Shaping the **Future of Care** Together

[Images of diverse individuals]
Shaping the Future of Care Together

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Foreword by the Prime Minister

The way in which our society provides care and support for those who need it, whether in later life or because of disability, should reflect our values of compassion and fairness. In Britain we rightly aspire to a care and support system in which everyone’s needs are met and people can live their lives to the full.

The fact that as a nation we are now living longer is clearly a cause for celebration, but it also means that the pressures on our care and support system are greater than ever before. A care and support system that reflects the needs of our times and meets our rising aspirations is achievable, but only if we are prepared to rise to the challenge of radical reform.

In Building Britain’s Future, the Government set out its vision of a fairer, stronger and more prosperous society. The reform of our care and support system to establish a National Care Service, addressing the unfairness of postcode lotteries and providing greater security for all in their later years, is fundamental to that vision. As a country we need a new National Care Service that is fairer, simpler and more affordable for everyone – a service underpinned by national rights and entitlements but also personalised to individual needs, where everyone can get the best possible care whatever their particular circumstances and where carers themselves also receive the support they need.

What is now needed is a major debate about the challenge we face and the options for addressing it. This Green Paper sets out those options and the principles which we must now consider.
This is the start of a process of discussion rather than the end – your chance to shape the new care and support system, to tell us what is most important to you, and to have your say about how we should share the responsibility for caring for those who need it. I encourage everyone to join this crucial national debate.

The Rt Hon Gordon Brown MP
Prime Minister
Foreword by
Secretaries of State

A new vision for care and support

This Green Paper sets out a vision for a new care and support system. As we all know, more and more of us are living longer which is a good thing, but more of us will also live with needs for care and support. The current care and support system was designed in the 1940s and we need to develop a system that fits our needs in the 21st century. We need a system that is fairer, simpler and more affordable for everyone. To build this, we will need to make some big decisions and reach agreement across society on the right way forward for England. So, this is the beginning of a Big Care Debate.

The case for change

Our society is going through dramatic change. We are living longer and leading more active lives, and we expect our public services to allow us to live our lives the way we want to. But this presents issues which public services need to address.

Care and support affects everybody. We may need care ourselves, know someone else who does or help pay for care and support through our taxes.

We know that, despite many improvements over the years, the system is still regarded as unfair. Many families who have saved all their lives find themselves facing high costs for care and support for themselves or their loved ones.

We know that it will not be able to cope with future pressures in its current form and we need to reform the funding system.

A National Care Service

Building on what people told us that they wanted from services during last year’s engagement programme, this Green Paper sets out our vision to build a high-quality National Care Service that is fair, simple and affordable.

- People want to be treated fairly. We want a system whereby people get the support that they need wherever they are in the country.
- The system needs to be simple. People want to know exactly what to expect from the system and what they need to do in order to get help.
- Care and support needs to be affordable for everyone. At the moment surveys tell us that more than half of people think that care will be free. But it is not. Care and support costs can be very high: a 65-year-old can expect to need care costing on average £30,000 during retirement.

People told us that everyone in society shares the responsibility for making sure that people receive the care they need, but the funding of care and support generated some of the most heated discussions in our engagement process. People were passionate that any new funding system should be fairer, proportionate to what people could afford and easy to understand.
This Green Paper outlines our vision for a National Care Service and what people should expect from it. It asks for your views on some difficult choices that we need to make for this vision to become a reality and to ensure that there is enough funding for the system to be able to deliver the kind of care and support that we, as a society, should be aspiring for. The proposals in this Green Paper would bring about some of the most fundamental reforms ever in care and support.

The Big Care Debate

We are holding a public consultation until 13 November 2009 on the questions raised in this Green Paper.

These changes will affect any care that you and your family receive, so we want to know what you think. We invite you to join the Big Care Debate. Let’s shape the future of care together.

The Rt Hon Andy Burnham MP
Secretary of State for Health

The Rt Hon Liam Byrne MP
Chief Secretary to the Treasury

The Rt Hon Yvette Cooper MP
Secretary of State for Work and Pensions

The Rt Hon Lord Mandelson
Secretary of State for Business, Innovation and Skills

The Rt Hon John Denham MP
Secretary of State for Communities and Local Government

The Rt Hon Tessa Jowell MP
Secretary of State for the Cabinet Office

The Rt Hon Ed Balls MP
Secretary of State for Children, Schools and Families
Executive summary

As promised in Building Britain’s Future, this Green Paper sets out the Government’s proposals for ways to reform the care and support system for adults in England. We need to respond to the challenges that it will face in the future, to build a new National Care Service for everybody.

During 2008, the Government ran a six-month engagement process with the public, people who use services, and people who work in care and support. We heard from hundreds of people about their views on the challenges that we face for the future and the problems within the current system. This Green Paper is our response to what people told us and the issues we face.

Across the country, rising aspirations demand a better system of care and support both for those who look forward to a long and active old age – but who may need some support to stay well during their later years – and for those who need support earlier in their lives due to disability. This Green Paper offers several options for debate around how we as a country can respond to this challenge by building a new National Care Service for everyone.

Care and support

Care and support describes the activities, services and relationships that help people to stay as independent, active, safe and well as possible, and to participate in and contribute to society throughout the different stages of their lives. People rely on a whole range of support, from their families, friends and communities, as well as from state-funded support such as care in their own home or a care home, financial support from the benefits system and help with housing. All of these services combine to help people live active lives, whatever their priorities and needs may be.
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There are many reasons why people might need care and support, such as:

- accidents
- long-term illnesses
- being disabled
- growing older.

These services are likely to affect every one of us in some way during our lives, whether directly, through needing care ourselves, or through knowing or helping to support someone who needs care.

**Problems with the current system**

Our existing social care system is a legacy, not of a single bold reform like the creation of the NHS, but of a series of more limited and incremental steps.

Some people qualify for support through disability benefits. But, until now, the state has provided 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, sometimes having to use up their savings, and the value of their house, to pay for care until they only have £23,000 left.

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. And often, there is very little offered by way of advice and support, at times when families face difficult and expensive decisions about the care and support they require.

As life expectancy rises and care costs become ever higher, families face rising uncertainty about what costs they face and how best to plan for them. And because the system is often confusing, too many people face the prospect of having to use up their assets and sell their homes to pay for care and support. Even if they would like to prepare for this they cannot easily do so because the uncertainty in the existing arrangements makes it difficult for even a private insurance market to operate.

And even for those people who do qualify for state help, the system has significant weaknesses. There are wide variations in the standards and quantity of care and support offered by different local authorities. Such postcode lotteries are worsening as funding struggles to keep pace with rising numbers of older people in need of support. There are few clear rights or entitlements underpinning the service, and what people can expect to receive is often unclear until they actually apply for support.
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Use of resources in the current system
Too often our 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. Fundamental reform of the system offers the opportunity to make better use of resources, to keep people independent and well for longer. If the system fails to pick people up early enough, both the NHS and care and support bear the costs.

Future pressures
These weaknesses in the system are put under further strain by the growing pressures from changes in life expectancy and the changing demographics in England. By 2026, we expect there to be 1.7 million more adults who need care and support, and rising expectations mean that they will expect more choice and control over their services.

The care and support system therefore needs radical reform. As the number of people who need care and support increases, and expectations rise, the costs of providing care and support will increase dramatically. This means that the way in which the state system is currently funded will no longer be adequate. An absence of reform will mean restricting support further and growing numbers of people going without the care and support they need, with ever greater uncertainty and unfairness for families.

We also want to take the opportunity to build on the progress made in recent years, through reforms such as Putting People First, to improve the way in which the system works for people.

The vision for the future
As part of our aspiration to build a stronger, fairer Britain, we want to build the first National Care Service in England. The Government’s vision is for a system that is fair, simple and affordable for everyone, underpinned by national rights and entitlements but personalised to individual needs. In the new National Care Service, everyone should be able to get really good care wherever they live and whatever they or their family need.

The system must help people so that they can access the care and support they need and find out about the different kinds of support available. It must also be a system that helps people to live their lives the way they want to, supported by the staff who work with them. People who need services are often the experts in their own care, and the system for the future must respect this. People with care and support needs should be treated as citizens with rights, rather than having to fight to get services. Everyone who receives care and support must be treated with dignity and kindness, and their human rights must be respected.
What people can expect

We think that there are six things that everyone in the country should be able to expect:

1. The right support to help you stay independent and well for as long as possible and to stop your care and support needs getting worse.

You will receive free support to stay well and as independent as possible. We think that people who are leaving hospital and need care and support for the first time should have the right to the re-ablement help they will benefit from at home, for example for six weeks. This extra support will help people get back to their normal lives and should save money for the care and support system and the NHS. And depending on funding decisions, we could extend this right to more people.

2. Wherever you are in England, you will have the right to have your care and support needs assessed in the same way. And you will have a right to have the same proportion of your care and support costs paid for wherever you live.

You will be able to take your needs assessment with you wherever you go, so wherever you are in England the assessment of your needs will be the same, enabling you to live the life you want wherever you want. Under the funding options discussed in Chapter 6, once you are assessed as needing care and support, you will get a proportion of your care and support costs paid for, and this will be the same wherever you are in England.

3. All the services that you need will work together smoothly, particularly when your needs are assessed.

Whatever your care and support needs, services will work around you and will be better joined up. You will only need to have one assessment of your needs to gain access to a whole range of care and support services.

4. You can understand and find your way through the care and support system easily.

When you need care and support, or are preparing for it, you will find it easy to get information about who can help you, what care you can expect and how quickly you can get it.

5. The services you use will be based on your personal circumstances and need.

Your care and support will be designed and delivered around your individual needs. As part of your care and support plan, you will have much greater choice over how and where you receive support, and the possibility of controlling your own budget wherever appropriate.
6. Your money will be 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.

You will be able to get help with paying for your care and support needs, and your money will be used wisely to fund a care and support system that is fair and sustainable.

Consultation 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?

Making the vision a reality

The reforms to the care and support system will develop a universal and sustainable system which empowers people to live their lives the way they want to. In order to deliver this, many different services will need to work together, and there will need to be changes across the whole care and support system.

To make our vision for the future of care and support a reality, we need to make three key changes. We need:

1. More joined-up working

   We need services that will keep people independent and well for longer. They should also help people with ongoing care needs to continue living in their own homes, if this is what they want, and maintain their independence. One way of doing this is through better joined-up working between health, housing and social care services and between social care and the disability benefits system.

   Services will be fully joined up between the NHS and the new National Care Service. This will mean that people receive more appropriate care in the right setting, reducing costs, improving outcomes and ensuring that services work together to keep people healthy and active wherever possible.
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This does not necessarily need to involve structural change. The mindset and behaviour of individual staff and managers can make a big difference. Shared goals and joint ways of working can all help to transform the experience of people who need care. The recently established Ministerial Group on Integration of Health and Social Care Services will identify what has worked well in places round the country, as well as what the evidence tells us, to help push forward joined-up working. The Working Group will also identify the barriers to integrated working which government needs to remove.

2. A wider range of services in care and support
As people begin to have greater choice over the care they receive, they will need to have a range of services to choose from. We believe that local authorities are best placed to make sure that there is a wide range of services available in their area and to encourage new services.

We need to help local authorities make sure that the services and ways of working in their area support innovative and high-quality care. Local authorities should also understand how care and support services will need to adapt as more people begin to have more control over their care. Over the coming years, local authorities will 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.

3. Better quality and innovation
Everyone who uses care and support services should be able to expect that the services they use will be high quality, and that they will be treated with respect and dignity. We also know that improving quality is an important part of making the best use of taxpayers’ money. The National Care Service will be underpinned by rights and entitlements, which support a high-quality service. It is better value for money and better for people to provide a good-quality service that keeps people as well as possible, than to provide poor-quality services which mean that people need other services later.

One of the most important aspects of improving quality is supporting the people who work in care and support. We want staff to be able to develop their own skills and make the most of their experience, as they build their career in a recognised and well-respected profession. The workforce will face big challenges over the coming years as more people need care. Staff may need different skills to support people in taking as much control as possible of their own lives. The Department of Health recently published a strategy on the future of the care and support workforce. 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. This will bring together
key partners in the social care sector and elsewhere, to look at the big challenges for the future.

In order to improve quality, we need to know which care and support services work best. We think we could do this by giving an independent organisation the role of providing advice to government on what works best and is best value for money in care and support. Advice from this organisation could guide the decisions made by people commissioning care and support, and people who are choosing care and support services for themselves, helping ensure that services are based on the best and most recent evidence about what works in providing care and support. We also know that local flexibility in how services and entitlements are delivered fosters innovation.

Consultation 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?

All of these reforms will be needed, regardless of how care and support is funded in the future. But the approach that we take, and how much state funding is available to support the reforms, will largely depend on which approach is taken regarding the funding of the care and support system.

The choices around funding

In deciding how to fund care and support, there are some very difficult decisions to make. Stakeholders, experts and members of the public have given their views on these decisions through the engagement process that the Government ran from May to November 2008. The choices focus on who should be responsible for providing care and support and paying for it: people who need care; their families; or everyone in society via the state?

And, assuming that the state will always be responsible for paying for some care and support, there are choices about whether resources should depend on:

- where people live
- when people develop a care and support need, or
- whether they are able to pay.

Hundreds of people gave the Government their views on these difficult questions during the engagement process, and we have
used the agreement that emerged to shape our thinking around the funding of the care and support system.

**Who should be responsible for paying for care:** There was widespread agreement that there should be a significant role for the state, although there was less agreement around what the exact balance of responsibility should be around funding. There was widespread agreement that individuals and their families should also share this responsibility with the state.

**Where people live:** People told us that they could see the advantages of a system which allows areas to be flexible and respond to local needs. But the majority of people were more concerned that a system which varied a person’s level of care and support because of where they lived was unfair.

**When people develop a care and support need:** People found it difficult to decide whether people developing care and support needs at different points in their lives should be treated differently. They were split on whether there should be a different approach to younger disabled people because they are usually unable to prepare to meet the costs of their care and support in the same way as people can prepare for their old age. Overall, people’s main concern was that the system should be fair and that everyone should have an equal opportunity to achieve the same outcomes. If this were achieved, it did not matter to them so much whether this was through a single system for everyone.

**Whether people are able to pay:** There was also little consensus about whether a person’s ability to pay for themselves should be taken into consideration when the state is deciding how much support to give to a person. Although people agreed that those who could not afford to pay for themselves had the greatest need for state support, they also felt it was unfair that people who had worked hard and made sensible decisions to save were less eligible for state support.

**Funding options**

Our care and support needs in life and old age are inherently uncertain. Two in three women and one in two men will develop high care needs during their retirement. But some people will need no care and support at all. The current social care system does very little to help people minimise that uncertainty, with some facing very high costs near the end of their lives and others needing far less care.

**The cost of care**

The cost of care and support is high. 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. And for a couple, the cost of two people’s care can be high.

At the moment, we cannot predict who will need high levels of care and support. People told us during the engagement process that they wanted to be clear on how they were going to pay for care and support, if they did need it, and how much it was going to cost them.

We know that as a society we will need more money for care and support. The question which we need to address as a society is where this will come from.

**Making the most of current funding**

During the engagement process, many people told us that we need to make sure that the taxpayers’ money that is already in the system is being used as well as possible. We have looked at the wide range of funding sources that make up the care and support system, to consider whether they are being used to the best effect.

In developing the new system, we think there is a case for drawing some funding streams together to enable us to deliver the new and better care and support system we want to create. We think we should consider integrating some elements of disability benefits, for example Attendance Allowance, to create a new offer for individuals with care and support needs.

If we did this, the future care and support system would build on the main advantages of the current disability benefits system, providing people with flexibility and an entitlement to have at least some of their care funded wherever they live in England.

Whatever the outcome of the consultation, we want to ensure that people receiving any of the relevant benefits at the time of reform would continue to receive an equivalent level of support and protection under a new and better care and support system.

**Bringing more money into care and support**

But we know that the money in the system at the moment will not be enough to pay for everyone’s care and support in the future. If we want to meet the needs of all those who require care in the future, then as a society we are going to need to pay more for care and support. The question is where this additional money is going to come from.

We have considered a range of different options, from a system in which everyone pays for themselves to one where everyone contributes to the cost of everyone’s care and support.

**Choosing between the systems**

In the current system, people who have the highest needs and lowest means get some help through the social care system, and some people get help through disability benefits. But many
people, including some with high needs, get no help with paying for care at all. If someone is in a care home and no one is living in their house, they are expected to use their savings and the value of their house to pay for care and accommodation, until they have used up almost all of them.

Because care and support costs can be so high, we think that the Government should provide some support to everyone who has to pay them. We therefore propose that, in the new National Care Service, everyone who qualifies for care and support from the state should get some help with paying for it.

Any new system must therefore be:
- fair
- simple and easy to understand
- affordable
- universal, underpinned by national rights and entitlements, and helping everyone who needs care to pay for it
- personalised to individual needs, and flexible enough to support people to live their lives in the ways they want to.

We have looked at five ways in which the National Care Service could be funded.

### Funding options

**Current system** – In the current system, people who have the highest needs and lowest means get some help through the social care system, and some people get help through disability benefits. But many people, including some with high needs, get no help with paying for care at all. Twenty per cent of people will need care that costs less than £1,000 – but 20 per cent will need care that costs more than £50,000. And someone who is in a care home for years could have costs of more than £100,000. If someone is in a care home and no one is living in their house, they are expected to use their savings and the value of their house to pay for care and accommodation, until they have used up almost all of them.

**Possible funding options we have considered**

In order to have an informed debate between these models, we need to have a sense of how much the different options might cost to people. But the precise costs will vary depending on how we design the options and decisions made about spending at the time. The figures that we show here indicate how much it might cost to run systems like these at the moment. They show the cost of care, but do not include accommodation because we would expect people to pay for their own food and lodging whether or not they were in a care home.
1. **Pay for Yourself** – In this system, everybody would be responsible for paying for their own basic care and support, when they needed it. They could take out insurance to cover some of these costs, or use their income and savings. There would be no support from the state, even for people with the lowest incomes and no savings. This is ruled out because it would leave many people without the care and support they need, and is fundamentally unfair because people cannot predict what care and support they will need.

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. 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. This system would work for people of all ages.

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 system 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.

As an indication of the costs, 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. This system would work for people over retirement age.
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.

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. As an indication of the costs, people might need to pay around £17,000 to £20,000 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. The cost would be less for people who were over 65 when the scheme was introduced.

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.

We would also look at having a free care and support system for people of working age alongside this.

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. This is **ruled out** because it places a heavy burden on people of working age.
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**Basic care and support costs:**

The care and support that is needed to help people to meet their assessed needs. If people wanted to go beyond this, they could pay for additional care if they chose to.

The Government believes that three of these options could meet our criteria for a National Care Service: Partnership, Insurance and Comprehensive. We have ruled out Pay for Yourself because many people would not be able to afford to buy their care themselves, and we have ruled out Tax-funded because it would put a large burden of paying for care on people who are working.

We think that the Partnership option should be the foundation of the new system. Under Partnership, existing government funding is allocated more fairly, so that everyone who has high levels of care and support need gets some of their care and support paid for by the state, and many people 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.

So the question for us as a society is how we can best support those people who want to protect themselves against the risk that they may need to pay really high care and support costs.

We could have a system where people could choose to protect themselves against the risk of potentially high care and support costs. This would be the Insurance option.

