

Scrutiny Board 4
Cabinet
Council

14th October 2009
20th October 2009
20th October 2009

Name of Cabinet Member:

Cabinet Member (Community Services) – Councillor Mrs Johnson

Director approving the report:

Director of Community Services

Ward(s) affected:

All

Title:

Green Paper – Shaping The Future Of Care Together – Consultation Response

Is this a key decision?

No

Executive summary:

This report details the City Council's response to the public consultation on 'Shaping the Future of Care Together', a Green Paper published by the Government on 14th July 2009, described as a 'once in a generation review' of how social care in England is organised and funded. It invites consultation on the principles for improving the delivery of care, and on a number of options for reform of the current funding system.

The Green Paper sets out a number of consultation questions each of which has been addressed within the City Council's response (see appendix 1).

The Green Paper identifies a range of options for the future funding and structure of adult social care, including a 'partnership' model of funding to give all those in need a basic minimum entitlement funded through taxation – a 'National Care Service' – combined with payments made by individuals who could afford to contribute to their own care. Options also include the addition of some form of 'insurance' to cover the required individual contributions.

The consultation process closes on 13th November 2009. The Government has committed to establish a 'national leadership group' to ensure the momentum for reform is sustained, and a White Paper on care and support is expected to be published in 2010 although lack of Parliamentary time may frustrate this.

Recommendations:

Scrutiny Board 4 is asked to note the consultation response and forward any comments to the Cabinet.

Cabinet is requested to consider any comments from Scrutiny Board 4 and recommend that the City Council approve the consultation response.

Council is requested to approve the consultation response.

List of Appendices included:

Consultation response

Other useful background papers:

Shaping the Future of Care Together (Department of Health) 2009

Has it or will it be considered by Scrutiny?

Yes – Scrutiny Board 4 - 14th October 2009

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 20th October 2009

Report title:

Green Paper – Shaping The Future Of Care Together – Consultation Response

1. Context (or background)

- 1.1 In 2008 the Government announced the launch of a 'once in a generation review' of how social care is organised and funded and conducted a six-month engagement process with the public, users and social care staff. The resulting Green Paper was published on 14 July 2009 and invites consultation on the principles for improving the delivery of care, and on a number of options for reform of the current funding system. The consultation period closes on 13 November 2009.
- 1.2 It is recognised that the current system for funding adult social care is unsustainable. Nationally, demographic change will see the number of older people and adults with disabilities who need care increase, while there will be fewer people of working age to support them. The current system does not have the funding or capacity to meet this demand. These changes in demography, improved health and wellbeing into later life leading to radically increased life expectancy combined with the rising expectations of an informed population, who expect more from the services they receive than ever before, mean that the current system needs radical reform. Previous attempts to overhaul the welfare and benefits system have been considered too complex for implementation, although it is generally agreed that a streamlining and revision of the aspects of the system, including those benefits available at pensionable age, would significantly improve the effectiveness and administration of the system,.
- 1.3 Pressures on public spending across the health and social care economy mean that reform of the care and support system may place further expectations on resources. In addition there is some evidence of variation of services and funding levels between authorities and it is recognised that these inconsistencies need to be addressed nationally (the so-called 'postcode lottery').
- 1.4 Coventry, demographically, has a young age profile which is set to continue as its population grows. The impact of an overhaul of the care and support system extends beyond older people and adults with disabilities and affects the city's entire population. This reform will place a different set of expectations on how those who are yet to reach working age plan for their own future care and support needs.

2. Options considered and recommended proposal

- 2.1 The Green Paper sets out to address the challenges of demographic change, rising expectations, and within the current system, a perceived lack of fairness, lack of clarity and inefficient use of resources.
- 2.2 The Government wants to build a National Care Service that is fair, simple and affordable. Within this system they have identified that individuals should be able to expect the following:
 - Prevention services - the right support for individuals to remain independent and well for as long as possible and to prevent care needs from increasing
 - A national assessment - care and support needs will be assessed in the same way and the same proportion of care paid for, wherever an individual is in the country

