be fair and universal. But also believe that it needs to ensure that the system is flexible enough to respond to local circumstances and encourage innovative approaches. There could be two different approaches to how the system works – either a part-national, part-local system or a fully national system. The two approaches have different implications for the way money is raised and distributed around England.

5.2 Consultation Question:

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

5.3 The issues arising from the Members Seminar include:

- Support for a national and therefore portable assessment system
- Concern over a uniform national allocation of resources to individuals because:
 - Does not take into account the contribution of local Council Tax
 - Will not necessarily reflect the different emphasis and partnership working in different areas of the contribution of health, housing and preventative services

6.0 SIGNIFICANT IMPLICATIONS

6.1 This report is provided as part of the ongoing briefing to stimulate discussion to inform the Council's response to the Government's consultation on the future shape and funding of adult care and support and does not present specific proposals. However, a future White Paper following the consultation on the Green Paper will no doubt have significant implications for the Council in a number of areas that are identified below.

6.2 **Resources And Performance** (this heading includes Finance, Property and Facilities Management, Information and Communication Technology (ICT) Human Resources, Performance, Risk and Best Practice and where significant, they are set out below)

The following bullet points set out details of significant implications identified by officers

- Finance: The consultation offers options for the future funding of adult care and support, to manage increasing demand and

expectations that will impact on all Cambridgeshire citizens, and the framework within which the Council funds care and support.

- Human Resources: The transformational change in adult social care that has already started has been reinforced within the Green Paper, which recognises the scale of cultural shift required to meet the challenges of the future.

6.3 **Statutory Requirements and Partnership Working**

- Statutory Duties / Requirements: A forthcoming White Paper would require compliance from councils to respond to and deliver care and support within a new framework.
- Partnerships: The Green Paper reinforces the requirements already set out in many government documents, including the Transformation of Adult Social Care LAC (DH) (2009) 1, making particular reference to the partnerships required between health, housing and social care services.

6.4 **Climate Change** (Includes any climate change, greenhouse gas emissions and environment implications and where significant, they are set out below)

- There are no significant implications for any of the headings within this category.

6.5 **Access and Inclusion** (includes inclusion, crime and disorder, the voluntary Sector, equality and diversity and transport implication and where significant, they are set out below)

- Inclusion: Consideration needs to be given to how the future shape and funding options set out in the Green Paper will support inclusion of all parts of our society, especially those people who find themselves most excluded.
- Voluntary sector: Working collaboratively with the voluntary sector is a feature in the Green Paper and the need to continue to develop this sector would no doubt feature strongly in a forthcoming White Paper.
- Equality and diversity: Consideration needs to be given to how the future shape and funding options set out in the Green Paper will recognise diversity and promote equality across all groups and communities within Cambridgeshire.

6.6 **Engagement and Consultation** (includes community engagement and public consultation and where significant, they are set out below)

- Any fundamental change to the way in which the adult care and support system is funded and delivered, resulting from a White Paper, will require the Council to engage with local people and communities to increase awareness and knowledge of how the changes and their impact.

Source Documents	Location
Green Paper, Shaping the Future of Care Together	See web links for documents http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_102338
Transforming Adult Social Care LAC (DH) (2009) 1	http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_095719