Or we could have a system that everyone had to pay into and, in return, everyone’s basic care and support costs would be covered. People would no longer risk having to pay potentially high care and support costs. This would be the Comprehensive option.

As this would be a significant reform, we would expect the introduction of the new National Care Service to be phased in over a number of years.

**Accommodation costs**

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, we believe it is fair to expect the majority of people to meet these costs themselves. However, we also think there is more that the Government can do to help people with the way they pay
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these costs. We are proposing a universal deferred payment mechanism, allowing residential care and accommodation costs to be charged upon a person’s estate when they die, rather than having to go through the process of selling their home when they need residential care.

The role of carers

Family and friends play a vital role in caring for people who need care and support. Carers are an extremely diverse group of people, with widely differing needs. We recognise this and believe that we should support people who care for others. We need to try to ensure that their caring responsibilities are not so great that they harm carers’ wellbeing.

The new system that we propose in this Green Paper would help carers in many ways. Everyone who needs care and support will get a national assessment, information and advice, and personalised care and support. These measures will help carers by making the process of getting care and support easier and making sure that their loved ones are receiving better care and support.

Each of the three funding options that we think are possible would provide some funding for people who qualify for care and support. By improving support to people who need care, we will also be supporting carers, particularly people who care for those who would have received no funding from the state under the current system.

National consistency and local flexibility

The Government believes that the care and support system should be fair and universal. This means that it must make sure that everyone who qualifies for care and support can get it, regardless of where they live. This will ensure that people who need care and support are empowered to live their lives the way they want to and able to choose where they want to live and work, in the way that most people take for granted.

But we also need to ensure that the system is flexible enough to respond to local circumstances and to encourage innovative approaches. Services need to be designed locally, so that they can respond to what people need in a particular area. We need to decide how the new funding system should balance local flexibility and national consistency.

Moving to a universal system has important consequences for the way in which care and support works across England. In particular, it has consequences for the way in which money for care and support is raised and spent across England. We have already said that we want a standardised national needs assessment process, and the Government would set the level of need at which someone qualifies for state funding. The Government would also set, nationally, what proportion of
someone’s care package would be funded by the state. Beyond this, however, there could be two different approaches to how the system worked, depending on how standardised the system was. The two approaches have different implications for the way in which money is raised and distributed around England.

1. 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 package would be paid for by the state, wherever they lived. But 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.

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. This could provide more space and flexibility for local authorities to encourage new kinds of care and support in their area. It would also help them respond to local conditions to deliver real choice and control for individuals. But it would mean that people could still get different amounts of funding in different places, which might be seen as unfair.

2. A fully national system
Under this system, national 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.

The advantage of this system is that it would be easy for people to understand and plan for. This will enable people to move around more freely and live the lives they want, wherever they are. People told us that the system seems fairer if everyone gets the same amount of money. The disadvantage is that the system would decide at national level how much funding someone was going to receive. 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, and it would make the system more rigid.

The consequences of a fully national system
This system would also be likely to mean major changes to the way in which money for care and support is raised and spent in
England. 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. If national government, rather than local authorities, were deciding how much funding people should get, it would be unfair to ask local authorities to fund this new system from money they raised themselves, as they would have no way of controlling these costs. 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.

The role of local authorities
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 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?
**Having your say**

There are many very difficult issues involved in the reform of the care and support system. This is why the Government has already run an engagement process, to get people’s views, and why we will now be consulting on the proposals contained in this Green Paper.

This Green Paper sets out a number of questions we would like to hear your views on. We want you to get involved in our consultation, to let us know your thoughts on these difficult issues. This is your opportunity to tell us what you think about the difficult choices that need to be made, and to help us to make the firm decisions about how best to create a new system. The consultation will run until 13 November 2009. Details on how to respond can be found in Chapter 7.

Once the consultation has finished, we will publish the results of what people told us. We will also set up a national leadership group, bringing together the leading experts and organisations across care and support to drive forward changes and to resolve issues where clear differences remain, even after the consultation on the Green Paper.

We will publish a White Paper on care and support in 2010, with detailed proposals for implementing a new National Care Service offering care and support for everyone.
1 Introduction

Many of us, at some point in our lives, will need help with some of the basic activities of living day to day. The number of us who will need this help is increasing because as a society we are living longer. Many disabled people are also living for longer than they would have done in the past. We all rightly expect to lead our lives the way we want to, enjoying our homes, work, family life and leisure and, if we need care and support to help us to do this, we expect to have choice over the care we receive and that it will be of a high quality.

A new vision for care and support

We need to reform the current system of care and support in England because it will not be able to cope with the increasing number of people who will need care as our population ages and life expectancy increases.

We want to build the first National Care Service in England. The Government’s vision is for a system that is fair, simple and affordable for everyone. It must be underpinned by national rights and entitlements, but personalised to people’s individual needs. The system must support people so that they can access the care they need and find out about the different kinds of support available. It must also be a system that helps people to live their lives the way they want to wherever they are, supported by the staff who work with them. People who need services are often the experts in their own care, and the system for the future must respect this. People with care needs should be treated as citizens with rights, rather than having to fight to get services. Everyone who receives care must be treated with dignity and kindness, and their human rights must be respected.

Getting your views

Until last year, there had never been a comprehensive debate in England about how care and support for adults should be provided and paid for. While there have been many important reforms to the care and support system during recent decades, there has never been an opportunity for people to really consider these issues and to give their views on how the system should work.

This is why, in May 2008, the Government launched a national engagement process to ask people who use care and support,
In Britain today we have three almost entirely separate debates going on with regard to social care: the first is about how we fund long-term care for older people; the second is about how we support carers; and the third is about promoting independent living for disabled people... These three debates should be one debate, one question. Namely: How do we deliver a support system where people’s human rights are enshrined and everyone’s life chances are equally valued and supported?”

Baroness Jane Campbell (2008) ‘Fighting for a slice, or for a bigger cake?’, lecture at St John’s College, University of Cambridge

The people who came to the events, or responded to the debate in other ways, greatly improved our understanding of what they wanted from the new care and support system. The responses to the engagement process have been very important in informing the way we think about the issues around care and support, and in writing this Green Paper.

We are publishing the results of the engagement process in full in an independent report that accompanies this Green Paper.¹

What you told us

The people who responded to the engagement told us that the new system needs to have:

- services that work together to meet your expectations to stay independent and well, stay in control of your life and stay in your own home for as long as possible
- a simple way of knowing what services you can expect when you need them and how much money the state will provide for your care and support
- a clear, consistent system of care and support so that you can know what to expect – wherever you live in England and whatever your circumstances
- fair funding, so that if you have paid taxes all your life and saved for your old age you can be sure that the state will not leave you without the help you need when you need it
- more funding to meet growing needs, with both the state and the individual sharing responsibility for care and support.

What we will do

This Green Paper lays out how we will respond to what people told us they wanted. Ultimately, we want to achieve the following:

Help people to stay well and independent
We need to build a system that will keep people independent and well for as long as possible. Health, housing, social care and a whole range of other public services need to work together more closely. We need to encourage more prevention and early intervention, and we need to ensure that everybody can get the information and advice that they need in order to access care and support. Personal budgets should be available for everyone who wants them, to give them more choice and control over their care. And we need to make sure that the system is national, so that people know what they can expect, wherever they live.

Create a fair, simple and affordable funding system
A fundamental issue is that the care and support system will need to support far more people in future. It is vital to find a fair way of paying for everyone’s care needs which can stand the test of time. We need to ensure that we are spending existing money in as effective a way as possible; to consider the best way to bring more money into the system; and to ensure that everybody is able to afford the care that they need.

Make the most of past successes
The various kinds of help available today – benefits, housing, advice, care, health and family support – include many high-quality services that are well loved by those they serve and are delivered by excellent, dedicated staff. Local authorities, care businesses, the third sector and central government have worked hard to improve and are working together to speed up reforms to make services more personal. We need to make sure that any new system builds on the progress that has already been made, so that these achievements are not lost.

About this Green Paper
This Green Paper sets out the proposals and choices that we believe can help to create a better care and support system for our whole society.

We know that the choices are tough, but we are clear that together we must build a National Care Service that will secure care and support for everyone who needs it, funded fairly and affordably for many years to come.

This Green Paper responds to what we have heard and sets out possible solutions to current challenges. But this is not the end of the process. We will be running a consultation over the coming months, and we want you to send us your views and tell us what you think are the answers to the difficult questions facing the nation. More details on how to get involved can be found in Chapter 7.

Please join the Big Care Debate and help to shape the future of care together.

“Whatever the eventual balance of responsibility struck between the family, individual and government, it must be founded on an open debate and be wholly transparent.”
Leonard Cheshire Disability, response to the engagement process
2 The case for change

Summary
‘Care and support’ describes the activities, services and relationships that help people to be independent, active and well throughout their lives, and participate in and contribute to society. At its best, care and support can transform people’s lives.

But the care and support system that we have at the moment is not sustainable. Changes in our society mean that we are living longer and we have higher expectations of what public services will provide for us. There will be more older people, disabled people and people with learning disabilities requiring support, and many of them will need care for longer. As a result, the current care and support system will face increasing costs. Radical reform is needed, to respond to these pressures as well as to address the concerns that people have told us they have about the current system.

What is care and support?
‘Care and support’ is the mixture of financial, practical and emotional support that helps people to do the everyday things that most of us take for granted: getting out of bed, dressed and into work; choosing what and when to eat; getting out of the house; being able to see friends; and being able to care for our families.

It is about people getting on with and running their own lives, and having the right relationships and support so that their lives are full and active and they can participate in and contribute to their communities. And it is about removing the barriers that older and disabled people face, giving them the support they need to live independently.
“Care and support describes the activities, services and relationships that help people to be independent, active and healthy – as well as be able to participate in and contribute to society – throughout their lives.”


Why do people need care and support?
There is a wide range of formal care and support services. People might need care and support to:

• get in and out of bed
• carry out basic household chores
• prepare their meals
• pay their rent and organise paying bills
• make sure their homes and their workspaces are adapted to suit their needs
• recover after an operation or illness
• come to terms with the death of a loved one, or
• look after children and fulfil their parenting responsibilities.

The care and support system today
The care and support system helps people to work, contribute to society, care for their families and do day-to-day things like shopping and cooking. Many people carry out these tasks themselves, but some people need help to do them – perhaps because they are disabled, are recovering from surgery or are having difficulties in old age.

Who provides care and support?
Many different people and organisations in England are involved in providing care and support.

Public sector organisations
Public sector organisations such as local authorities, housing support services and the benefits agencies provide care and support to millions of people. The support provided by these organisations ranges from helping people to dress themselves and move around their home, to teaching them important skills such as how to use public transport with confidence or how to manage their own finances so that they can live independently. As well as directly providing these services, local authorities play an important role in commissioning other organisations to provide these services to people.
The case for change

Which public sector services contribute to care and support?

A range of services and financial support contribute to the care and support system:

- those services that are grouped together as ‘social care’, such as Meals on Wheels, domiciliary care (care for people in their own home), care homes, counselling and occupational therapy and support for carers such as short-term breaks
- some elements of housing-related support services for older and disabled people funded through Supporting People, as well as adaptations that help people get around at home safely, such as handrails and walk-in showers, often funded through the Disabled Facilities Grant
- support for independent living for disabled people, including the Independent Living Fund
- Attendance Allowance, Disability Living Allowance and other benefits that help people with the extra costs of disability.

Private organisations

Private organisations provide services to people who approach them directly and to people whose care and support is paid for by local authorities. For example, in England there are more than 3,600 private care agencies providing care in people’s homes and 13,000 private care homes.²

Third sector organisations

Third sector organisations also have a vital role. They run more than 3,000 care homes and almost 400 home care agencies³ and help disabled people with further education, leisure and social opportunities. They also have an important role in giving people information, supporting them and representing their views to help them to get the care and support they need (this is known as ‘advocacy’).

Families, friends and the local community

Families, friends and the local community are at the heart of providing care and support to most people. The 2001 Census suggested that there are around 5.2 million carers in England and Wales – one in ten of the population.⁴ Some of these people provide many hours of support each week. And, beyond this, many people have told us that they think that the most important part of care and support is the way that people look out for each other. For example, some people give others a lift to their

³ Ibid
⁴ Office for National Statistics, 2001 Census
place of worship, help with their shopping or simply pop round
to visit someone who they know is lonely. People also told us
about employers who had been supportive when they needed to
take time off to look after a family member, or colleagues who
supported them through difficult times.

Preparation for the future

The Government’s vision for care and support is for a National
Care Service: a fair, simple and affordable system that gives
people the independence, choice and control over their care that
they want, wherever they live in England. We want to change
the relationship between people who need care and support,
and the services they get. Rather than seeing people as passive
recipients of care and support, our vision sees them as citizens
who are involved in designing the services that will help them live
their everyday lives.

Local authorities are key to the delivery of this vision for the
future, and this Green Paper underlines the important, continued
and strengthened role they will play in the reformed system.
Local authorities must be able to innovate at the local level to
ensure that the right services are available in their local area,
that services are being properly delivered and that people are
able to access them. This role will be essential in ensuring
that people who need care and support are able to get services
shaped to their needs. The critical role of local authorities cannot
be underestimated and, as such, this Green Paper is aimed as
much at them as it is at individuals.

The legacy of the past

We believe that the time is right for a radical reform of the care
and support system. The system of the past, with its basis in the
Victorian Poor Laws, cannot meet the needs of the 21st century.
In 1948, when the welfare state was founded, society looked
very different. A boy born at that time could expect to live to 66;
a boy born today, in 2009, can expect to live to over 78. Because
people’s lives were shorter, some conditions that are now
common among very old people were almost unknown. Many
disabled children died very young. Social expectations were also
different: disabled adults had fewer rights than they have now,
and people automatically assumed that women would stay at
home to care for their families.

Social care was not included in the creation of the NHS, and the
state provided support only for people who had no family and
could not afford to take care of themselves.
The history of the care and support system

1948
- Founding of NHS and welfare state

1948
- National Assistance Act: local authorities to provide basic residential accommodation to disabled and older people

1971
- Emphasis shifts from institutional care to providing more home care

1971
- Attendance Allowance introduced, bringing more financial support for disabled older people

1976
- The Invalid Care Allowance introduced, which was to become the Carers’ Allowance

1976
- The Disabled Persons Act drives changes in perception of equality and disabled people

1981
- Disability Living Allowance introduced, bringing more financial support for working age disabled people

1981
- Community Care Act: local authorities became care managers, with an emphasis on providing flexible care in people’s own homes

1990
- The Carers and Disabled Children Act recognised the increasing role of carers

1990
- The Disabled Persons Act drives changes in perception of equality and disabled people

1992
- Disability Living Allowance introduced, bringing more financial support for working age disabled people

1992
- The Disabled Persons Act drives changes in perception of equality and disabled people

1996
- Direct Payments introduced, offering disabled people more control to directly buy the services they want

1996
- The Disabled Persons Act drives changes in perception of equality and disabled people

2000
- The Carers and Disabled Children Act recognised the increasing role of carers

2000
- The White Paper Our health, our care, our say lays the foundation for better working between health and social care

2006
- The transformation programme of various elements of the care and support system drives change for the short to medium term

2007
- Shaping the Future of Care Together published, allowing a debate on the future of the care and support system

2009
- Local Government and Public Involvement in Health Act gives people more opportunity to shape local health services
"We have a 1940 system with 1940s aspirations and assumptions that we are trying to work with in the early 21st century.”

Professor Jon Glasby, quoted in All Party Parliamentary Local Government Group (2008) Never Too Late for Living: Inquiry into services for older people

The case for change

The beginnings of reform

Of course, there have been many changes in care and support since the 1940s. For example:

- The Disabled People’s Movement has brought about massive changes in the way we think about equality and disabled people.
- Benefits for disabled people and carers have been introduced.
- There has been an increasing emphasis on community care.
- More privately run care and support organisations are being set up.

The changes over the last 60 years have led to the development of the separate systems of social care, disability benefits and housing support that we have today.

Changes over the last decade

The rapid pace of change in how care and support is viewed and delivered has continued over the last ten years. There have been steady improvements in the quality of social care services. Carers are now more recognised in law.\(^5\) The White Paper Our health, our care, our say: a new direction for community services (2006) laid the foundations for improvements across both health and social care by supporting joined-up working (integration) between these services at a local level and promoting prevention.

The Law Commission is currently reviewing legislation for adult social care. And the Department of Health is undertaking a comprehensive review of the practical action that is needed to tackle age discrimination in health and social care. The review is due to report in October 2009, and will include recommendations about the services where age-based differences should be maintained.

\(^5\) Carers and Disabled Children Act 2000 and Carers (Equal Opportunities) Act 2004
The case for change

Equality Bill

The Government’s Equality Bill, currently before Parliament, will prohibit age discrimination against adults in the provision of services and the exercise of public functions. The new law will respect the fact that, within our society, we often treat people differently according to their age and that this is often appropriate because people’s needs, expectations and circumstances change with their age.

The Bill prohibits only harmful or unjustifiable treatment and will allow certain forms of age-based different treatment to continue in two ways. It will be possible to justify treatment that would otherwise be direct or indirect age discrimination where it is a proportionate means of achieving a legitimate aim (objective justification), and there will be a framework of exceptions together with positive action provisions to allow age-differentiated treatment.

The prohibition of age discrimination is a very big part of our drive to improve the way that health and social care services are commissioned and delivered to different age groups.

“The most important things [about having an individual budget] were getting some independence and bringing my confidence up. I decided to employ a personal assistant. I have also used the individual budgets money to start equine therapy every week. It involves grooming the horses as well as riding them. It’s a really good experience and helps build up my confidence.”

Janice, 33, who has had depression and anxiety since her teens

The transformation programme

The Government has also established a transformation programme that aims to further increase people’s choice of and control over care and support services to support them to live independently and in the way they want. It has placed a greater focus on trying to prevent people from developing a need for care and support, by intervening earlier. This has made a real difference to people’s lives, by allowing them to decide what is most important to them and to find innovative ways of meeting their care needs.

However, even though there has been significant progress, there are still underlying concerns about the care and support system. This is why, in 2007, the Government announced that it would radically reform the care and support system for adults in England.
The case for change

What has the Government done already?
There are already several government programmes that will support future changes to the care and support system.

Putting People First (HM Government, 2007)
This is a partnership between the whole of central government, local government, the NHS and the social care sector. It aims to transform adult social care. It sets out clearly what needs to be achieved, stressing the need for improved information and advocacy and more control and personalisation of services. It also places importance on preventing people from developing care and support needs, where possible.

Lifetime Homes, Lifetime Neighbourhoods (Communities and Local Government, 2008)
This is a cross-government strategy for housing and communities, connecting housing, health and care. We will build all public sector-funded housing to Lifetime Homes standards by 2011 and aim for all new homes to be built to Lifetime Homes standards by 2013. We have set out our vision of Lifetime Neighbourhoods and will encourage their development. For older people today, we are working to improve the changes made to their homes to help them to move around and to improve the advice and information they get.

Independent Living Strategy (Office for Disability Issues, 2008)
This is a five-year plan that aims to help all disabled people (including older disabled people) to live independent lives, and to make sure that they have the same choice, freedom, dignity and control over their lives as non-disabled people.