- A joined-up service - all services work together smoothly, particularly when needs are assessed
 - Information and advice - individuals can understand and access the care and support system easily
 - Personalised care and support - the services individuals use will be based on need, preferences and desired outcomes
 - Fair funding - money will be spent wisely and everyone who is eligible for support will get some help meeting the cost of care and support needs
- 2.3 The proposals are predicated on the national personalisation agenda and government consider that they would further strengthen the systems and structures in place that support individuals in meeting their goals and outcomes.
- 2.4 The Government considers that in order to make the National Care Service work, it will need services that are joined-up, that offer a wider range of provision, that are innovative and of better quality, and are based on the best and most recent information about what works in providing care.
- 2.5 The Green Paper recognises that more money will need to be spent to meet the demand and expectations of those needing care in the future. The fairest way to raise this extra funding needs to be agreed. 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 would receive 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
- 2.6 Within the partnership option the possibility of integrating current disability benefits into the state contribution of the new model is being considered. This model would potentially have an impact on an individual's income.
- 2.7 The Green Paper also proposes that there should be a move towards more national consistency over who receives state care and support funding, saying that this will mean a fairer system. However, it still sees a vital role for local government in serving the particular needs of the population it serves. It is in this dual aim that the greatest tension on delivery may result.
- 2.8 There is a potential impact on councils if funding is passported directly to individuals and existing local flexibilities and the scope to prioritise resources would be severely limited by this proposal. In addition a National Care Service may curtail current levels of organisational freedom by local authorities to determine the nature and form of social care services in response to local needs.
- 2.9 It is considered that the Green Paper has started an important and necessary debate on the future of care and support and the City Council values the opportunity to comment on the proposals. However there is concern that the paper seems to focus on older people rather than all adults.

- 2.10 The full response to the consultation can be found in Appendix 1.
- 2.11 Cabinet and Council are asked to note the proposals outlined in the Green Paper, as summarised above, and approve the consultation response.

3. Results of consultation undertaken

- 3.1 This response to the consultation is from the City Council and therefore wider consultation has not been undertaken. However care and support affects everybody. Individuals may need care themselves, know someone else who does, or help pay for care and support through taxation.
- 3.2 Information has been provided through briefing notes to all Directorates and Elected Members in the City Council to inform them about the consultation and to encourage them to respond personally.
- 3.3 The Council, as part of its role in supporting local debate of national policy, has distributed information about the consultation to a wide range of partner organisations in the city who have been encouraged to respond directly to the Government.
- 3.4 A programme of communication has been developed to ensure there was awareness about the consultation across the city including:
- an article in Citivision, the City Council's publication that is distributed direct to 110,000 households in the city
 - a press release to inform the local media
 - an article on the City Council's website
 - written information and presentations to voluntary organisations and provider forums
 - a presentation to and discussion by Partnership Boards
 - information provided to the Local Involvement Network
 - information provided at Ward Forums
 - correspondence and briefings with Chief Officers of statutory organisations across the city including NHS colleagues
- 3.5 Where partnership boards have made responses directly to the council, these have been taken into account in the overall response.

4. Timetable for implementing this decision

- 4.1 Responses to the consultation are required by 13 November 2009.

5. Comments from Director of Finance and Legal Services

- 5.1 The Green Paper is at a fairly general level of principle and it is not possible to outline detailed financial implications. However it is clear that this is a huge issue for Coventry and all other single and upper tier authorities. Spending on adult social care is approximately £79 million *per annum*, which represents 30% of our total net budget. If the Government opt for a fully nationalised system of care and remove this money from the Local Government Finance system it would amount to a fundamental change. It is important to note that this is one extreme of the range of proposals that are being considered.
- 5.2 Because Coventry spend more than average on social care and more than its notional Formula Grant Allocation from Government it could face significant financial losses if the

government redirects grants to a national system. This could threaten our ability to maintain social care spend in the City, and would have knock on implications for other services.