High Quality Care For All: NHS Next Stage Review Final Report (Department of Health, 2008)
This sets out how a greater focus on prevention, improved quality and innovation will support the NHS and shape the next stage of reform. It also announces the trial of new integrated care organisations, bringing together health and social care professionals from a range of services.
The case for change

Independence and Opportunity: Our Strategy for Supporting People (Communities and Local Government, 2007)
This strategy sets out how we should move forward with the Supporting People initiative (which helps vulnerable people to live independent lives by providing a stable environment). It sets out the Government’s aims to improve service user choice and control, keeping service users at the heart of the programme and its implementation locally.

Carers’ Strategy (Department of Health, 2008)
This strategy sets out the Government’s short-term agenda and long-term vision for the future care and support of carers. The carers’ strategy is underpinned by £255 million to implement some immediate steps as well as medium- and long-term plans.

Right to Control (Office for Disability Issues, 2009)
This legislative power, currently going through Parliament as part of the Welfare Reform Bill, aims to give disabled people more choice in and control over how certain support services are provided. We will pilot it in a number of local authorities in England from 2010.

Why do we need to reform the care and support system?
Care and support affects everybody. We may need support ourselves, know someone else who does or help pay for it through our taxes. Around two in every three women and one in every two men can expect to have a high care need at some point during their retirement.6 And the number of younger adults with learning disabilities, physical disabilities or other needs is projected to increase.7,8

There are two major future challenges that mean we will need to radically change the way in which we provide care and support:

• **demographic changes** will increase the demand for care, and
• **people’s expectations of care are changing**, so services will need to evolve to meet these expectations.

The existing system cannot cope with these pressures – both challenges will lead to increasing costs, making the system financially unsustainable. If we do not address this, people will not get the support they need, which will impact on their quality of life.

“Recent analysis confirms that there is a window of opportunity – a period of about ten years during which labour forces will continue to increase – for implementing the structural reforms needed by ageing societies. Taking no action would weaken the EU’s ability to meet the future needs of an ageing population.”

Commission of the European Communities (2009) Dealing with the impact of an ageing population in the EU

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The case for change

Demographic changes will increase demand for care

The shape of our society is changing. Countries around the world are grappling with the challenges that demographic changes pose. In England, one of the major challenges that the care and support system must prepare for is the large number of people who will need it in the future, as there are more older and disabled people living longer.

The scale of demographic change

By 2026, population estimates show that there will be double the number of people aged over 85 that there are now, and the number of people aged over 100 will have quadrupled. In the 1940s when the welfare state was established, there were more than five people under 65 for every person aged over 65. 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.

We can see these changes in our own families:

- A girl born in 1920 could expect to live to around 60.
- Her daughter born in 1950 could expect to live to around 70.
- Her granddaughter born in 1980 could expect to live to her mid-70s.
- Her great-granddaughter born in 2008 could expect to live to her early 80s.

Medical advances mean that disabled people now live longer and healthier lives. A few decades ago, children born with Down’s syndrome would have expected to live into their mid-20s. Now they can live into their 50s. This is clearly a cause for celebration, but it also presents new issues that we, as a society, must address.

The impact of demographic change

These changes are profound, and countries all over the world are having to rethink whole aspects of their society in order to take account of them. Building Britain’s Future and Building a society for all ages set out the social implications of changing demographics. More and more older people are retiring fit and healthy, with years in front of them of contributing to society through continued employment, volunteering or in other ways but also with the risk of eventually needing care and support. This has a particular impact on rural areas, where the population

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9 Government Actuary’s Department, 2007
11 Office for National Statistics Population Trends and Government Actuary’s Department Life Tables
12 Centers for Disease Control and Prevention, Atlanta, USA, 2002
The case for change

is ageing at a faster rate than in urban areas as more older people choose to retire in rural areas, and more younger people move to cities for work and education opportunities. These areas will face particular challenges.

Changing demographics may have subsequent economic impacts as a smaller proportion of the population is working than before. But, above all, there will be an impact on care and support services.

Evidence suggests that although life expectancy is increasing, healthy life expectancy is not increasing at the same rate. People are spending a longer time living with conditions that seriously reduce their quality of life, such as arthritis, the effects of a stroke or dementia. Current trends in obesity and other lifestyle-related diseases will also increase the need for care. In 20 years’ time, we expect over 1.7 million more adults to have a need for care and support.

"You can give people control of it and you can also give people the right to control how much control they have over it. That might seem a funny point, but it is also important. People do not always want complete control but they want some control; also, and very importantly, the right to spend that money on services that really make sense.”

Simon Duffy, Chief Executive of In Control, quoted in All Party Parliamentary Local Government Group (2008) Never Too Late for Living: Inquiry into services for older people

Projected number of adults aged 18+ with a care need in England, 2012–40

Expectations of care and support are changing

People have increasing expectations of public services. As a nation, we expect higher standards and greater choice over our own lives than our grandparents did, and our children will expect more than us. For decades disabled people of all ages have campaigned for a greater degree of choice and control, better support for them in their family life and higher standards of services. People want a system that meets their needs whatever
The case for change

The case for change

...they are, and that recognises that people’s priorities can change during the course of their lives. The support people receive should be flexible and adaptable to suit different needs, should keep them safe if they are in vulnerable situations, and should give them as much control as possible over their own care.

Recent changes, through Putting People First and the transformation programme, mean that social care is already responding well to this challenge. But we now need to build on this progress to ensure that the new care and support system can give everyone personalised services delivered with dignity, compassion and respect that they want and expect in the future.

The Department for Work and Pensions is also legislating to give disabled people more choice and control over the support they need in their daily lives. From 2010 this ‘Right to Control’ will be tested in a number of local authority areas in England. A national consultation on how the Right to Control might work in practice, and what support could be covered by the Right to Control, was launched on 11 June 2009 and will run to 30 September 2009.

The cost of care and support is increasing

These changing expectations and demographics have massive implications for the funding of care and support. If we do not reform the system, in 20 years’ time the cost of disability benefits could increase by almost 50 per cent.16 HM Treasury’s long-term fiscal projections show that the costs of long-term care are set to increase by 17 per cent by 2027/28.

Care and support must change to respond effectively to this increased demand and expectation. And the changes to the way we fund the future system must be fair, simple and affordable, with sufficient flexibility to allow local authorities to design solutions that are appropriate to the local area.

Considering the impact of the current economic situation

Of course, when considering the future of funding, we need to be aware of challenges posed by the current economic situation. The Government first announced that it would publish a Green Paper in the Pre-Budget Report in 2007, when the wider economic context looked very different. We know that the financial crisis has caused a steep downturn around the world.

In the Budget 2009, the Government laid out a package of support to restore the flow of credit, support economic recovery and build a strong economy for the future. These tax and spending measures will reduce borrowing over the medium term. They include new assumptions about spending growth from 2011/12 onwards, which will ensure continued investment in public services while ensuring sustainable public finances.

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16 Department for Work and Pensions Forecasting Division, November 2007. Please note that this figure is for benefits for the over-65s only, and for England, Scotland and Wales.
This wider economic context is likely to impact on the early stages of the new system set out in this Green Paper. We therefore need to make sure that the proposals in the Green Paper are consistent with the Government’s economic and fiscal strategy. We need to make sure that funding for care and support can be maintained in the long term, while being aware of the other priorities for the economy and other demands on the public finances.

**The need for reform to meet future pressures**

We need to reform the care and support system radically to meet these future pressures, to meet both people’s changing expectations of care and support and the pressure on funding.

Without this reform, it is likely that families (and, in some cases, children) will be under pressure to provide levels of care and support that are too demanding for them, and in some cases people will go without support and become ill. If we fail to get to grips with these long-term issues, we will fail to provide quality of life for people and, consequently, demand for NHS services will increase.

If we do not reform the system, local authorities will struggle to manage their budgets in years to come, and social care funding will increasingly be restricted to those with the very highest needs and lowest incomes. Funding for disability benefits will also come under increasing pressure.

We believe there is an argument for a better-integrated care and support system that can allocate funding on a more consistent basis, focused on providing some support for everyone. Chapter 6 sets out the Government’s more detailed proposals for funding the new care and support system.

Local government has achieved substantial savings through increased efficiency within the current system. But value for money could be improved even further, for example through more early intervention. Furthermore, we will not be able to meet the rising costs of care and support through efficiency savings alone. We need to consider both how we can allocate the funds already within the care and support system more efficiently and fairly and how we can bring more funding into the system.

**Current challenges**

As well as needing to respond to future pressures on the care and support system, there are existing challenges in the current system that we need to address.
The case for change

Recent changes in the work of local authorities and care organisations have brought major improvements to the care and support system. These improvements have been most noticeable following the introduction of Putting People First, the Government’s plan to transform adult social care. But there are still problems around who gets care and support, the kind of support they get and how we ensure that we are making the most of the money in the system. The new system will give us a chance to build on the recent progress and to further address some of these challenges.

Challenges around who gets care and support

1. Many people do not get help from the state towards paying for their care and support. Consequently, many people have told us that the current system seems unfair to them. They are particularly worried that people who have worked hard and saved do not get state support, while people who have never saved may get their care and support free.

2. State-funded care and support is often provided only when people have already developed high levels of need. People have told us that they feel they only qualify for help from the state once their needs are well advanced. If they had received support when their needs were less advanced, they might have been able to stay well for longer, or might have needed less support later on.

The state will always need to focus on supporting people with the greatest need. But we feel that more can be done to prevent people getting to that level of need in the first place, and also to support people at particular points of crisis, such as recovering from an operation. Intervening early may help to ensure that the needs they have do not worsen, and that the support they are offered can help to give them back their independence, rather than merely meeting their care and support needs.

3. People with the same needs receive different levels of care depending on where they live. Local authorities across England use the Fair Access to Care Services (FACS) guidance, issued by the Department of Health, to assess and determine eligibility for services; this aims to make such decisions more transparent. However, different authorities interpret the FACS criteria differently and so they differ in the levels of need they support. Some authorities provide support for care packages for people with moderate or higher levels of need, whereas some only provide support for the higher levels.

Of course, there are many ways in which local authorities support people with low or moderate care and support needs (for example, through housing or leisure programmes). But knowing that a neighbouring local authority is supporting the cost of care packages for people with lower levels of need can contribute to the feeling of unfairness.

“I think one of the worst things is for someone to have paid their taxes all their life and then if they need care in old age they have to sell their house to pay for it, leaving their children no inheritance, while people who have never worked at all in their lives get everything for free.”

Member of the public, response to the engagement process

“Reducing the requirement for care and support will not only improve individuals’ quality of life, but also reduce the overall bill for all of us. We need to design a system of care and support that lives out the mantra that ‘prevention is better than cure’ – an aspiration from which our current system falls woefully short.”

Help the Aged, response to the engagement process
People also find it unfair that when they move to a new area they do not know whether they will still get funding for their care and support. They often have to have their needs reassessed, and do not find out the results until after they have moved. As well as seeming unfair, people have told us that this can stop people who have care and support needs from moving home.

**Challenges around the kind of care and support people get**

4. **The different parts of the care and support system do not work together.** Although we talk about a care and support system, it is currently fragmented rather than being a single, joined-up system. So people often struggle to find a way through it.

They can face multiple assessments from different agencies with seemingly different criteria for providing support. People may also have to navigate their way through social care services, the benefit system, the NHS and housing services, as well as the many different private and third sector organisations. People find it particularly difficult to understand where the boundary lies between NHS care and social care and what kind of conditions qualify for each.

5. **The care system as a whole is confusing.** Many people have told us that it is not clear to them what makes up ‘care and support’, or what financial support they may be eligible for or entitled to. People do not know that they could be responsible for paying for much of their own care, and so they do not make proper preparations to meet the costs involved. Above all, people do not feel that they know where to go to find out about care, either to help them plan for the future or to help them deal with problems as they arise.

6. **The system is not tailored to people’s needs.** Many people who receive personal budgets or live in an area with good services told us that services were excellent and helped them to achieve what they wanted to.

But others told us that services are shaped around the convenience of service providers rather than their own needs. People have told us that they want a system that recognises the different priorities individuals can have during the course of their lives, and ensures that their support suits those needs. And sometimes people do not feel that they get enough information about why certain services are being chosen for them, or feel involved in the decision-making process. Greater consideration will be needed as to meeting the particular challenges that are faced in different areas, for example rural areas.
Some groups, such as minority ethnic groups or the gay, lesbian, bisexual and transgender communities, can feel as if the services available are not tailored to their particular needs. People have told us that they want their human rights to be respected, they want to be treated equally and fairly, and, ultimately, they want services that support them to remain well, be independent and take control of their own lives.

People often do not understand the reasons why some people get care and support funded by the state while others do not. Some local authorities do inform the public about how they decide who gets funding, but it is not always clear why authorities make different decisions about people with similar needs. This contributes to a sense of confusion about the process.

**Challenges around the effective use of money**

We also need to ensure that money is being spent in an effective way:

1. **Building the evidence on what works.** Although the evidence base is improving, there is still not enough information as yet on how to spend money most effectively in care and support. This is vital to ensure that people can get high-quality services that they can trust to meet their needs. It is also crucial if services are going to work well first time and give good value for money – whether they are paid for by taxpayers or people who need care and support.

2. **Ensuring that different parts of the system work together effectively.** Having different sources and types of care and support makes the system very complicated for people. It also may not be the best way of using state resources. Some types of support may be trying to achieve the same outcomes and would work more effectively if integrated. The Audit Commission, for example, recently set out some guidance on how the NHS and local authorities could pool resources.  

Other funding may simply need to be better aligned. We want to ensure that state money is being used in as cost-effective a way as possible.

**Conclusion**

Demographic changes and changing expectations are altering the way in which care and support is seen and the way services will need to be delivered in the future. The challenge will be for stakeholders – from the NHS to the smallest local third sector organisation – to respond to the wishes of the people receiving care and support and their carers.
The case for change

The reforms described in this Green Paper have a long-term focus. Some people have said that the current economic situation makes it difficult for us to do anything radical to address these problems now. However, we believe it increases the need for immediate action. By the time we implement these reforms, predictions suggest that the economic outlook will have changed. The demographic pressures that are driving us will not change. We cannot let short-term problems prevent us from addressing the needs of the long term. We want you to tell us your views on the issues that are raised in this Green Paper.

The next chapter focuses on the kind of system that we want to build and what people should be able to expect in the new system.
The vision for the future

Summary

To address the challenges facing the current care and support system, we are proposing radical changes to the way we provide and pay for care. We need to set out what people in England will get as a result of care and support reform. This chapter sets out our vision for the future and describes what every adult will be able to expect from the care and support system.

We think there are six things that everyone in the country should be able to expect as part of a new National Care Service:

1. **Prevention services**: You will receive the right support to help you stay independent and well for as long as possible and to stop your care and support needs getting worse.

2. **National assessment**: Wherever you are in England, you will have the right to have your care and support needs assessed in the same way. And you will have a right to have the same proportion of your care and support costs paid for wherever you live.

3. **A joined-up service**: All the services that you need will work together smoothly, particularly when your needs are assessed.

4. **Information and advice**: You can understand and find your way through the care and support system easily.

5. **Personalised care and support**: The services you use will be based on your personal circumstances and need.

6. **Fair funding**: Your money will be 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.

The vision for care and support

The care and support system in England needs to change. It must be focused on the needs of the people who use it, helping them to live their lives in the way that they want.

We want the new system to be fair, simple and affordable for everyone. The proposals in this Green Paper will be some of the most fundamental reforms ever in this area, creating for the first time a National Care Service where everyone gets a consistent service wherever they live in England, and where everyone gets help with their high-level care costs.

We believe that the care and support system should give everyone some help with meeting their needs. Everyone should get support to stay independent and well. Everyone should be
able to have access to information and advice about care and support. If their needs qualify for further assistance, everyone should get financial help in meeting the cost of care and support.

People should be in control of their own care and support as far as possible. Services should respect people’s dignity and human rights, and help them to maintain their independence. They should support people’s family relationships, help to strengthen families and communities, and support people in contributing to society.

In order for the vision to become a reality, people must know what they can expect from services. Many people have already told us that they are confused by current arrangements. They want to know exactly what they can expect from the state and what they need to do in return.

We need to be very clear about what our vision is for care and support, and what everyone can expect to make this a reality for them:

- **Prevention services:** We believe that care and support should help you stay independent and well for as long as possible with the help you need to live your life the way you want to. We are also committed to increasing the amount of choice and control people have over the support they receive. People have told us that they want a system where they get the right support early enough to stay well for longer, so that their care and support needs do not get worse. But people also want to know that if they do need more care and support, it will be there for them.

  To achieve this, you can expect to receive the right support to help you stay independent and well for as long as possible and to stop your care and support needs getting worse.

- **National assessment:** We believe that if you have the same needs, you should receive the right care and support wherever you move to in England. The system must support people fairly wherever they live. People have told us that they want a system where they are not at risk of losing their care and support just because they have moved somewhere new. At the same time, flexibility in the funding and delivery of services at the local level will need to be key so that local authorities are able to respond to local needs and local priorities.

  To achieve this, you can expect that wherever you are in England, you will have a right to have your care and support needs assessed in the same way. And you will have a right to have the same proportion of your care and support costs paid for wherever you live.

- **A joined-up service:** We believe that all the services you need should work together to support you. People have told us that social care, health and housing services, the benefits system and all other forms of support should work more smoothly together.
“We need to shift our thinking away from the current narrow understanding of ‘social care services’, and start thinking about services and networks that can help support people to overcome the barriers that prevent them from getting on with their lives.”

Help the Aged, response to the engagement process

To achieve this, you can expect that all the services you need will work together smoothly, particularly when your needs are assessed.

- **Information and advice:** We believe that the care and support system should be simple and easy to navigate. Many people have told us how confusing they find the current system. The new system should be more straightforward, and help should be available to support people going through it, so people receive information and, where appropriate, support from advocates.

To achieve this, you can expect information and support to be available so you can understand and find your way through the care and support system easily.

- **Personalised care and support:** We believe that care and support should help you live your life the way you want to. We want a system that puts people, and what they want from their lives, at its heart. We want to continue with the direction that Putting People First defined, and go further. Our vision is for a system where people will be able to live their lives in the way they want, supported by the services that they choose. A system that gives local authorities the space to innovate, enables services to respond to local conditions and delivers true personalisation.

To achieve this, you can expect that the services you use will be based on your personal circumstances and need.

- **Fair funding:** We believe that the care and support system must spend money well. Particularly in the current economic climate, we need a system that spends taxpayers’ money well – on high-quality and cost-effective services. We will look to people in the private sector, the public sector and the third sector to find new ways of providing and delivering care and support.

To achieve this, you can expect that your money will be 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.
The vision for the future

Putting People First

Much has already been achieved in improving care and support, particularly improving access to information and joining up health and care services. For example, Puting People First (introduced in 2007) has begun to address many of the problems that people told us about during the engagement process. Puting People First set out a shared vision and commitment to the transformation of adult social care, with the values and elements of a personalised adult social care system and a description of what help is available to local authorities to support system-wide change.

However, some of the problems we have described in the current system will extend beyond the timescale of Puting People First. They will need a longer-term, national approach to providing care and support. So this Green Paper builds on the approach that Puting People First developed and goes further. Whereas Puting People First focuses on reforming care and support services for those who are eligible for them, in future everyone will be eligible for help with finding and paying for the care and support they need. This will be the same wherever people live in England.

1. Prevention services

You will receive the right support to help you stay independent and well for as long as possible and to stop your care and support needs getting worse.

You will receive free support to stay well and as independent as possible.

We will do more to stop people developing care and support needs in the first place. We will also help to prevent people’s condition getting worse once they have a care and support need. Many services play a part in prevention and early intervention,
“We need to harness resources from across the whole system, with a strategic shift in the focus of care and support away from intervention at the point of crisis to a more holistic, proactive and preventive model centred on improving wellbeing. This might include focus on specific outcomes such as hospital discharge or intermediate care.”

Hackney Council, response to the engagement process

helping people to stay independent and well. Most of these are available to the whole population. Local authorities, for example, are responsible for keeping pavements in good condition, which is one way to prevent people from falling. GPs and health agencies provide information on diet and exercise to help people to live healthy lifestyles. Employers can promote health and wellbeing in the workplace. Leisure centres help people to keep exercising. Families and communities support each other to stay well.

We want to make sure that people with low to moderate needs continue to get the support they need to live independently, building on the role that disability benefits play and considering how this might best be achieved in a reformed care and support system.

We also want to offer targeted support to help people who are likely to need greater amounts of care and support. By making sure that as few people as possible need ongoing care and support, we will improve the quality of life for people and make the system more efficient. We will achieve this through a number of routes:

- **Re-ablement** is about helping people to get back some of the skills and confidence they may have lost through poor health, a disability or going into hospital or residential care. Short-term programmes of re-ablement can help some people to relearn and practise personal care tasks such as washing and dressing, so that they can live independently at home for much longer. **We think that people who are leaving hospital and need care and support for the first time should have the right to the re-ablement help they will benefit from at home, for example for six weeks.** This extra support will help people get back to their normal lives. And, depending on funding decisions, we could extend this right to more people.

- **Telecare** is any service that brings technology-based care and support directly into a person’s home. Telecare services range from a basic community alarm service to more complex systems with sensors that detect motion, falls, fire or gas and let a response centre know when somebody needs help. Telecare can be particularly helpful in keeping people safe in their own homes, and giving them confidence. Using technology to enable delivery of high-quality support will be a vital element of the future care and support system. **We will continue to promote telecare so that people feel more confident about staying in their own homes for longer.**

- **We will make sure that everyone can easily get hold of information about prevention and early intervention.**

- **We will continue to encourage a range of housing support options.** These will include supported living (care in a person’s own home), extra care housing (accommodation with design features and support to help people live independently), changes to homes or workplaces that make it easier for people
to move about, and designing new homes. Housing-related support can also help to keep people safe. These measures will help to delay the need for care and support later on.

- We will also **consider the benefits of having 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 could include trialling new ways of **predicting who is most likely to need high levels of care and support in the near future** and helping them before their need arises or their condition worsens.

**Case study: Re-ablement and telecare**

After he had a stroke, Terence was at risk of falling and was not able to be at home safely on his own. Because he wanted to leave hospital, he was discharged two weeks early to a special flat with additional support. While he was there he received rehabilitation from the intermediate care team, but also built up his confidence to live independently and had a falls detector, bed sensor and gas detector. He returned to his own flat several weeks later and did not require further care.

**What has been done so far?**

**Building a Society for All Ages**

The Government’s ageing strategy announced a range of measures to keep people active in later life in order to improve their health and wellbeing. These include a new ‘Active at 60’ package, and a high-profile summit with the sports and leisure industry to agree how people in later life can be supported to be physically active.

**Older People’s Prevention Package**

In 2009, the Government will introduce a package to encourage the use of prevention services for older people and improve their health, wellbeing and independence. The package will bring together information on current services for older people (including flu vaccinations, cancer screening, health checks and integrated care planning). It will also promote best practice on how to prevent and treat falls and fractures and provide footcare. It will review national intermediate care guidance, and summarise existing progress on audiology and telecare. As announced in **Building a Society for All Ages**, we are now extending the prevention package to address other conditions that also affect the quality of life of older people, including continence care, depression and arthritis.

**Partnerships for Older People Projects**

There is growing evidence that prevention and early intervention services have a positive impact, particularly with respect to the care of older people. The Department of Health has invested
£60 million in Partnerships for Older People Projects, which will evaluate early intervention projects that target older people in their homes and communities instead of focusing on hospital-based crisis care. The findings from the project are intended to provide important information to help local authority-led partnerships invest with confidence in new preventive approaches.

2. National assessment

Wherever you are in England, you will have the right to have your care needs assessed in the same way. And you will have a right to have the same proportion of your care and support costs paid for wherever you live.

You will be able to take your needs assessment with you wherever you go, so wherever you are in England, the assessment of your needs will be the same, enabling you to live the life you want wherever you want. Under the funding options discussed in Chapter 6, once you are assessed as needing care and support you will get a proportion of your care and support costs paid for, and this will be the same wherever you are in England. This is laid out in more detail in Chapter 6.

The results of a person’s needs assessment should apply anywhere in England. If they move, they will not have to seek reassessment in their new location unless their needs have changed or their assessment is due for review. This is an important part of enabling people who use care and support services to take control of their own lives.

The national assessment does not guarantee that people with the same assessment in different parts of the country will be able to choose exactly the same services. We believe that local authorities should have the space to innovate and the freedom to shape services according to the needs of their local area. But it does mean that people should know what their needs have been assessed as, and that the local authority will help them to ensure that those needs are met. Local authorities will be able to tell them what is available for them before they move.

Under our proposals to reform the funding system for care and support, people will also know what proportion of their care and support costs will be paid for wherever they go.

This will reduce the uncertainty about care and support that many people face when moving home. It will also ensure that local authorities have the freedom they need to tailor services to the needs of their local area.

The Equality and Human Rights Commission18 has said that “equality and human rights outcomes are most likely to be achieved where people receiving care and support are able to move from one local authority area to another in the confidence

that they will continue to receive an equivalent level and quality of support in their new place of residence, at least for an agreed transitional period.” Options set out in Chapter 6 suggest possible ways to move to a more national system. Whichever funding option is chosen, we want to make sure that people can find out before they move what they will be entitled to in their new area, by ensuring that their needs assessment will be consistent everywhere in England.

Creating the new assessment process

Existing local authority boundaries create geographical barriers for people receiving care and support. Eligibility for care and support differs between authorities and care is not easily ‘portable’; when a person wants to move, they cannot currently take their needs assessment with them and they must have a new assessment in their new area.

Under the current system, people cannot find out in advance what care and support they are entitled to if they move to a new area. So we want to introduce a new assessment process that tackles these issues.

In the future, we propose that everyone will be assessed in the same way. Once they have an agreement about their level of need, they will be able to take it with them wherever they go in England (it will be ‘portable’). They will not need to be reassessed unless their needs change. When a person moves, their assessed level of need will only change if their circumstances are different (for example, if friends and family cannot offer the levels of support they have previously provided).

With a nationally portable assessment, people will be able to contact the local authority of the area they want to move to and discuss what care and support will be available to them.

Ordinary residence

The term ‘ordinary residence’ refers to the place a person has chosen to adopt as their home. It is a key term for local authorities. Where a person is ordinarily resident determines who is responsible for providing certain care and support services for them.

The Department of Health is planning to revise and update its guidance for local authorities on how to decide where a person is ordinarily resident so that the scope for disputes is reduced. A consultation on the ordinary residence guidance is running from 21 April to 17 July 2009.

More information and a copy of the consultation document are available at:

3. A joined-up service

All the services that you need will work together smoothly, particularly when your needs are assessed.

Whatever your care and support needs, services will work around you and be better joined up. You will only need to have one assessment of your needs to gain access to a whole range of care and support services.

We want to create an assessment process that considers people’s individual needs, means and eligibility for all forms of support in a more joined-up way. This will build on the developing arrangements for the Common Assessment Framework for adults, to minimise multiple questioning of the same people for the same information.

Assessments will consider all of a person’s individual circumstances, and will support the needs and wellbeing of all family members, including any children in the family. Carers who are providing, or who intend to provide, a substantial amount of care on a regular basis will still be entitled to an assessment.

We want assessment to be a two-way dialogue determining what people can do and what they want to do.

Review and reassessment

It will be vital to make sure that people have ongoing support, so that if their needs change over time or something goes wrong, support is still available. For example, if a care worker becomes ill or a family member is called away, a person should not be left without care and support. Local authorities will continue to be responsible for ensuring that reassessment takes place on an ongoing basis (for example, when someone’s needs change or at regular review points set out in the agreed care and support plan). Reassessment should not just aim to confirm that someone’s current package should continue. The assessor should discuss with the individual whether they would prefer a different way of meeting their needs.

4. Information and advice

You can understand and find your way through the care and support system easily.

When you need care and support, or are preparing for it, you will find it easy to get information about who can help you, what care you can expect and how quickly you can get it.

Many people do not know about care and support services. They only begin to think about them when they have a need for them. Understandably, at this point they do not know where to start.

People must have access to the right information and advice to help them get what they need from the new care and support system. Even the best services are much less effective if it is difficult for people to find out about them. Access to information
is especially important in moments of crisis, when people do not have time to search for the right contact name or phone number. We want everyone to have easy access to the information they need when they need it, whether they are state funded or paying for care and support themselves.

In order to make the other principles in this chapter a reality, people will need information on:

- what care and support they are entitled to
- what is available in their area.

These two types of information should be offered together. Information should also be available to friends, families and carers who may want to get hold of it on behalf of a person who needs care and support.

### What kind of information do people need?

- Financial guidance and information to help them prepare for the future.
- Information on how to stay independent and well.
- Support for carers.
- Information on how to access care and support and about quality of services.
- Guidance on what people are entitled to.
- Support to fill in application forms.
- Information and support for people approaching the transition between children’s and adults’ services, and their carers.
- Information and advice on the services that are available (both traditional care services and non-traditional services such as telecare and handyperson services) and how to choose between them.
- Signposting to, and help with, applying for benefits and other forms of support.

**Putting People First** stated that carers and people who need care and support should have access to a local information, advice and advocacy service, regardless of whether they are eligible for state funding or are paying for themselves. We want to build on this.

The third sector has a long tradition of providing trusted advice and support for people in need. Businesses may also want to provide information, for example through comparison websites or in their role as care providers.

Information on care and support must also be available online and through other digital technologies. The NHS Choices website already contains some information, including support
for carers (www.nhs.uk/Carersdirect). Carers Direct also offers a free telephone helpline (0808 802 0202). The Directgov website provides information for carers and gives basic guidance on the benefits system. There are also websites and helplines provided by organisations such as FirstStop and Counsel and Care which focus particularly on care and support. Local authorities also have their own websites. Although not everyone who needs care and support will use online information, it has an immensely important role to play.

“Information has got to be clear, [available] at the right time, and it must be written. I think most people’s concern initially was the lack of information, although that in turn then turned round to how people could actually obtain that information.”

Age Concern Hampshire, response to the engagement process

Building on what is already there

While there are some excellent information sources, including those provided by the third sector, we know that it can be hard for people to find what they need when they need it. So we want to make it easier for people to access information directly, for example by introducing a care and support information brand that will be as well recognised as the NHS brand.

Nearly half of people having a needs assessment have put themselves forward for the assessment, or they have been referred by a family member or friend. Over one-third are referred by health professionals, most often their GP. People have told us that they want the option of meeting someone face to face to discuss their care and support needs and how to get the services they want. We therefore need to make it easy for GPs, nurses and other health professionals to direct people who ask about care and support to the correct information.

We believe that government should have a major role in making sure that information about care and support is easily available. As part of our consultation, we want to know what information you want and how you would most like to get it.

5. Personalised care and support

The services you use will be based on your personal circumstances and need.

Your care and support will be designed and delivered around your individual needs. As part of your care and support plan, you will have much greater choice over how and where you receive support, and the possibility of controlling your own budget wherever appropriate.

A support package based on a person’s own choices is often better than one built on their behalf by other people.

The reforms we are proposing will push forward the more personalised approach to services set out in Putting People First. We want to give people as much choice and control as they want over the services they use. But we also want to make sure that they get help making decisions or arranging care, if they need it. People will get care and support where they want it and help to stay in their own home for as long as possible if that is what they want.
The vision for the future

Under the new care and support system, local authorities will take the lead in encouraging the development of a much wider range of care. People will get support to help them decide whether to stay in their own home, move into supported living or move into a care home, according to their own preferences and needs.

Some people will only require care and support for a short time before their needs are resolved. Others will remain in the system for life. We also need to remember those people who move in and out of the system due to recurring illness or changes in circumstances. Flexible and responsive services will need to be available for everyone.

Supporting carers

Many people have told us that the current system can place too much responsibility for care on informal carers. It can also create inequalities because some carers are more likely to care to the point where their own health and wellbeing are affected. Family members are often willing to take care of loved ones, but this needs to be at a level that the family can manage. Different communities and people from different ethnic backgrounds have very different attitudes to care. People should also be able to choose how much of their care and support is provided by a carer, and carers should be able to choose how much care and support they wish to provide.

Who is a carer?

A carer is someone who (without payment) looks after a family member, partner or friend who needs help because of their age, physical or mental illness, or disability.

We know that carers make a massive contribution, and we do not want to stop people from being able to look after their loved ones if they want to. But no one should have to take on more caring responsibilities than they are able to handle. This is especially true of young carers. Children and young people should not be expected to provide care and support for family members at the expense of their own health and wellbeing, education or development.

The role of carers is changing. Most family carers are now caring for much longer periods than would have been the case ten years ago. Avoiding breakdown and maintaining carers’ health and wellbeing is vital for the community as well as for the person being cared for.

With improved survival rates for people with complex disabilities and health conditions, and earlier discharge from hospital, many carers are now providing higher levels of care and support and performing more complex care tasks than in the past.

“Because I am ill, there is no incentive to save when I am in work because I will be expected to use up all my savings next time I go back on benefits.”

Participant at engagement event
The vision for the future

“Assumptions must not be made that everyone is heterosexual... there should always be wider definitions of terms such as ‘family’ and ‘carers’.”


A growing number of carers are now part of the ‘sandwich generation’ where they may be caring for children and elderly relatives. They may be supporting an adult child or sibling with a learning disability as well as taking care of their parents. These relatives may live some distance from each other. We also know that as society becomes more diverse, many people are being supported in ways that go beyond the traditional family unit.

We know that a high proportion of carers of working age (in particular women) have to give up paid employment because of caring roles. This in turn affects family income and limits their ability to plan for and fund their own old age. We need to ensure that care and support arrangements maximise carers’ ability to remain in or enter employment if they so wish.

The Government has made a number of commitments to carers in the Carers’ Strategy. It is fulfilling these commitments through measures such as the Carers Direct information resources, Caring with Confidence training for carers, and training and awareness raising for key workers and GPs. Most informal carers who combine work and care are now able to ask to work flexibly.

We recognise the vital role that carers play, and we want to design a system that provides support for them. Chapter 6 talks about possible ways to support carers in the new system.

Carers at the heart of 21st-century families and communities

The Carers’ Strategy vision is that by 2018, carers will be universally recognised and valued as being fundamental to strong families and stable communities. Support will be tailored to meet individuals’ needs, enabling carers to maintain a balance between their caring responsibilities and a life outside caring, while enabling the person they support to be a full and equal citizen.

By 2018:

• carers will be respected as expert care partners and will have access to the integrated and personalised services they need to support them in their caring role
• carers will be able to have a life of their own alongside their caring role
• carers will be supported so that they are not forced into financial hardship by their caring role
• carers will be supported to stay mentally and physically well and treated with dignity
• children and young people will be protected from inappropriate caring and have the support they need to learn, develop and thrive, to enjoy positive childhoods and to achieve against all the Every Child Matters outcomes.
“The money I received from personal budgets has made a colossal difference. It has helped me get back on my feet. I have not felt as good as I do now for ten years. Before I was so solitary – not seeing anyone. Without personal budgets I would probably have just struggled on as I was doing last year. It has given me a kick-start. I am feeling alive.”

Patrick, who has been diagnosed with schizophrenia

**Personal budgets**

Under the new care and support system, once people are assessed they will get a personal budget rather than being told what services they should receive. They will have as much support as they want in using this resource. Some people will choose to take their budget as cash and pay for everything directly themselves. Others will prefer to let someone else manage the funding on their behalf – either someone from the local authority or a family member or friend. People will have the control to get the services they want.

We expect that every eligible person who wants a personal budget will get one. This means that people will know how much resource they have available and that they will be able to make decisions about how it is used. Everyone will be able to have as much control as they want over what their care and support money is spent on. Every local authority is working towards the goal of making personal budgets the norm in providing care and support, and the Government has invested £520 million in the Social Care Reform Grant to help them do this.

As set out in *Putting People First*, local authorities have a responsibility to help people get the right care and support. They can do this in many ways. For example, where individuals choose to employ a personal assistant, local authorities can support people in day-to-day administration (perhaps by helping people to find an accountant or legal support services). Local authorities can also help people to find and get the services they want, for example offering assistance from a care adviser or making standard documents available.

All adults and their carers should be included in the life of the community and supported in living life as they choose, which could mean:

- extended, further or higher education
- training to prepare for a job
- employment
- bringing up children
- caring for other family members
- volunteering
- involvement in sport, leisure and social activities.

**Valuing Employment Now**, a cross-government employment strategy for people with learning disabilities, was published in June 2009. This sets out plans to transform life chances for people with learning disabilities in England.

Older people and disabled people in employment make a significant contribution and are often highly skilled and experienced members of the workforce. We want to make sure
“Disabled and elderly people have real lives. We are not just passive recipients of services, we could be employed, be carers, or be parents. We have to pay bills, do housework, and have a social life. The services on offer must reflect any role we find ourselves in, and support us in any reasonable task we need to undertake.”

Participant at engagement event

“It is unfair that disabled and older people have to pay large and varying amounts of money to receive help and assistance.”

Member of the public, response to the engagement process

that there are no barriers to them remaining in employment if they so choose.

6. Fair funding

Your money will be 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.

You will be able to get help with paying for your care and support needs, and your money will be used wisely to fund a care and support system that is fair and sustainable.

We are committed to creating a care and support system that is fit for the 21st century and meets the needs and aspirations of all our citizens. But we must also make sure that the new care and support system offers better value for money and spends taxpayers’ money wisely. Therefore, Chapter 4 explains how there are a number of ways we can do this, involving joining up services, innovation and improving cost-effectiveness. However, we will need to bring in more funding if we are to get the high-quality, fair and sustainable system we want to see.

The state system already faces challenges. But now that people are living longer, it faces increasing costs and is not sustainable in the long term. We have considered a range of new funding options, from people being responsible for paying for all of their care and support, through to complete state funding. We believe that we should move towards a system in which everyone who qualifies for care and support from the state gets some help with paying for these costs, and we want to consider the different ways in which this could be funded, including through integrating funding from the social care and benefits systems. As this would be a major reform, it would be phased in over a number of years.

Chapter 5 describes the difficult decisions we need to take in relation to the principles of a new funding system. Chapter 6 describes the options to be considered. We want to know your views on what proportion of costs it is right to expect the state to pay, and how we can help people to prepare for contributing to their care and support costs.