- 5.3 One specific implication of a fully nationally managed system would be that the percentage of local spend by Coventry funded by Council Tax would increase from 44% to 63% - shifting the balance of funding and leaving a Council with fewer responsibilities and much greater accountability to Council Tax payers. It would continue the trend of reducing the role of the local authority, particularly coming on top of the removal of school funding from Councils' direct influence
- 5.4 The Green Paper illustrates the demographic costs of social care and how they are set to rise. This will be challenging for all authorities whatever happens. The Green Paper does not sufficiently overlay the wider financial and economic context which means that rising care costs will hit the public sector at a time when it can least afford it. There is little indication of the amounts of spending that a guaranteed minimum percentage of care would need, how that relates to current levels, and how the growth (which is at least implied) could be managed. It should be noted that within the green paper and accompanying information, there is an assumption and expectation that implementation may take several years, by which time the economy will have recovered to its pre-recession position.
- 5.5 The costs of Social Care need to be considered on a wider basis than in the Green paper – health costs, and housing costs are also likely to grow significantly as the population ages – the implied assumption is that unlike the proposals for social care these costs will continue to be met by national taxation.
- 5.6 The Green Paper implies significant reform of the benefits related to social care, particularly attendance allowance and disability living allowance. The costs of the wider proposals are likely to mean that such reform is required to redirect resources into the new social care system. It is however likely to be unpopular and difficult to implement.
- 5.7 The proposed insurance schemes are on one level a sensible means of attracting essential resources into the sector. However the proposals raise significant issues.
- 5.8 A voluntary scheme could leave millions of people “opted out” and receiving only minimal levels of care. The means threshold above which people have to pay is relatively low at present and the cost of raising it would be very significant. Many people would be likely to struggle to afford the care they need if they chose not to self insure – this situation in some ways mirrors the current position, but the scale of demographic growth will put even more pressure on the system in future.
- 5.9 A compulsory insurance scheme would avoid these problems but would represent a fundamental shift in taxation policy. Public spending is almost always funded by general taxation – there is no link between who pays a tax and what it is spent on – the NHS is a prime example of this, funded from general UK taxation rather than a hypothecated fund. A compulsory insurance scheme for social care would amount to a tax on getting old, targeted at the elderly – it is not clear at what age the scheme would need to start but the scale of the costs would suggest significantly earlier than retirement age. It may open wider debates about specific taxes for other public services such as Health or Education.
- 5.10 In summary, the Green paper begins to grapple with one of the major financial pressures in the public sector where some reform is clearly needed – this area that will affect most people at some point in their lives. None of its proposals are without problems, and they go to the heart of the principles of taxation and the relationship between local and central

government. Finalising and implementing these proposals will be a significant challenge for a future government.

6. Other implications

6.1 How will this contribute to achievement of the council's key objectives/corporate priorities (corporate plan/scorecard)/organisational blueprint/LAA (or Coventry SCS)?

These proposals will potentially support the continued provision of a range of statutory services to the people of Coventry, in partnership with health colleagues in line with existing national and local policy direction supporting the personalisation of adult social care.

6.2 How is risk being managed?

N/A

6.3 What is the impact on the organisation?

The nature of future funding of adult social care is of significant interest to the council and any changes to the current system are likely to impact significantly on the organisation, in terms of future funding and policy for service delivery models.

6.4 Equalities/EIA

N/A

6.5 Implications for (or impact on) the environment

N/A

6.6 Implications for partner organisations?

The implications for health partners as well as independent sector care providers are likely to be significant. These will include a change in financial structures, expectations of adherence to national standards in both the commissioning and provision of services. In addition, commissioners and providers will need to respond to increased expectations of people requiring services, based on universal financial contributions. There is little doubt that whatever the 'legislation' outline – the expectation will be for even greater joined-up partnership work in a given area.

Report author(s):**Name and job title:**

Marie Bench, Policy Analyst
 Mark Godfrey, Assistant Director – Adults
 Simon Brake, Assistant Director, Policy and Performance

Directorate:

Community Services

Tel and email contact:

Simon Brake/Mark Godfrey
 Assistant Directors
 Community Services
simon.brake@coventry.gov.uk / mark.godfrey@coventry.gov.uk

0247 683 1652

Enquiries should be directed to the above persons.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Names of approvers: (officers and members)				
Finance: Chris West/	Director of Finance and Legal Services	Finance & Legal	18 th September 2009	28 th September 2009
Ewan Dewar	Directorate Finance Manager	Finance & Legal	18 th September 2009	28 th September 2009
Legal: Darren Barwell	Solicitor	Finance & Legal	18 th September 2009	25 th September 2009
Director: Brian Walsh	Director	Community Services	18 th September 2009	18 th September 2009
Members: Councillor Heather Johnson	Cabinet Member	Community Services	25 th September 2009	25 th September 2009

This report is published on the council's website: www.coventry.gov.uk/cmis

Shaping the Future of Care Together

Consultation Questions and Responses

1. The government wants to build a National Care Service that is fair, simple and affordable. There are six things that you should be able to expect in this new system:

- prevention services
- national assessment
- a joined-up service
- information and advice
- personalised care and support
- fair funding.

a) Do you think there is there anything missing from this list?

b) Do you have any ideas on how to make these things happen?