Conclusion

We believe that under the new care and support system you should be able to expect the following.
### What people can expect from a National Care Service

| **1. Prevention services** | You will receive free support to stay well and as independent as possible. We think that people who are leaving hospital and need care and support for the first time should have the right to the re-ablement help they would benefit from at home, for example for six weeks. This extra support will help people get back to their normal lives. And depending on funding decisions, we could extend this right to more people. |
| **2. National assessment** | You will be able to take your needs assessment with you wherever you go, so wherever you are in England, the assessment of your needs will be the same, enabling you to live the life you want wherever you want. Under the funding options discussed in Chapter 6, once you are assessed as needing care and support you will get a proportion of your care and support costs paid for and this will be the same wherever you are in England. This is laid out in more detail in Chapter 6. |
| **3. A joined-up service** | Whatever your care and support needs, services will work around you and be better joined up. You will only need to have one assessment of your needs to gain access to a whole range of care and support services. |
| **4. Information and advice** | When you need care and support, or are preparing for it, you will find it easy to get information about who can help you, what care you can expect and how quickly you can get it. |
| **5. Personalised care and support** | Your care and support will be designed and delivered around your individual needs. As part of your care and support plan, you will have much greater choice over how and where you receive support, and the possibility of controlling your own budget wherever appropriate. |
| **6. Fair funding** | You will be able to get help with paying for your care and support needs, and your money will be used wisely to fund a care and support system that is fair and sustainable. |
The reforms to the care and support system will develop a universal and sustainable system which gives people the flexibility and the opportunity to live in the way they choose. Some of these reforms are already under way, but some of them will require difficult decisions. The next chapter will lay out how to make this offer a reality.

**Consultation 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?
4 Making the vision a reality

Summary
To make our vision for the future of care and support a reality, we need to make three key changes. We need:

• more joined-up working between health, housing and social care services and between care and benefits services
• a wider range of care and support services
• better-quality, more innovative services, based on the best evidence about what works.

Under the new system, organisations will continue to have the same responsibilities set out for them in Putting People First, but there will be implications for the way in which local authorities and other partners work together and with people who need services.

Building the new system
We believe that the new National Care Service must be a system for everyone. It must help everybody to find and obtain the good-quality care and support they need so that they can live their lives the way they want to. This means huge changes to the ways in which care and support is provided. These changes will take place – at least in the first few years – against a background of economic downturn. They will also affect thousands of organisations, and the staff working in them, around the country. All of these organisations and their staff will need to play a part in order to make care and support reform a reality.

To ensure the success of individual reforms, we will need to make changes across the whole system. This chapter sets out some of the complex, system-wide changes that the sector will need to work towards. It does not look at the detail of how the new system will be designed. The process of designing the new system in detail will start after the consultation period, when there is greater consensus about the system and how it should be funded. Both the large, system-wide shifts and the detailed design of the new system will rely on the involvement of the whole care and support sector. They will need to be based on the views and experiences of those who know the system best – the people who need care and support and the people who work with them.
The system needs to be able to cope with increasing demand and costs. It will need to focus on helping people to be as independent and as enabled as possible. This will help to improve their lives and to provide the best value for money. Services will need to support people’s independence and give them control over their own care and support, in a way that is affordable, safe and provides value for taxpayers’ money. And they will need to take advantage of new technologies and new ways of providing care and support.

We think there are three main changes that we need to see to achieve our vision:

1. **More joined-up working**
   We need services that will keep people independent and well for longer. They should also help people with ongoing care and support needs to stay at home, if this is what they want, and maintain their independence. One way of doing this is through better joined-up working between health, housing and social care services and between the care and support and benefits systems. This does not necessarily need to involve structural change – the mindset and behaviour of individual staff and managers can make a big difference, as can shared goals and joint ways of working.

2. **A wider range of care and support services**
   As people begin to have greater choice over the care and support they receive, they will need to have a range of services to choose from. We believe local authorities are best placed to manage this. We need to help local authorities make sure that the services and ways of working in their area support innovative and high-quality care and support. Local authorities should also understand how services will need to adapt as more people begin to have more control over their support. They will need sufficient flexibility to enable services to respond to local conditions and priorities.

3. **Better quality and innovation**
   Everyone who uses care and support services has a right to expect high-quality services and to be treated with respect and dignity. There are many ways of improving quality, but the most vital is through the people who deliver the services. Staff must have the right training and skills to provide the care and support that people want. We also need to make sure that the services that are available are based on the best and most recent information about what works in providing care and support. We need to make sure that we have this information available and that it informs the decisions made by commissioners and people using care and support services.
All these reforms have already begun in some places, as part of Putting People First or wider reforms by the Government. The task for the coming years will be to examine how we can learn lessons from the people and organisations that are already providing the best and most innovative forms of care and support. We also need to ask how we can use this learning to strengthen the whole care and support system.

More joined-up working

One of the most common problems with care and support is an apparent lack of connection between different services, particularly health, social care, housing and benefits. People who need care and support often have to work their way through all four of these different systems. At best this is very frustrating, and at worst it can make people’s care and support less effective and more expensive. We know that where services in the community are joined up well, people have a much higher chance of being able to stay in their own homes and of staying independent for longer.

We know that there are large differences in how health and care services work together across England. This has a very real impact on the quality of people’s lives. In some places, someone over 75 is three times more likely to be repeatedly admitted to hospital during one year than in other places. In some places, a person aged over 65 is five times more likely to be admitted to a care home rather than being supported to continue living at home. This also has implications for costs and cost-effectiveness, because care and support in a person’s home can be much less expensive than residential care – as well as being what people often want.
These statistics are not just due to variations in the local population. In some cases, the main influencing factor is the way in which care, health and housing services work together. Often, this is to do with sharing information so that different agencies can work together to see the warning signs that someone may have a higher risk of needing care. For example, by sharing their information about a person, services that are joined up can spot earlier problems that might lead to someone losing their independence. Or they can adapt a person’s house so that they are safer at home or can return home after an accident.

We also know that services that are not joined up can be very wasteful of taxpayers’ money. For example, different organisations may provide duplicate services, and services that do not work well together can increase costs.

This suggests that joined-up working can improve the experience of service users.

When joined-up working matters most

People have told us that there are particular moments in their lives when it is especially important for different services to work together smoothly. For example, when leaving hospital people want to recover quickly and be as independent as possible without worrying that they will return home before support is in place.

Joined-up working also matters more for certain groups of people, for example those with long-term conditions (a chronic illness that can limit lifestyle, such as diabetes or Parkinson’s disease) and people who have complex health and care needs. There are currently over 15 million people living with a long-term condition in England, and this number is set to rise. People with complex needs often need many different agencies to come together and support them. For this group, close working and good co-ordination are particularly vital.

Joined-up health and care services are important to older people too. Flexible, joined-up services that respond quickly to changing needs will be more able to support a person at home. This can prevent or delay the need for the person to go into a care home, and the right help can allow even the frailest person to stay at home safely through a minor illness.

“People were often kind, but kindness is not enough. Proactive and joined-up services that are responsive to individuals are needed, with a view being of the person rather than bits of the person.”

Member of the public, response to the engagement process
Case study: Poole Locality Health and Wellbeing Project for Older People

The Partnerships for Older People Project in Poole was established as a joint scheme between the Borough of Poole and the primary care trust, to work with the community to avoid emergency admissions to hospital and to speed up early discharge home for older people living in Parkstone and Poole Town.

Freda lives alone in a second-floor flat. She has short-term memory loss and is registered as partially sighted. Several months ago she fell and injured her leg, which needed regular dressing by the district or practice nurse.

Due to her memory loss, Freda did not always remember to go to the surgery or that the nurse was supposed to be coming to visit. As a result, her leg got so much worse that it was looking likely that Freda would need to be admitted to hospital for a skin graft. The nurse arranged for George, a Help and Care volunteer driver, to come and pick up Freda and take her to the surgery, which meant she was able to get to her appointments. Her leg has now healed and Freda has not needed to go into hospital for a skin graft.

Examples of joined-up working

Across the country, many initiatives are already supporting joined-up working locally. The local performance framework strengthens joint working between local authorities and their partners, particularly health services. Local authorities and primary care trusts (PCTs) have to carry out a joint strategic needs assessment of health and wellbeing in their area. This helps them to understand the needs of the whole community, so that they can work together to put in place services that meet these needs. Local Area Agreements set out local priorities that have been agreed by central government and the local strategic partnership – a group bringing together the local authority, NHS and other key local statutory and non-statutory partners such as housing associations.

Many areas are already developing a range of different approaches to joined-up working.

At a national level

In 2008, High Quality Care For All announced that the Government would trial models of integrated care. The integrated care pilots are exploring how health and social care can work together to improve health and service user experience and outcomes. Sixteen sites are testing several different models, including partnerships, new systems and care pathways across social care and primary, community and secondary healthcare.
“It is crucial not to see housing and neighbourhoods in isolation from other services. There is, as research has shown over and over again, a close relationship between housing and health. Good-quality housing leads to good health. That is absolutely nailed down and proven. Conversely, exactly the opposite is true: poor housing leads to poor health.”

Professor Alan Walker, All Party Parliamentary Local Government Group inquiry into services for older people, July 2008

The models will be assessed over three years, and will regularly share the lessons learned with other areas.

Many adults who need care and support are also parents, and it is important that services support the whole family in a joined-up way – particularly when the family has complex needs. To support these families, the Government’s Think Family programme encourages joint working between adult health, social care and children’s services.

The cross-cutting Supporting People programme, launched in 2003, provides funding for housing-related support services in England. It put in place structures that enabled partnerships of local authorities, health and probation services to make decisions about improvements and local investment in housing for people whose circumstances mean that they may be vulnerable. Supporting People is now part of local authorities’ Area Based Grant, and opportunities exist for increased innovation in joint commissioning of these services.

At a regional level
A good example of progress in joined-up working is the North West’s Joint Improvement Partnership, which has successfully bid for £500,000 of regional funding to improve the efficiency of integrated health and social care in the region. The money has been matched by the Department of Health and will be used to develop joint commissioning competencies, demonstration sites for the commissioning of wellbeing community services, and support for increased personalisation of services.

At a local level
At a local level, a wide range of approaches has been shaped according to local circumstances and relationships. For example, several of the Partnerships for Older People Projects brought services together to provide joint health and care and support for people with complex needs. In some areas, the local authority and the NHS share both leadership and priorities. In Herefordshire and Hammersmith and Fulham, for example, the local authority and PCT share a chief executive and senior team.

Areas such as Liverpool have set up joint units to lead health and social care development and delivery. Other areas, including Knowsley, have joint directors and co-located teams providing services across health and social care. Knowsley has also enabled secondments between the local authority, PCT, specialist NHS services and the fire and rescue authority, which have helped to break down professional barriers and to develop new roles, such as health and social care workers, who work in both social care and health.
Case study: The Torquay North Zone intermediate care team

Mrs F, aged 66, has many problems, including osteoarthritis, stroke, chronic pain and anxiety, and is taking multiple prescribed medications. She is dependent on alcohol and benzodiazepine. She has had many falls, often alcohol-related. When she broke her arm in one such fall she was treated in A&E, and the doctor referred her to the local intermediate care team. This has a health and social care co-ordinator, a physiotherapist, an occupational therapist, a nurse, a social worker, and a generic worker. It works closely with local GPs.

Mrs F was seen in her own home the next day. She accepted a package of care and home modifications and equipment to reduce the risk of falls. The risk has been minimised as far as possible, and she has fallen only once – and without injury – since she accepted help. She is now safer and happier at home because the integrated health and social care team was able to offer immediate and comprehensive help.

Increasingly, local authorities and PCTs are appointing joint directors of commissioning to drive improvements in health, wellbeing and the reform of social care. Other areas have developed ways of sharing information and data across services, so that all the agencies involved in caring for a person know what care they are receiving and can support them as effectively as possible.

Making change happen

As these examples show, local organisations have found many ways in which to improve how they work together to provide better and more cost-effective services for people who need care and support.

The examples from around the country tell us that the answer to bridging the gap between health, housing and social care is not simply one of organisational restructuring. Sometimes, local authorities and PCTs have chosen to restructure and have found that it works. However, there are many areas around the country that have achieved better outcomes for people without changing their structures. There are also organisations that have tried to restructure and have found that this made no improvement to either the experience of the people who use their services or to cost-effectiveness.

There is no single answer about how to help health, housing and social care to work together. Changing mindsets and understanding, and not necessarily changing external structures, is key to joined-up working. The most crucial factors can often be
local leadership and the willingness of staff to work together – and the support they have to do so.

**Obstacles to joined-up working**

Nonetheless, we know that there can be obstacles to partners working together – ranging from different financial cycles to differences in the way in which staff are trained. We need to tackle these obstacles nationally so that local services are freer to make their own choices about how they can improve joined-up working. We will develop a coherent strategy centred on patients, people who use care and support and their carers, to support local leaders in making sure that the services that are delivered are joined up.

The recently established Ministerial Group on Integration of Health and Social Care Services will head this work within the Department of Health. It will promote better access to services, improved quality of services and greater public service productivity from joint working, through the approaches that have been shown to work best, as well as determining the role that government should be playing and the barriers that we need to remove.

**More joined-up working between care and the benefits system**

The care and support system is not just about ensuring that formal services are provided. It also includes the financial support that is provided by different parts of government funding. Disability benefits play a particularly important role in providing a contribution to the extra costs associated with disability.

The disability benefits and care and support systems have developed separately, and we know that they are not joined up well. People have to apply separately for disability benefits via the benefits system, and for other elements of care and support through their local authority’s social services. This can mean that people have to give their personal information several times, and the complex application process can put people off applying – particularly as people are often trying to find their way through the system at a point of crisis. But we also know that the disability benefits system has many advantages and is valued by many people. We want to make sure that, if we make any changes to disability benefits, we keep these advantages and are able to deliver better overall support to people. We also want to make sure that we continue to support carers in the valuable role they play.

**A wider range of care and support services**

Over the coming years, we are going to see major changes in care and support. People will demand personalised care, with more choice and control over the services they receive. More people will have control over the state funding that they receive through personal budgets.
At the same time, there will be an increasing need for services that can meet the needs of the many different groups in society, including minority groups. This changing demand will have consequences for the kind of services commissioned by local authorities and provided by the many organisations that offer care and support.

This means that we will need to offer a wide range of high-quality services for our diverse population, enabling everyone to live independently, well and with dignity. Many traditional services will continue, but we already know that people who are using personal budgets often choose new approaches to care and support. People may choose to pay for a football season ticket and transport with a friend to get there safely, rather than paying to attend a day centre on a specific day. Similarly, new technologies will change the options available to people, and we need to encourage innovative ways of providing care and support.

Equally, some people may want to continue using the services they have always used but will expect them to be more flexible and focused on their needs.

Responding to the new system

These changes will represent a challenge for many organisations, which will have to adjust to new ways of doing things and responding to people’s needs. And we know that care and support will always need to find a balance between promoting innovation, enabling people to have choice about services and ensuring that the right services are available for people whose situations make them vulnerable.

Local authorities, in particular, will be important in helping to achieve this balance. They will continue to be responsible for ensuring that the right care and support services are available for people who need them in their area.

Traditionally, local authorities have held large budgets and used them to commission large volumes of care from local providers, often from the private or third sector. As more people hold personal budgets and choose different forms of care and support, local authorities will have a key role in ensuring that the market in their area is providing the kinds of services that people want, and they will need to find new ways in which to influence which services are available in their area.

Local authorities will have a particular role to play in helping private sector organisations and the third sector, which provide over two-thirds of care and support services, to adjust to a different way of responding to people’s wishes and needs. Commissioning is a vital tool in doing this.
“We want to see the adult care social worker being able to... use his or her relationship-building and advocacy skills to enable the person to come to terms with difficulties and overcome barriers to lead the life they want to lead and have their aspirations met.”

British Association of Social Workers, response to the engagement process

Case study: Cumbria County Council working with the third sector

“We have been working with Better Government for Older People, and with In Control, to reform our older people’s services, moving much earlier to prevention. Not prevention services that are run by the council but prevention services that are run by the third sector, which are based on real evidence of what works; working with sustainable communities to make sure that older people can stay connected with their communities and have their services locally.”

Cumbria County Council, quoted in All Party Parliamentary Local Government Group (2008) Never Too Late for Living: Inquiry into services for older people

Good commissioners work with organisations which provide care and support in their area to help them develop their services. Where there are gaps in the services available in an area, good commissioning builds relationships with new providers. Some local authorities also sponsor care associations, which bring together local care providers to work together on service development, staff development and reducing the burden of regulation. Others provide support in the form of grants or helping organisations improve their capacity to provide care and support.

Commissioners will also want to engage with people who use care and support and with user-led organisations, which can play a useful role in helping local authorities and providers of services to understand what people want and need from services.

Case study: Oldham Council

Oldham Council asked care providers for their views on its commissioning proposals. Some smaller providers said that, although they understood the care needs, they needed advice on how to develop their businesses to meet them.

As a result, the council agreed to provide business support and start-up loans. This enabled the providers to develop a range of services in a more flexible way that met the needs of their local residents.

Department of Health, internal research

However, organisations will not change unless the staff who are actually working with people to deliver care and support are in favour of the change. As people have more choice over the services they receive, and more control over how they live their lives, the role of the staff who work with them will also change. For example, care workers will need to work with people as expert partners, to help them to achieve what they want to achieve. Many people who work in care services have told us that
Making the vision a reality

this gives them the opportunity to do what they actually came into the care profession to do – support people to achieve their potential, rather than simply give people access to services.

The way forward

Over the coming years, local authorities will play a crucial role in making sure that there are strong, high-quality services available in their area.

The roles they may take include supporting providers of care. As more people begin to design their own care packages, local government may need to help providers to think of individuals as being their key customer – rather than the local authority. Many people who have personal budgets will still ask local authorities to commission services for them, but this will require more flexibility from authorities. Local authorities will need to think about how they can get the best value for money from commissioning, and whether they should reserve any funding for market development, while retaining local flexibility.

Local authorities could work with care and support organisations from the third and private sectors to help them understand the likely patterns of need in their area. They could involve private and third sector providers and representatives in their strategic needs assessment as part of their broad commissioning role and develop risk sharing between the private and public sectors.

Local authorities can also provide information on care and support. As we move towards services that are more shaped by people’s own wishes, care and support organisations need to know what the people in a local area want. Providers of care and support are often small organisations, which are less able to gather such information if it is not readily available. Local authorities already hold a great deal of information and we think it could be helpful for them to make this available publicly. This could be information about the need for care and support in their area, their own strategic plans for the area, their approach to procurement, or support that is available. This will help people to open new care and support businesses.

The role of local authorities in building the market will require a different set of skills to those that were required when they tended to provide or commission the majority of services themselves. We will look at the ways in which we can develop these skills, building on the competencies set by the World Class Commissioning programme developed for PCTs.19

Better quality and innovation

People have told us how important it is to them to know that they can get high-quality, safe services when they need them. Whether people are looking for a service for themselves or for

19 www.dh.gov.uk/en/Managingyourorganisation/Commissioning/Worldclasscommissioning/DH_083204
care and support for a loved one, they need to be able to trust that it will be to a high standard and that the person receiving care will be treated with dignity.

We also know that this is an important part of making the best use of taxpayers’ money. It is more cost-effective to provide a good-quality service that keeps people as well and as independent as possible than to provide poor-quality services that mean that people need other services later.

Following **High Quality Care For All**, the Department of Health established a National Quality Board. Its members are drawn from a variety of backgrounds and interests within health and social care, and they oversee work on quality and act for change. The National Quality Board will take a three-pronged approach to improving services: finding swift remedies where performance is poor; seeking continual improvement for good services; and supporting the best performers to innovate and share learning across the system.

**The care and support workforce**

There are many things that contribute to building good-quality, innovative services. The most important is the staff who people needing care and support come into contact with every day.

Thousands of care and support workers do excellent work every day to help the people they work with to get more out of life. Even though their work sometimes goes unacknowledged, the dedication of care and support workers can transform people’s lives.

We know that, as more and more people need care and support, and as there are more people with complex conditions such as dementia, we will need many more staff. The skills that they need may also change.

Development of the workforce is at the heart of the Government’s concern with high-quality care. The Department of Health published a Workforce Strategy in April 2009, setting out the key priorities for the reform of the workforce over the next ten years. The strategy also explained the steps we will take over the next two years. Over the next few months, the Department of Health will develop an action plan for the medium and long term. This will bring together key partners in the social care sector and elsewhere.

Social workers play a vital role in care and support. The Social Work Taskforce has been asked to identify any barriers that social workers face in doing their jobs effectively and has been asked to make recommendations for improvements and long-term reform in social work. The taskforce will report to the

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"I set goals with my support workers and I work towards them. I’m learning new skills and my confidence has grown enormously. I can see a future now."

Member of the public, response to the engagement process
Secretary of State for Children, Schools and Families and to the Secretary of State for Health in summer 2009.

We will need to work with care providers, staff and organisations that provide training for care workers to make sure that staff have the skills they need to provide care and support.

The funding options that we propose in Chapter 6 may mean that more people will need guidance about how best to plan financially for the care and support they need. We will therefore also explore the scope for working with the Moneymadeclear service, which is currently being piloted by the Financial Services Authority in partnership with HM Treasury, and provides individuals with access to information and guidance on a range of money matters to help improve their financial capability.

**Evidence about what works**

An important part of improving quality is knowing which services will be most effective.

People who are receiving care and support also need to know that the services they receive are effective and based on the best evidence about what will help their particular condition.

There has historically been a shortage of robust evidence about what works in care and support. For example, while there are many ideas about what might work, and anecdotes about success, there is little solid evidence about what prevention methods work best and are most cost-effective. As we provide care to more and more people, and value for money becomes ever more important, it will be vital for us to know that the changes we are making are the right ones.
The Government has already started to build the evidence base in care and support.

The Social Care Institute for Excellence (SCIE) identifies and spreads knowledge about good practice in social care to the workforce.

In 2008 the National School for Social Care Research (part of the National Institute for Health Research) was announced, with the aim of increasing the evidence base for social care practice.

Joint Improvement Partnerships and Regional Improvement and Efficiency Partnerships aim to improve the care and support system’s ability to respond to people’s needs, bringing together regional partners under the leadership of local authorities through directors of adult social services.

Housing-related support services have a strong evidence base supporting them. The sector has a Quality Assessment Framework and an Outcomes Framework to provide a consistent baseline for judging quality and effectiveness. The housing sector can also demonstrate the financial benefits delivered by its services, with estimated net savings of around £2.8 billion.21

There are ongoing studies of the effectiveness of telehealth and telecare,22 and of re-ablement.23 In addition, the Total Place pilots, which were announced in the Budget 2009, map the whole of local public sector spending on all public services to improve joined-up working, efficiency and the care and support that people receive.

The Partnerships for Older People Projects aim to test and evaluate innovative approaches to prevention and early intervention through local authority-based partnerships, helping to build the evidence base on the effectiveness of preventive interventions.

An organisation to establish the evidence base for care and support

We think that we should build on the work that has already been carried out to move towards establishing a much stronger evidence base for care and support. The NHS uses the guidance given by the National Institute for Health and Clinical Excellence to identify which drugs and treatments are good value for money and can be used by the NHS. It will not be easy to create a similar evidence base for care and support. This is because care

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22 www.wsdactionnetwork.org.uk
and support covers such a wide range of services and aims to help people live their lives in the way they want – so there are as many different needs and ways of providing support as there are people who need it. But in many areas (such as preventing people from falling) people’s needs are very similar, and there has been good progress in recent years in improving our understanding of what works.

We think that we should have an independent body to provide advice on what works best in care and support. This will help to make sure that, in future, services are as cost-effective as possible and that they are based on evidence.

What an independent organisation would do

The independent body could be a new organisation, or we could give the remit to an existing organisation (for example, SCIE). It would look at which interventions work and what gives best value for resources in care and support, for particular people in particular circumstances. It could also work with the Department of Health to design a social care evidence and research programme to assess the gaps in the evidence base and produce evidence as necessary.

The information that the independent body provides could help commissioners and people who are buying care and support for themselves to make the best decisions.

The independent body could also examine which services or ways of caring could save costs across public services. For example, it may ask if a particular preventative service can be shown to reduce future need and so reduce use of state-funded services. Where evidence demonstrates that a particular programme is effective and saves taxpayers’ money, we believe that there may be an argument for providing that intervention free to everyone who could benefit.

In the longer term, we could use the evidence about what is cost-effective to help allocate care and support funding in the most efficient way. Approaches that may help are already being developed, such as the Activities of Daily Living Adjusted Year (ADLAY), which can be used to help measure how much of a difference a care and support intervention makes to people’s lives. This could help to make sure that decisions about where resources are placed are based on the evidence about where they would do the most good.

Regulation and standards

We need to have sound regulation to make sure that the quality of care and support services meets expectations. The new health and social care regulator, the Care Quality Commission (CQC), is responsible for assuring the quality of all health and social care services provided in England. It instils common quality standards
Making the vision a reality throughout all services and helps to improve standards by regularly reviewing them.

Regulation and standards for care and support services are particularly important to protect those people who are not able to complain, or who are worried about what might happen if they do complain.

**Safeguarding**

In a high-quality system, people in vulnerable situations are kept safe no matter what their personal circumstances or the type of support they need. The Government’s No Secrets consultation\(^2\)\(^4\) has found a need for a much more empowering safeguarding system that offers person-centred safeguarding and risk management. For people with cognitive impairments such as dementia, this means developing care and support on the principles of the Mental Capacity Act 2005. The duty to keep people safe will remain crucial in the new care and support system.

We must also have high standards for quality in care and support. In the NHS, all providers will soon have to publish annual Quality Accounts, setting out how well services are being provided for local people – a measure introduced in *High Quality Care For All*, which places the need for high quality at the heart of the NHS. We need to learn from the NHS experience of *High Quality Care For All*, and consider how we could apply this to care and support.

**Listening to people’s views**

Listening to people’s views plays an important part in making sure that services are of good quality and can help local authorities ensure that the right services are available. This can include working with users, user-led organisations and the third sector. Many local authorities are already doing this.

\(\text{\(^2\)\(^4\) www.dh.gov.uk/en/consultations/liveconsultations/dh_089098}\)
Making the vision a reality

Case study: ‘Joined-up’ Hackney

Hackney Council is embarking on an ambitious Transformation Programme. The voices of service users and carers have been an important local driver for implementing these changes. The following are some of the key issues that they have asked Hackney to consider:

- People want to live for as long as possible in the community, in their own homes, with support and care services provided as and when required.
- Older people expressed very strong concerns on the need for dignity in service delivery and care. They also want stimulation and a sense of purpose. They said services need to be co-ordinated across health and social care.
- Users with learning disabilities said there should be more self-contained flats with Supporting People services.
- Service users with physical disabilities want more housing with support and want more leisure opportunities and groups, and routes into employment.

Hackney Council, response to the engagement process

From autumn 2009, we will publish annual information on users’ experience of social care in different local areas. This will form part of the new Comprehensive Area Assessment. This information will also be an important part of the separate assessment of adult social care carried out by the CQC.

People need to be able to express their views about services, and they need to know that they can complain if they are not happy with the quality of a service. We know that health and social care staff work very hard to get the job right first time but, in busy services, mistakes can happen. If services can get their response to these mistakes right, the people affected are less likely to be unhappy and future problems can be prevented. Everyone should expect a personal approach to putting right what has gone wrong.

Early in 2009, the Government issued new guidance setting out a simpler, joined-up approach to dealing with complaints in health and social care. This aims to make sure that the whole system responds quickly, flexibly and fairly to concerns and complaints. The Government will continue to work with the NHS, local authorities, care and support providers and the third sector to make sure that the care and support system follows guidance on complaints.

Making the vision a reality

Improving the quality of services through social enterprise

The Department of Health’s Social Enterprise Investment Fund26 provides investment to help new social enterprises start up and existing social enterprises to grow and improve their services. It works to support social enterprises in the delivery of innovative health and social care services.

The fund was set up in 2007 as part of the Government’s plans for stimulating expansion in the role of social enterprise in the provision of health and social care. By enabling social enterprises to deliver health and social care services, the Social Enterprise Investment Fund aims to improve the quality of services.

Roles and responsibilities in the new system

In most cases, organisations will continue with the roles set out for them in Putting People First. But we would welcome views on how these roles could change to improve care and support services.

Service users, and their families and communities, will be at the heart of the system. People are responsible for taking good care of themselves throughout their lives, and for knowing when to ask for extra help. Families and communities need to look out for, and lend a hand to, their relatives and neighbours. They also need to encourage them to get help from the formal system when this is what they need.

The third sector, including user-led organisations, will continue to play its many roles, including:

- campaigning with and for people who use services
- helping people to find the services they need by providing information and advice
- providing services, whether directly to people or as part of contracts with local authorities.

Local authorities and PCTs will continue to share responsibility for promoting active and healthy communities (for example by helping people to access information and leisure services). They have a duty to support every person who needs care and support. This covers every stage of the care journey, including intervening early to prevent needs arising or worsening, ensuring that people can find information, advice and assessment, and helping people to design and find arrangements for care and support. They must make sure that the right services are available in their area to meet the needs of local people, through market development work and commissioning of services.

26 www.dh.gov.uk/en/Managingyourorganisation/Socialenterprise/SocialEnterpriseInvestmentFund/DH_099696
Care providers, whether public sector, private sector or third sector, will continue to provide innovative services that help people live independently, give them choice and control, and respect safety and dignity. They will also need to continue to improve quality.

Staff who work in care and support will be at the forefront of delivering the new approach to care and support. They will provide advice and support, and will work with people who need care to help them live their lives the way they want to. People need to be able to have confidence that staff will be good at their jobs, and that they will be respectful and friendly.

Financial services institutions can help people to prepare for the costs of care and support, by offering a variety of products to enable people to save, take out insurance, release equity from their homes, or use an annuity to create income from a lump sum. The Government will continue to make sure that there is strong protection for consumers who use these products. It will also look at ways to work with industry to ensure that government does not stand in the way of healthy innovation, and to ensure that consumers can have confidence in the financial products they use.

National and regional government will provide strategic leadership to the care and support sector. Central government will set the overall direction for the national care and support system, and will make sure that it is financially sustainable by establishing a new funding system. It will encourage innovation and remove the barriers that stop organisations from working together or developing new approaches.

All organisations will be expected to work together to help build a system that is focused on improving outcomes for individuals and their carers.

**Conclusion**

Thousands of different organisations, and the people who work in them, together will need to deliver a system that is more personalised, meets people’s needs, and can provide a service for everyone who needs it. We would value your views on how this change should happen.

**Consultation 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?

Chapter 5 will consider some of the difficult choices we face when deciding how we could fund care and support in future, in order to make this change a reality.
5  The choices around funding

Summary
The Government’s vision is for a new system in which everyone who qualifies for care and support has a right to help from the state to find, get and pay for the care that they need. But there will be some difficult decisions to make in order to make this a reality. We will need to decide how to prioritise taxpayers’ money to use it most effectively, and we will need to do this at a particularly economically challenging time. During the engagement process, we asked hundreds of people their views on how we should prioritise. We could prioritise funding in many different ways:

• Responsibility for providing and paying for care and support could be balanced in different ways between:
  – people who need care and support
  – their families, and
  – everyone in society via the state.
• State funding could vary according to where people live.
• State funding could vary according to when someone develops a need.
• State funding could vary according to whether people are able to pay for their care.

People had very different views on these issues. But overall, people told us that they wanted a system where the state was responsible for paying for at least some of people’s care and support. They wanted families to be supported in caring for their loved ones. And they wanted a system that was fair across England.

Creating a fair system
We believe that the vision which is laid out in Chapter 3 for the new National Care Service is the right one for us as a society.

1. Prevention services: You will receive the right support to help you stay independent and well for as long as possible and to stop your care and support needs getting worse.

2. National assessment: Wherever you are in England, you will have the right to have your care needs assessed in the same way. And you will have a right to have the same proportion of your care and support costs paid for wherever you live.
3. **A joined-up service:** All the services that you need will work together smoothly, particularly when your needs are assessed.

4. **Information and advice:** You can understand and find your way through the care and support system easily.

5. **Personalised care and support:** The services you use will be based on your personal circumstances and need.

6. **Fair funding:** Your money will be 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.

But in order to make this vision a reality, we are going to have to make some difficult choices. The vision is about the kind of society we want to live in, and the kind of care and support that we should all be able to expect when we need it. Turning this into reality means deciding not only exactly what people should be able to expect, but also how we will pay for the new system, and how funding should be allocated.

Everyone in society is involved in care and support in some way, whether through their taxes (which contribute to paying for it), caring for someone themselves, or using services. We need a system that is fair to everyone – but people have very different views of what ‘fair’ means in this situation. As we design the new care and support system, we will have to decide what ‘fair’ means.

Funding could work in many different ways:

- Responsibility for providing and paying for care and support could be balanced in different ways between people who need care and support, their families and everyone in society via the state.

And assuming that the state will always be responsible for paying for some care and support, there are more choices to make:

- State funding could vary according to where people live.
- State funding could vary according to when someone develops a need.
- State funding could vary according to whether people are able to pay for their care and support.

During the engagement process, we asked people “What should the balance of responsibility be between the family, the individual and the Government?” People had very different views about the responsibility for providing and paying for care and support.
The choices around funding

"For Travellers, families are really close and are expected to cope with looking after those who need care and support."

Traveller, response to the engagement process

Currently, people receive disability-related benefits and certain housing support based on need, and a person’s wealth is not taken into account. But in social care, people undergo financial means-tests so that money is targeted towards those least able to pay and with the highest needs. Means-testing can be perceived as penalising people who have worked hard and made sensible financial decisions at earlier points in their life. We asked people to identify what they think the right balance is.

Almost everyone told us that providing care and support went beyond providing formal services. They said that everyone in society shared the responsibility for making sure that people received the support they needed. This message came through particularly strongly from some ethnic groups, and the Traveller community, but it was a theme of most of the responses. People said that individuals were responsible for keeping themselves healthy for as long as possible; families were responsible for making sure that their loved ones were looked after; employers were responsible for making jobs carer-friendly; communities were responsible for making sure that people did not become isolated; and the Government was responsible for providing support for people who were unable to support themselves.

However, there was much less agreement on how the responsibility for paying for care and support should be shared.

There are three main ways of providing and paying for care and support: individuals paying for themselves; families providing support, possibly financially; and everyone in society paying via the state.

Paying for care and support and paying for housing and living costs

The discussions about who pays for care and support focused on who should pay for the care that people receive. This does not include the costs of paying for accommodation, if someone needs to leave their own home and go into a residential care home.

This is because we would expect people to buy their own food, pay their own bills, and pay their own rent or their own mortgage, if they were living at home.

The state will always have a role in supporting those who cannot afford to pay, but we would expect people who would pay for their own accommodation costs if they were living in their own home to continue to pay for these if they needed to move into residential care.
The choices around funding

“A fair society would recognise in its care system that there is a collective responsibility to care for those in need.”
Member of the public, response to the engagement process

“The vast numbers of people who are not claiming fraudulently are targeted as scroungers taking vast resources from hard-working taxpayers... How can I as an ill and disabled person hold up my head against these continual comments?... The actual level of benefit is extremely low – I live on less than £90 a week.”
Disabled person, response to the engagement process

Individuals paying for themselves
Most countries rely to some degree on people paying for some of the costs of care and support themselves. This includes the United States of America, France and England. People in England tend to pay from their savings or assets, whereas in France and the USA some people (around 10–20 per cent) take out private insurance to help with these costs. None of these countries has a completely private system, because there will always be people who cannot afford to pay for care. Around one in four\(^2\) 65-year-olds can expect to enter residential care at some point in their life. The cost of two years’ care in a care home can be around £25,000, and this does not include the cost of accommodation, which can be as much as the same again.\(^2\)

During the engagement process, some people felt that there were advantages to a system where only those people who need care and support end up paying for it. But most people responding at our citizen engagement events felt that it was unfair that some people would pay almost nothing, while others might have to spend almost everything that they owned or had saved, to meet the costs of their care and support.

People felt that it was particularly unfair because, while we know that many people will need care and support, there is almost no way of predicting who will develop many of the conditions that could lead to really high care and support costs.

While some people were happy to pay a contribution towards the cost of their care and support, many rejected a solution which would leave it just to the individual to meet the costs of their own care and support.

Many people disagreed that individuals should pay for their own care

Don’t know, 16%
Disagree, 56%
Agree, 28%

To what extent do you agree or disagree with the following statement: People should pay for their own care and support needs
Ipsos MORI survey, Base: 373 Regional Event participants in Bristol, Dudley, Leeds and London
Agree (includes Strongly agree/Tend to agree), Disagree (includes Strongly disagree/Tend to disagree), Don’t know (includes Don’t know/Neither/Nor)

The choices around funding

Families
Families already contribute a great deal towards paying for care and support. Many families pay ‘top-ups’ in addition to the funding that their loved ones get from the state. The Office of Fair Trading found that a third of people receiving local authority funding for their residential care also relied on top-ups from third parties.\(^29\) Many families and friends also provide care and support themselves, which is often unpaid and which might mean that they can no longer work.

People were very split about this issue. A lot of people told us that it was fair, after their parents had provided for them all their lives, to be able to give something back. However, there were some people who felt strongly that the system was unfair to families. Some families might have to pay very high costs, especially if supporting a disabled child or sibling for their whole lifetime, and again this would be without being able to predict whether or not they would need to do this. While there was no consensus, many people agreed that families should be expected to share responsibility for looking after their family members, but that they should not be overburdened and should not have to pay far more than other families.

The state paying for people
In England, the state’s contribution to the costs of care and support is currently funded through a mixture of general and local taxation. This means that people and businesses all make a contribution, and there is no direct connection between the contribution somebody makes and the support they might receive if they were to need care and support.

At the engagement events, there was a great deal of discussion about this. Almost everyone agreed that they wanted the Government to share costs by having a largely tax-based system. They liked the fact that while some people would have to pay higher contributions, the amount they would be paying would be proportionate to their ability to pay.

And a significant number of people wanted a completely tax-based system, like the NHS. They liked the simplicity of this system, and the fact that everyone could be sure that care and support would be available for them when they needed it.

\(^{29}\) Office of Fair Trading (2005) Care Homes for Older People in the UK
The choices around funding

“I’m an unabashed supporter of means-testing. It may be crude and old-fashioned, but it’s the only fair, and also probably the only affordable, way to share the costs.”