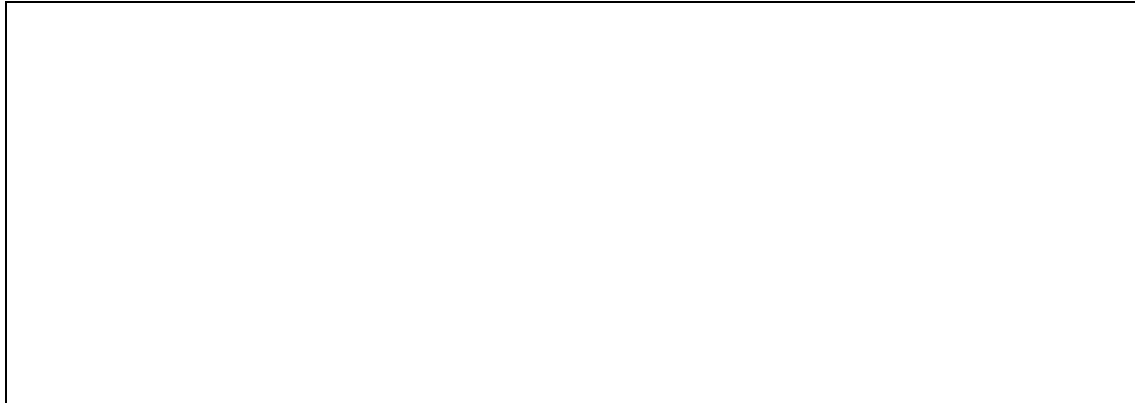
a) It is considered that all listed elements should be included as priorities within a new system. However, it is considered that there are a number of elements missing from the list. Support for carers and the safeguarding of individuals health and well-being are both areas that should be included in this list. There are national strategies for these areas, although explicit inclusion in a 'whole system' review is important. The ability of the market to respond to the changes in the system is also important to recognise, as without timely and effective commissioning the system will not meet expectations or achieve its objectives and should therefore be included in the list. The emphasis on personal responsibility should not be overlooked within the system. The Green Paper focuses heavily on what is, and will be, provided by the social care system, it is considered that reasonable expectations should be placed on the individual and community networks to ensure that social care services are accessed in a timely and appropriate manner.

It is recognised that all of the 'expectations', as listed in the Green Paper, along with the additional elements the City Council considers should be added, will all independently add value to, and will collectively create, a more effective national system. The proposals support the national personalisation agenda and would further strengthen the systems and structures in place nationally that support individuals in meeting their goals and outcomes. A major challenge will be in the coordination of the elements and how easily they interface with one another.

b) The City Council has suggested the following ideas for making the identified elements a reality.

- The concept of prevention should be embedded in the minds of future generations who may need to access social care at some point in their future. This will facilitate the change in behaviour that is required so that prevention services are accessed at the most appropriate time, maximising their benefit.
- If a national assessment were to be implemented it should reflect the different user groups that it is designed to serve. With this in mind,

- A 'joined-up' service may require a revision of current legislation to allow health and social care agendas to fully align and integrate beyond existing mechanisms such as Section 75 of the NHS Act 2006 and section 2 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007. A health and social care system with a common agenda and joint outcomes would allow the workforce to deliver a joined-up service to the public. Working to develop a shared language between and within organisations would also facilitate a more joined-up approach. Integrated strategic and operational management structures between health and social care organisations would allow for clearer pathways of care and support, benefitting the individuals who receive and those who provide services. The development of a core group of staff who have both health and social care skills could reduce the incidence of several organisations working with an individual at any one time. This would then create a more streamlined and personalised service, but implies very significant structural change.
- The provision of timely, accessible and meaningful information and advice could be established via a national directory service, where all organisations are able to display their information. If one organisation were contracted to supply such a national directory it should ensure that it is kept up to date and with a consistent quality of information. Utilising one-stop-shops as a resource for a range of local agencies to supply their own information and advice would offer a more localised solution for the local population. Such national arrangements could be extended to support commissioning and procurement to both the public and professionals as well as information, but would require a significant technical infrastructure to do so.
- Personalised care and support should promote independence and enable people rather than create a dependency on the social care system. To create personalised services there is a need for professionals and organisations to recognise that individuals make choices about their own lifestyles which may present risks. Supporting people to take positive risks alongside ensuring adults are safeguarded needs to be balanced.
- A consistent approach, based on national guidelines, may achieve a fairer system of funding but would depend upon the implementation model and the availability of services locally. A nationally agreed framework of funding would enable individuals to re-locate around the country and be confident that the same level of funding would be available to them. However, locally resources are required to respond to the demography and needs of the local population so variation on any national approach is likely to be required. Risk exists that the system, although supporting consistent funding, will not provide consistent services or outcomes for the population.
- It is considered that a national campaign to positively promote the social work profession would support recruitment drives and support those