Member of the public, response to the engagement process

Many people agreed that it is better to pay for care before you need it, rather than when you need it

Disagree, 8%
Don’t know, 4%
Agree, 88%

To what extent do you agree or disagree with the following statement: It is better to pay for care before you need it, rather than when you need it

Ipsos MORI survey, Base: 373 Regional Event participants in Bristol, Dudley, Leeds and London
Agree (includes Strongly agree/Tend to agree), Disagree (includes Strongly disagree/Tend to disagree), Don’t know (includes Don’t know/Neither/Nor)

Traditionally, state care for older people has been funded from general taxation. Although everybody in society contributes to general taxation, much comes from people who are still working. However, Chapter 2 laid out the changes in society that mean that there are increased pressures on the working age population. There are currently four people of working age to every one person over 65; by 2029, there will be three per person over 65.31 As there will be proportionately fewer people to support the funding of social care, either those in work will need to pay more relative to today to meet the costs, or those who are retired could make a greater contribution to these costs.

Internationally, several countries have introduced systems that focus on funding care and support for older people through contributions by older groups in the population. In a system funded in this way, care and support for younger disabled people is usually funded separately, through general taxation. This recognises the fact that in many countries in the developed world there has been a shift in wealth from younger people to older people. This shift has also occurred in England. The generation currently in their 50s and 60s, or older, has benefited in particular from massive increases in property prices, as well as free higher education and other advantages. In 2004, people over 60 held £932 billion in equity in their homes.32 This is likely to have dropped slightly with the fall in property prices, and we know that there is very wide inequality among older people. But the group of people over 60 remain the wealthiest generation that this country has ever seen.

The choices around funding

“Taxation increases the tax burden of the next generation (current working population) to pay for the costs of the current older population, which is unfair as much of the nation’s wealth is actually in the hands of older people.”

Director of adult social services, response to the engagement process

“People should not have to sell their homes AT ALL.”

Participant at engagement event

In Japan, concern about the rapidly growing population and increasing amounts of care by family members meant that a new system for supporting long-term care needs was introduced in 2000. This took the form of a compulsory long-term care insurance programme. Everyone aged 40 and over (including retired people) is required to pay premiums. In return formal services are provided to those who need care. Those people aged 40 and over with age-related conditions are eligible for benefits to cover the cost of any care.33

This is one of the most difficult choices that the care and support reform will need to consider. At our engagement events there was heated discussion about it. Many people said that a system based on general taxation felt ‘right’. They did not believe that older people, who had worked all their lives, should have to pay for their care and support. There was a strong sense that it was not fair that people should have to use their housing assets to pay for any part of their care and support.

But others, particularly younger people, felt that a system based on general taxation where people of working age were paying for a large proportion of the system, was not fair as they would be paying for a system which would primarily benefit older people. They pointed out that they were already paying for many things – such as tuition fees and higher mortgage repayments – that older generations had not had to face. They also argued that the increase in older people’s housing wealth was not something that they had earned, so it was not fair that they should have an automatic right to keep it, at the expense of younger generations.

The arguments on this point were probably the most heated at any of the events. There were very strong views on both sides.

**Distributing state funding**

The state will always have a role to play in providing some level of care and support. The question that this Green Paper needs to resolve is how state resources should be spent.

During the engagement process, we asked “Should the system be the same for everyone, or should we consider varying the ways we allocate government funding according to certain principles?” There are three ways in which funding could be varied: where people live; when they develop a need; and whether they are able to pay.

**State funding could vary according to where people live.**

During the engagement process we asked “Which is more important to us: local flexibility or national consistency?”

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Currently, local authorities work with local people to find out their priorities for local services. As a consequence, local services and offers of financial support can differ for people with the same types of needs in different areas and, as such, they can be customised to a community’s particular characteristics. For example, services may vary depending on whether people live in rural areas or in more urban settings. This issue is closely linked to our discussion in Chapter 3 about making people’s needs assessments consistent (i.e. portable) across the country.

It would be possible to move towards a national system and ensure more consistency, where everyone would get the same across the country. However, this might not be as flexible to the needs of particular individuals or be as responsive to local conditions. During the engagement process, people told us that they could see the advantages of a system that allows areas to be flexible and respond to local needs. But the majority of people were more concerned that a system in which a person’s level of support varies because of where they live is unfair.

**State funding could vary according to when someone develops a need.**

During the engagement process we asked “Should there be one system for everyone or different systems depending on the type of need for care and support that someone has?”

Some needs are more common and easier to anticipate and prepare for than others. You can prepare for the usual needs of getting older such as finding it harder to get around. But a person cannot anticipate being born with a disability, or suddenly becoming disabled as a result of an accident.

The Government will avoid any unjustifiable discrimination based on age. This would be both unfair and illegal, as discussed in Chapter 2. But we wish to explore whether it is fair or not to provide financial support for people who have been disabled at a younger age, and expect people who have more predictable care and support needs in older age to have made some provision to continue to look after themselves in later life.

During the engagement process, many people found this a difficult question to answer, as it came down to a question of fairness and, ultimately, human rights. They were very clear that people should not get different outcomes just because of how old they were. But as long as everyone was getting the care and support they needed, to the same standard, they found it harder to say whether people of different ages should be asked to pay towards their own care and support. They felt that the advantage of having different systems was that funding was focused on the people who needed care most, and were least able to pay for it. The disadvantage was that many people felt that it was very unfair to give people different levels of funding just based on when they started to need care and support.34

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“*No, I don’t like that at all; that doesn’t seem logical to me... When you get to that stage you’re not working and therefore you’re not always in a position to pay.*”

*Disabled older person, response to the engagement process*

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34 See Chapter 2 for a discussion on the Equality Bill, currently before Parliament
Overall, people’s main concern was that the system should be fair and that everyone should have an equal opportunity to achieve the same outcomes. If this was achieved, it did not matter to them so much whether this was through a single system for everyone.

**State funding could vary according to whether people are able to pay for their care.**

During the engagement process we asked "What should the balance be between targeting government resources at those who are least able to pay and having a system that supports those who plan and save?"

At the moment, government funding for social care is heavily focused on people who are the least well-off, and need care the most. But many other public services play a part in the care and support system and are available to everyone regardless of their income. These include everything from housing, public transport and public health initiatives to benefits for disabled people.

During the engagement process, we asked people whether they thought it was right to prioritise government spending on the least well-off. People had very mixed views.

Some people felt that it was right to ensure that state funds are focused on the people who really need it. They also thought that it would be more affordable for everyone in society if taxpayers’ money was prioritised in this way.

However, people also felt it unfair that people who have worked hard and saved all their lives have to pay for their own care and support, while other people who have never saved get theirs free. Many people referred to the NHS as a model of a service where everyone got care regardless of their own means. Some stakeholders also suggested that focusing funding too much on people with low incomes and high needs meant that other people who would benefit from care and support did not get it, so their condition became worse and ultimately they cost more to the state than they otherwise would have.

**Conclusion**

These choices show the complexity of the issues that this Green Paper needs to address. There are no easy answers, and our engagement process showed us that people have mixed views and find these decisions difficult.

There will continue to be debate over these questions, but we have listened to the responses we have received so far and used these to inform the different choices we need to make about how we fund care and support in the future. This is the focus of the next chapter, which lays out some options that would strike different balances in the choices we have talked about here, and asks for your views.
6 Funding options

Summary
We want to build a National Care Service that is universal, fair, affordable, clear and helps people to live their lives the way they want to.

To do this, the Government must make sure that money it is spending on care and support is being used in the most effective way. But this will not be enough. As a society, we will have 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.

There is a range of ways that this could be achieved. These are on a continuum which stretches from people paying more for their own care privately, via a partnership that shares the costs between individuals and the state, to insurance approaches with increasing degrees of coverage, including one where everyone who can afford to is required to enrol and costs are shared across society.

The Government has looked at the different variations along the continuum. We think that the three best options to fund the National Care Service would be through:

- a Partnership approach which shares costs between the individual and the state
- an Insurance approach which would enable people to choose to take out protection against the risk of having high care and support costs, or
- a Comprehensive approach in which everyone who could afford to would be required to pay in and would get free care and support in return. There would be a range of different ways in which people could pay their contributions in the Insurance and Comprehensive options.

Because any of these would be a major reform, they would be phased in gradually over a number of years. And because the decision is so fundamental to our society, we believe that there must be a clear consensus across society on which option is preferred before we decide which is the right option for England.

Whichever approach we decide on, local authorities will continue to play a central role in the delivery of care and support services. We have also looked at the balance between allowing flexibility for local authorities to respond to local conditions, and ensuring consistency across the country, in the new care and support system. We believe that we should move towards more national consistency over the care and support funding that is provided by the state. We believe that this will make the system fairer for everyone. But we also need to ensure that the system is flexible enough to respond to local circumstances and to encourage innovative approaches.

We want to have a wide discussion across society about the different ways of approaching funding for care and support.
The need for radical reform

The care and support system needs radical reform. We want to build a new National Care Service that is universal, fair and affordable. It must help everyone who needs care and support; be fair to everyone who contributes to it; and be affordable to everyone who pays for it. The new system must be simple and easy to understand, and involve people in designing the services that will help them live their everyday lives. It must help families and communities to play their part in supporting people who need care and support.

We believe that the current system is unfair: people pay different amounts towards their care and support, and get different levels of funding from the state in different parts of the country. And people who face really high costs of care and support 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. The National Care Service must make the system fairer.

To put the National Care Service on solid foundations, we need to make sure that it is based on a funding system that will meet the demands of the future. We believe that the current approach to care and support is not sustainable. Over the coming decades, more people will need long-term care and support, and so the cost of providing care and support will rise. Society is going to need to spend more on care and support, and we need to decide where the funding is going to come from – whether from the state, from individuals or from both.

As this would be a significant reform, we would expect the introduction of the new National Care Service to be phased in over a number of years.

Unfairness in the current system

In most cases at the moment, the state only provides social care for those with moderate to high needs when people cannot afford to pay for it themselves. People who need care in their own home may well have to pay towards it, and the costs can be very high, although disability benefits provide additional financial support for some people with additional care and support needs in their own homes.

But the highest costs are for someone in residential care, who owns their own home, but does not have a partner or dependent living in it. For them, the costs can be very high. Someone in this situation will have to use their savings and the value of their home to pay for their care and accommodation, down to £23,000, before they will receive financial support from the state.

Comparatively few people will be in this situation: most people will not be in residential care for more than a year. But during the engagement people told us that they were worried about the possibility of having high care and support costs. People have
told us that they are not satisfied with the current system, and it will not be sustainable in the future.

It is in everyone’s interests to get the care and support system right. The Government must ensure that the system is affordable over the long term, and everyone in society needs to know how they will pay for care and support if they need it, and to know that these costs would be manageable.

**The costs of care**

Ultimately, if the care and support system cannot fund all the additional people who need care and support, it is the people who need care and support, and their carers, who will bear the brunt of the costs.

**Costs for people who are disabled early in their lives**

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. At present, most people who are in this position will have their care and support funded by the state, because they are on low incomes. We envisage that this would continue. The funding options below focus mainly on people who start to need care and support during their retirement, because many of them will not be getting their care and support paid for under the current system because they have been able to save during their working lives.

**Costs for people who need care and support in later life**

Older people who need care and support can face very high costs, and people have no way of knowing what costs they personally will face during their lives. Two in every three women, and one in every two men, can expect to have a high care need (meaning that they will have difficulties with three or more activities of daily living, such as getting dressed or getting around) at some point during their retirement.\(^\text{35}\)

<table>
<thead>
<tr>
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<th><strong>Average lifetime expected cost of care for a 65-year-old(^\text{36})</strong></th>
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<tbody>
<tr>
<td><strong>Female</strong></td>
<td>£40,400</td>
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<tr>
<td><strong>Male</strong></td>
<td>£22,300</td>
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<tr>
<td><strong>All</strong></td>
<td>£31,700</td>
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This means that 20 per cent of people will need care costing less than £1,000 during their retirement – but 20 per cent will


\(^{36}\) From Table 21, ibid
need care costing more than £50,000. And we know that, at the moment, the average 65-year-old in England will need care that costs over £30,000 during their retirement years.37

Some people will face very high costs indeed. People who need high levels of care and support at home can face substantial costs, but it is particularly those who need residential care who will usually face the highest costs. An average stay in a care home is about two years, and this can cost over £25,00039 just for the cost of care; accommodation can cost as much again. But someone with a long-term condition such as Alzheimer’s disease could need several years of residential care and so could face far higher costs than this. Just four years of care and accommodation in a care home could cost over £100,000, and some people need residential care for more than ten years.

One day medical technology may make it possible to identify whether someone is at risk of developing a condition that carries very high costs. At the moment however, although there are risk factors which can make it more likely that someone may need some care later in life, there is no way of knowing whether a particular person will need care at all, or how much it might cost.

**Responding to the challenge**

The Government’s fundamental responsibility is to protect its citizens. To do this, it must make sure that the taxpayers’ money that is currently in the system is spent as effectively as possible. We want to use the money that is in the system to make sure that everyone who qualifies for care and support will get some help with paying for their care. We as a society need to decide how much we spend and where this extra funding comes

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37 Mean lifetime expected cost of care at 65, ibid
38 Figure 8, ibid
39 Ibid
from. We know that, in order to ensure that a new care and support system is affordable, we will need to be prepared to take tough decisions to ensure that existing resources are targeted on those who need them the most.

But we know that the money already in the system will not be enough. In 20 years’ time, we expect there to be 1.7 million more adults needing care and support than there are now, and proportionately fewer people of working age to help pay for the funding of that care and support. We will not be able to pay for the care that is needed simply by reprioritising the money we already have. As a society, we are going to have to spend more on care and support if we are to maintain a care and support system that gives older people and disabled people quality of life, dignity and peace of mind about their future costs.

Everyone already contributes to the provision of care through the taxes they pay. There are a number of ways that new money could come into care and support, including where people pay to protect themselves, and where everyone in society shares the cost of everyone’s care. If we want a scheme that shares all the costs across the whole of society, it will need to be a system that people are required to enrol into.

Preparing to meet this challenge gives us an opportunity to fundamentally rethink how care and support is funded.

The current economic situation

The options set out in this Green Paper need to be considered in the light of the broader economic situation, where financial crisis has caused a steep and synchronised global downturn. Budget 2009 set out how the Government is delivering a coherent and comprehensive package of support to restore the flow of credit, support economic recovery in the UK and build a strong economy for the future, while ensuring sound public finances.

Budget 2009

To deliver sound public finances, the Government set out in Budget 2009 tax and spending measures to reduce borrowing over the medium term. This included new assumptions for spending growth in the period from 2011/12 onwards that will ensure continued investment and improvements in front-line public services while ensuring sustainable public finances. The issues set out in this Green Paper, and the possible responses, will need to be consistent with the Government’s economic and fiscal strategy, and considered alongside other public spending priorities and their affordability.

Building Britain’s Future

Building Britain’s Future, published in July 2009, laid out plans to take Britain out of recession into recovery – putting in place the conditions for future economic success – and to further
reform Britain’s public services and modernise our national infrastructure. It laid out the action we need to take together to build a stronger, fairer and more prosperous country. Building Britain’s Future said that we will have to make some hard choices as a society about areas where spending has been switched and prioritised to stimulate new growth and new jobs.

In this wider economic context, we will need to agree the fairest way to bring in the extra money that we will need to build the new National Care Service. In the last chapter, we talked about the balance between people paying for their own care and everyone in society paying for everyone’s long-term care. The Government has looked at a whole range of funding options along this continuum. The rest of this chapter sets out the funding options and the issues around them.

What we want the new funding system to achieve

To underpin our vision for a new National Care Service, we need a new funding system. We have looked at several ways to fund care and support. Before we weigh up the advantages and disadvantages of the options, it is helpful to consider what we want the new funding system to achieve. To meet our vision, the system should:

- **Be fair** – so that people of different levels of wealth, different ages and different levels of need can be supported to meet their needs. We also need to think about how we make sure that everyone’s needs can be met without penalising people who have worked hard and saved all their lives.
- **Be simple** – so that everyone knows what will be expected of them and what they will get in return, allowing them to make plans for the future.
- **Be affordable and sustainable** – so that individuals, their families and the state can afford to pay what is required. This also means ensuring that taxpayers’ money is used effectively and people are supported to stay independent and well for as long as possible.
- **Be universal** – so that, whatever system is in place, everyone who is eligible for care and support will be entitled to help with paying for the care that they need.
- **Help people live their lives the way they want to** – so that the system is personalised and flexible enough to support people to live their lives the way they want to, focused on helping people stay well and live independently, improving outcomes for individuals and their carers. This means ensuring their care needs are met with the help of high-quality services and a highly skilled workforce, and that these needs are supported through personal budgets and services and support in line with the principles behind the right to control.
The next sections ask for your views on the options we have set out to build a new radical funding system based on these principles.

**Making the best use of existing funding**

Care and support encompasses many things. It is about ensuring that people can do the everyday activities that most of us take for granted, have full and active lives, and contribute to society. It is about supporting people’s independence and ensuring that they have as much control over their lives as possible, as well as ensuring that they are safe if they are in vulnerable situations.

We believe that all care and support should be founded on support by communities and people’s families. Most people told us during the engagement process that they wanted to be supported by the people they knew and loved, and that no formal services could replace loving personal relationships. But families cannot cope alone, and we believe that the state must play its role.

**The current system**

As described in Chapter 2, there is a range of government funding which provides care and support to people. It is distributed through a number of different public sector organisations, including local authorities, housing support services and the benefits system.

The current system is fragmented, and can be complex to understand, access and administer. As a result, many people may not be getting the support they need. As the number of people requiring these services increases, the challenges in delivering care and support will grow.

By 2026, we estimate that 1.7 million more adults will need care than at the moment. There will be increases in the number of disabled people of working age who need care, but the majority of the people needing care will be older people.

To meet the challenge of more people needing care, we want the future care and support system to make the best use of existing funding. We need to make sure that funding is focused on the people who can benefit from it and who need it most. We also want it to be simpler, easier to understand and easier to access for the person needing care.

**Sources of funding for care and support**

The two largest sources of government funding for care and support are the social care system and disability benefits. The state spent £14.7 billion on social care in England in 2007/08. Expenditure on the disability benefits specifically targeted at older people was about £6.1 billion.
Social care funding
Currently, the means-tested social care system funds care only for those people who meet the particular level of need set by their local area, according to the national FACS framework. A substantial proportion of people with support needs, particularly older people, are outside this eligible group. Those who do not receive state-funded care may purchase care privately, rely on care from family or friends or, in some cases, go without support.

In recent years, increases in the number of people needing care and cost pressures have meant that public funding for social care has increasingly been focused on those with the highest needs, with the result that services have been withdrawn from people lower down the needs scale. These pressures will increase and, without reform, increasingly large numbers of people in need of support will not qualify for any state-funded social care assistance.

Disability benefits
Attendance Allowance is the main disability benefit for older people. It is available to anyone who has a care need that develops at or after the age of 65. Attendance Allowance operates in parallel with the social care system for those aged 65 and over. Attendance Allowance is not a benefit paid to replace lost income: it is intended for broadly the same purposes as social care – to contribute to the extra disability-related costs of those individuals who need assistance to live independently. Like social care, Attendance Allowance is subject to increasing funding pressures. But Attendance Allowance is not means-tested, so people get it regardless of how well-off they are. Many disabled older people will receive support from other parts of the benefits system, including through Disability Living Allowance, instead of Attendance Allowance.