2. The government thinks that, in order to make the National Care Service work, services will need to be joined up, give you choice around what kind of care and support you get, and be of high quality.
- a) Do you agree?
 - b) What would this look like in practice?
 - c) What might make it hard for this to happen?

a) The City Council agrees with these principles.

b) In response to *'what this might look like in practice'*, the City Council considers that the development of a joint health and social care system offers a significant opportunity for improving outcomes for service users. Minimum standards could be set nationally with flexibility permitted locally to meet local priorities. Such a system would require joined-up policy development across government departments to allow joined-up services to serve the public. The City Council does recognise that as well as structural change, this will also require cultural change across all public sector organisations.

Creating one point of access for the public would present a more streamlined and coordinated approach and would help to identify any duplicated services and allow for gaps in service provision to be identified and remedied. The access point could be located within local communities and be staffed by teams who can carry out assessments of an individual's needs before referring on to any required specialist services.

The development of a co-ordinated 'customer ratings' system, either held locally or nationally, would allow individuals to make informed choices about the quality of one provider over another, based on a customer review. This could lead to higher standard and reductions in the variations of service quality.

c) In response to *'what might make it hard for this to happen'*, the City Council acknowledges before a joined-up service can be offered, the differing cultures between organisations would need to be acknowledged and, over time, aligned. Such a process, along with other changes to working practices, could create a

resistance to change from organisations, as a whole, individual practitioners or from individuals who receive services. A comprehensive and co-ordinated communications plan would be essential for delivering clear and consistent messages about changes within social care to both the workforce and the public. This complexity of revising the structures, systems and organisations currently in place would require a major change programme to deliver effectively.

A service that is joined-up, offers choice and is of high quality will have to be delivered by a motivated and appropriately skilled workforce. Any changes to roles within the workforce would need to be supported by revised education and training programmes.

A service that offers choice around what care and support is available will need to clarify exactly what is meant by 'choice'. Any choice for an individual will always be balanced with the resources that are available to them. Therefore, expectations around choice need to be well managed. The expectations of the individual will need to be managed alongside the expectations of their carers, family members and any professionals, who may all have differing views on the preferred outcome for that individual. To allow individuals to exercise their choices and achieve their desired outcomes, professionals will need to be operating within a structure where they are supported to take positive risks.

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?

a) The City Council recognises the variations in all three proposed systems but considers that more detail is needed on the specific impact on the finances of individuals, different user groups and authorities to make an informed choice. However, based on the information available, the Comprehensive option means that everyone will be able to receive core care when they need it and will contribute to the system based on how much they can afford. This option may benefit vulnerable individuals who have difficulty planning ahead and managing money, which other options may not address. The City Council recognises that under the comprehensive system, the green paper proposes that core care costs will be funded by the comprehensive insurance system, and that everyday living expenses, including accommodation and food costs, will be the responsibility of the individual, with charges based on their ability to pay. The green paper proposes that accommodation costs for residential care can be deferred, and set against an individual's estate, as is

the case currently within Coventry. This option does raise significant questions about taxation and hypothecation, and may raise the national tax burden.

Within the partnership option the possibility of integrating current disability benefits into the state contribution of the new model is being considered. This model would potentially have an impact on an individuals' income.

b) In response to the question '*should local government say how much money people get depending on the situation in their area, or should national government decide*', it is considered that national decisions may improve fairness and avoid any 'post code lottery' scenarios. However, there are regional and local variations in the costs of care, as well as variations in levels of deprivation and demographic characteristics, and any national system would need to be weighted accordingly with a nationally agreed weighting system that recognised all the relevant factors for varying demographics. A national system could provide the equity and consistency that the current system is lacking, with sufficient flexibility to support the range of users in a nationally consistent manner, although it may be argued that such a system would provide uniformity of income and funding at the price of local flexibility and responsiveness. Such a system might be easier for people to understand and to understand their individual entitlement, as well as encouraging people to plan for their own future. However, it is noted that there is a potential impact on councils if funding is passported directly to individuals. Current levels of flexibility and the ability to prioritise might become limited. Local government has a consistent history of positive working in partnership with local people and organisations, and has an effective role to play in meeting public need in a local, responsive, flexible and efficient manner.