We know that disability benefits such as Attendance Allowance are highly valued by the people who receive them, and that they give people control over how they spend their money to meet their care and support needs. However, we also recognise that there are inconsistencies of approach between disability benefits and social care within the current system. This is because the social care and disability benefits systems have developed in isolation from each other and these two largest portions of government care and support expenditure are being allocated on different bases. This can lead to inconsistent and unfair outcomes.

Having two different funding streams also means that older people have to apply separately for the two sources of support and undergo different needs assessment processes which may put people off applying for support. This can result in some people not receiving all of the support they are entitled to.
Funding options

“The Review recognises the importance of the financial help that Attendance Allowance provides, including support in meeting care costs and also compensating people for other needs-related expenditures. However, it appears that Attendance Allowance might not be the best vehicle to provide both forms of this financial help.”

Wanless, D (2006) Securing Good Care for Older People, Taking a long-term view, King’s Fund

Simplifying and integrating sources of support

The 2006 report by the King’s Fund, Securing Good Care for Older People, highlighted these and other problems in the system and made the case for integrating the support provided through some disability benefits and the social care system to improve the effectiveness of state funding.

The review recommended that, if the social care system were able to mostly meet the care needs of people who may currently only be supported through the disability benefits system, there would be less need for some of these benefits, and there might be a case for integrating some disability benefits such as Attendance Allowance into the care and support system.

Building on the strengths of the current system

However, we also know that for many people the flexibility currently provided by disability benefits such as Attendance Allowance is not delivered through the current care system. Developing more personal budgets would be one way to better build on the advantages of the Attendance Allowance regime.

We want to consider what is the right approach to respond to the challenges of demographic change set out in this Green Paper, building on the work of the King’s Fund and other academics and stakeholders. That is why we think we should create a new and better care and support system, looking at how we can make the best use of public money to provide a joined-up, consistent and fair care and support system. This would enable the greatest public support to go to those who will benefit from it most, both people who have developed low levels of need and people with high levels of need, and would ensure a fair and consistent allocation of resources.

In developing the new system, we think that there is a case for drawing some funding streams together to enable us to deliver the new and better care and support system we want to create. We think we should consider integrating some elements of disability benefits, for example Attendance Allowance, to create a new offer for individuals with care needs.

If we decide that integrating some disability benefits, such as Attendance Allowance, into a simplified system is the right approach, we would want to ensure that the future social care system retains and builds on the main advantages of the current disability benefits system. We know that disability benefits are popular because they provide a universal entitlement which does not depend on where a person lives, they provide a cash budget which can be spent on the services someone wants, and people often use them to support lower-level needs in ways that help them to stay independent and well for longer rather than developing high levels of need. These three aspects – a universal system that is consistent across the country, flexible methods of
payment through personal budgets and investment in prevention – will all be important components of the new system. Chapter 3 laid out what we will do to support these.

As we reform and strengthen the care and support system, we will want to consider support for carers and ensure that the valuable role they play is fully recognised and supported.

The way forward

Whatever the outcome of the consultation, we want to ensure that people receiving any of the relevant benefits at the time of reform would continue to receive an equivalent level of support and protection under a new and better care and support system.

Any changes to the care and support system in England that integrate some disability benefits funding would affect the devolved administrations in Scotland and Wales, and Northern Ireland may also choose to adopt the new care and support system. We will work closely with all three devolved administrations to reach a shared view on how to ensure the best possible outcomes for all people in the UK.

Bringing new money into the system

We said above that we believe the state should have a role in helping everyone to meet the costs of their care and support. The costs of care and support that people can face can be so high that we do not think it is fair to leave them to face those costs without some support.

We can use the taxpayers’ money that is already in the system to provide everyone with some care. We believe that that should be the starting point for any discussion about care and support: any system must be a partnership between the state and individuals, but we also know that, as more and more people need care, society is going to need to spend more on care and support.

The question that we as a society need to resolve is how we should do this. The basic choice is whether we should leave it up to people to decide whether they want to protect themselves against high care costs, or whether we should require them to be part of a scheme that would protect them.

Ways to bring new money into the system

Over the last year, the Government has looked at a whole range of ways that care could be funded, on a continuum from completely privately funded to completely state funded.
Funding options

Accommodation costs
It is important to note that these options consider only the costs of people’s care. People entering a care home would also have to pay for their accommodation. Accommodation costs, such as the costs of food and lodging, are not paid for by the state. This is because the state would not pay for people to buy their food or pay their mortgage or their rent if they were living at home. Of course, the state would always have a role in supporting people who were in a care home who could not afford these costs.

In order to model the options, we have made assumptions about the level of funding that the state would put in, but these do not reflect a decision about central government investment in care and support. The costs and options which we lay out in this chapter will change according to how much state funding is put in.

Basic care and support costs
The care and support that is needed to help people meet their assessed needs. If people wanted to go beyond this, they could pay for additional care if they chose to.

The five funding options
We have considered five options. We have looked at how each of the five are able to meet the principles that people agreed were important during the engagement process: whether they are universal; whether they help people to meet their needs; how affordable they are; whether they are fair; and whether they are easy to understand.

On the basis of this, we have ruled out two of the options: the option that would depend entirely on people paying for themselves, and the option that would put a higher burden of paying for care on working age people.
Funding

Current system – In the current system, people who have the highest needs and lowest means get some help through the social care system, and some people get help through disability benefits. But many people, including some with high needs, get no help with paying for care at all. Twenty per cent of people will need care that costs less than £1,000 – but 20 per cent will need care that costs more than £50,000. And someone who is in a care home for years could have costs of more than £100,000. If someone is in a care home and no one is living in their house, they are expected to use their savings and the value of their house to pay for care and accommodation, until they have used up almost all of them.

Possible funding options that we have considered

In order to have an informed debate between these approaches, we need to have a sense of how much the different options might cost to people. But the precise costs will vary depending on how exactly we design the options and decisions made about spending at the time. The figures that we show here indicate how much it might cost to run systems like these at the moment. They show the cost of care, but do not include accommodation because we would expect people to pay for their own food and lodging if they were not in a care home.

1. Pay for Yourself – In this system, everybody would be responsible for paying for their own basic care and support, when they needed it. They could take out insurance to cover some of these costs, or use their income and savings. There would be no support from the state, even for people with the lowest incomes and no savings. This is ruled out because it would leave many people without the care and support they need, and is fundamentally unfair because people cannot predict what care and support they will need.

2. Partnership – In this system, everyone who qualified for care and support 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 paid for – for example, two-thirds – while the least well-off people would continue to get all their care for free. A 65-year-old in England will need care 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. This system would work for people of all ages.
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 system 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. 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, before or after retirement or after their death if they preferred. As an indication of the costs, 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. This system would work for people over retirement age.

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 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.

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.

As an indication of the costs, people might need to pay around £17,000 to £20,000 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. The cost would be less for people who were over 65 when the scheme was introduced. 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 free when they needed it.

We would also look at having a free care system for people of working age alongside this.
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. This is **ruled out** because it places a heavy burden on people of working age.

**Advantages and disadvantages of the five options**

There are advantages and disadvantages to all of these models. Over the coming months, the Government will lead a debate to discuss them. Here we lay out in more detail how each of the options might work, and the implications of them.

**Pay for Yourself**

In this system, everyone would have to pay for themselves. There would be no state funding for anyone.

We think that it would be wrong to have a system of this sort. Many people would not be able to afford the costs of their care, and would need to rely on care from family or friends or go without the care they need.

During the engagement process, people told us that they thought it was unfair that people who could not afford to pay for care should go without.

We have therefore ruled this out as an option.

**Partnership**

**How the system would work**

In this system, the responsibility for paying for care would be shared between the government and the person who has care needs. Every adult who met the needs criteria would get some help from the state with paying for their care needs.

Everybody, regardless of their wealth, who was assessed as having a care need, would be entitled to have a share of their care costs paid for by the state. For example, everyone might have a quarter or a third of their care costs paid for by the state.42

People with less money to contribute would get more, so those who were on the lowest incomes would continue to get all of their care for free.

This would mean that the majority of working age adults who needed care would get all their care for free, as we know that many younger people in need of care have comparatively low incomes.

42 For the purposes of modelling the options, we have made assumptions about the level of funding that the state would put in, but these do not reflect a decision about central government investment in care and support.
Above the amount that was paid for by the state, people would pay towards their costs directly from their own income and assets as they do now.

Someone who was living in a care home and owned their own home would have some of their care costs paid by the state. If they did not have a family member living in their home, they might have to pay for the remainder of their care out of the value of that home. But we could look at introducing 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.

**The current system**

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**Partnership**

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**Advantages and disadvantages**

The advantage of this system is that 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 (beyond the contribution that they have already made through general taxation).

Partnership is very helpful for the large number of people who have lower care costs, or those on higher incomes who do not receive any state support under the current system. Everyone who qualifies for care and support is as well-off or better off under this option than they are under the current system. Those who currently receive a contribution towards care or free care from the state would continue to do so, but many more people who currently receive no state support would also benefit from the minimum share paid for by the state.

But the disadvantage is that people who have really high care costs and own their own homes or have savings might still have to pay very high contributions if, for example, they went into a care home for a long period of time. The number of people who actually face long stays in a care home is quite small, but people cannot predict their own future needs, and we know that more than one in five people will need care costing more than £50,000. People have told us that they find the risk worrying.
"I believe individuals needing care should make some, possibly a significant, payment towards the costs."
Member of the public, response to the engagement process

"Everyone should have a right to a basic level of support provided by the state."
Member of the public, response to the engagement process

We believe that this system could help support our vision for care:

The system would be **fairer**. Some funding would come from the state – so everyone who needs care would benefit from the money paid in by all taxpayers. And people who need care would only pay in what they could afford. However, some people would still be left facing very high care costs to pay themselves.

The system is comparatively **simple and easy to understand**, as everyone would know that they had a right to some funding but that they would need to prepare for other costs. It does not, however, allow people to know in advance exactly what they are going to have to pay.

This system would be **affordable** to the state and to people who need care. People would be asked to contribute according to their income and wealth.

This system would be **universal**: everyone would get some care paid for.

The system would help people to **live their lives in the way they want to**, by giving people support and making sure that everyone is more able to meet their needs. This system could substantially reduce the amount of ‘unmet need’ in the system – our modelling suggests that the number of people who don’t get all the care that they need could be reduced by half compared with the current system. But there would still be people not getting all the care they need.

**Building on the Partnership option**
We believe that the principle of Partnership is right. The state should provide everyone with at least some help with their care costs. So we think that the Partnership option should be the foundation of the new system.

Under Partnership, everyone would get some help with paying for care. 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, 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.

So the question for us as a society is how we can best support those people who want to protect themselves against the risk that they could face really high care costs.

We could have a system where people could choose to protect themselves against the risk of potentially high care costs. This would be the Insurance option.

Or we could have a system that everyone had to pay into and, in return, everyone’s basic care costs would be covered. People
Funding options

The current system

During the engagement process, people told us that it was important to them to be able to protect their savings and make sure that they did not have to use all the value of their homes to pay for care. One way of doing this would be through making it easier for people to take out insurance.

In the Insurance system, Partnership would remain as the basic model, so everyone would get a share, such as a quarter or a third, of their care costs paid for. But the Government could also help people to prepare to meet the costs that they would have to pay for themselves, through insurance.

There are a number of roles the state could play to enable this. The Government might work with the private insurance industry, or set up an insurance system backed by the state, perhaps with different incentives for people to enter the scheme.

Different people would benefit from these different approaches but the more people there were in the scheme, the better an insurance system would work. We will need to consider what role the state should play in supporting the Insurance option, in light of the broader economic downturn and other economic priorities.

“I agree that in this ageing society it is impossible to expect government to fund all social care services and that individuals must take more responsibility for their own care.”

Member of the public, response to the engagement process
Private insurance
How the system would work
Currently, very few people take out private insurance against needing care. This is partly because care and support costs are so high that the insurance premiums have to be high as well. With the Government promising to help with a share of the costs of everyone’s care and support, insurance premiums could be lower than at present.

The insurance industry might potentially develop products that could help protect people against high costs of care, and against accommodation costs if they needed residential care. We would need to work with the insurance industry to develop a framework for simple and standardised insurance products to make it easier for people to understand their options.

Advantages and disadvantages
The main advantage is that this option would be flexible. If the private sector developed a range of products, people would be able to choose how much they wanted to pay and how much they wanted to protect themselves in return, above and beyond what the state was paying for.

The disadvantage is that private insurance 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. However, many people who were born with a care and support need would probably qualify for all their care free under the Partnership element of the option, since many are likely to be on low incomes.

State-backed insurance
How the system would work
The state could set up an insurance scheme that would enable older people to protect themselves against high levels of care and support costs. Again, this option would be likely to be less relevant to people who had been born with a care and support need since many are likely to qualify for free care under the Partnership option.

The people who chose to be in the scheme – whether by paying the premium in advance or committing to pay when they died – could be sure that, once they reached a set level of need, all their basic care and support would be provided for free, wherever they lived in the country.

The people who chose not to be in the scheme would still have a share, but not all, of their costs covered and would need to pay for any care and support costs above those paid for by the state. The state’s role in this system could be limited to simply setting up the scheme, but we know that an insurance system of this sort works better the more people there are included within
Funding options

“The problem with making it voluntary like insurance is that people just wouldn’t make the provision.”
Participant at engagement event

“Individuals should make as much provision as possible for their senior years.”
Member of the public, response to the engagement process

it, so the state could look at different ways to promote it and encourage people to join.

Advantages and disadvantages

The advantages of the Insurance option are that people who were in the scheme would be sure that the care they needed would be paid for. They would be able to protect more of their estate and hand it on to their children.

People would have a choice and flexibility over whether they wanted to pay to insure themselves. They could decide for themselves whether they thought they were likely to need high levels of care and support, and whether they wanted to insure themselves against it.

In the current economic climate, this may be attractive for many people. Many people are already facing difficult financial situations. Some people have told us that they need to be able to balance their needs for affordable care and support against the other financial commitments they face.

The disadvantages are that 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.

Also, in order for insurance to work really well, we need as many people as possible to be in the scheme. This is because the risk of needing care is shared across as many people as possible and so everyone has to pay less. Although the state could encourage people to be in it, a voluntary scheme like this would have fewer people in it and would be more expensive to be part of than a system where everyone was enrolled.

We believe that either a private insurance or state-backed insurance system could help us achieve our vision for care:

Both of the variants would be fair, in that people who were less well-off would be protected from high care costs by getting more funding from the state, and people who were better off would be better able to protect themselves from high costs of care and support by buying insurance. The variants would give people who have worked and saved all their lives the opportunity to protect their assets.

Both of the variants would be comparatively simple and easy to understand. People would know what their entitlement was likely to be under the core Partnership model, although they would not know exactly how much they would have to pay. On top of this, people would know what they were insured against. Under the state-backed insurance, everyone who was in the scheme would know very clearly what they had to pay and that they would get free care in return.
Both of the variants could be **affordable** to the state and to people who need care. People would be asked to contribute according to their income and wealth.

The variants of this system would be **universal**, since everyone would get some care paid for by the state, as under the Partnership option, whether or not they chose to be in an insurance scheme.

Both of the variants would help people **to live their lives in the way they want to**, by giving more people support and making sure that everyone is more able to meet their needs. The number of people who did not get all the care they need would depend on how many choose to be part of the different insurance schemes. The experience of other countries suggests that comparatively few people would choose to take up the private insurance. The more active the state’s role in promoting insurance, the higher the level of coverage that can be achieved.

**Comprehensive**

**How the system would work**

Under this system, everyone over 65 years old who could afford it would pay in, and anyone who needed care would benefit.

The state would put in existing funding from taxes which are used for social care and any disability benefits that were integrated, and would use this to support the costs of everyone’s care. And, in addition to this, people at or over retirement age would be required to pay into a national scheme.

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, we could have a single set figure that would be paid by most people other than those with a lower level of savings or assets, so that everyone knew how much they would have to save for. People who could not afford to pay into the system would have their contribution paid for them by the state. Because everyone was in the system, and all the state funding for care and support could be used to reduce the costs, people would be able to pay less than their likely average costs.

We could look at providing a lower rate for couples because the costs for two people can be very high and many couples support each other and provide care for each other. However, if we did this, we would need to make the contributions higher for single people. This is an issue we would like to explore during the debate.

We believe that, since people over retirement age would be getting care and support free at the point of need, people of working age with care needs should also be able to get free care.
So we would also look at having a free care system for people of working age alongside this. A large proportion of the funding for this scheme would still come from general taxation.

**The current system**

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**Partnership**

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**Comprehensive**

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| Everyone over 65 pays a set amount or a set proportion of their assets, for free care |
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"The current means-testing system can be inequitable, both in penalising those who save for old age and also in preventing younger disabled adults from accumulating savings or assets."

Leonard Cheshire Disability, response to the engagement process

**Advantages and disadvantages**

The advantages of the Comprehensive system would be that it would provide people with peace of mind. Once people had paid their contribution, they would know that they would receive the care and support they needed. The system would ensure that nobody who qualifies for care and support would go without the care and support they need. During the engagement process, many people told us that they wanted a system which they could pay into when they could afford it, so that their care and support was available for free when they needed it and they would not have to worry.

The system would be clear and simple. Under the Comprehensive system, it would be clear what people would have to contribute.

People would have to pay into the system but they would be able to protect their savings and would not have to run down the value of their homes to pay for care and support. Once they had paid their contribution, and any costs for board and lodging if they
Funding options

“Just as healthcare is free at the point of delivery, so should social care be free and devoid of a means-testing system.”

Member of the public, response to the engagement process

were in residential care, everything else could be handed onto their children.

The Comprehensive system would be cheaper for people paying into it than the Insurance system, since a scheme where everybody is required to make a contribution would cost less to the individual than a smaller voluntary insurance scheme. And the system could be flexible: there could be many ways in which people could pay, so that they could choose the method that was right for them.

The disadvantage of the system would be that everyone would have to pay in, whether or not they actually needed care and support themselves. This is the trade-off between a collective solution and one where people pay for their own costs.

Some people – as with any insurance system – would pay in and not get anything out of the system. Because there is such a variation in how much people have to pay for care and support, some people would have to pay much more than the actual costs of their care and support, while others would pay much less. And, in the current economic climate, people may not want to take on the extra commitment of paying for care and support.

**We believe that this system could help us achieve our vision for care:**

The system would be **fair**, with everyone who could afford it paying and everyone who needed care and support benefiting. However, some people would contribute more than they benefit.

The system would be very **simple and easy to understand**. People would understand what they had to pay and that they would get free care and support in return.

The system would be **affordable** to the state and to people who need care and support. We could vary the amounts that people had to pay so that people who were less well-off would pay less. People who could not afford the premium would have it paid for them by the state.

The system would be truly **universal**, since everyone who needed care and support would get their care and support paid for.

The system would help people **to live their lives in the way they want to**, by ensuring that everyone has their care and support needs met and providing peace of mind.

**Tax-funded**

**How the system would work**

During the engagement process, many people told us that they thought an NHS-style system, where the full costs of care and support were met through taxation [i.e. it was provided to people free when they needed it], would be the fairest option.
This would require a significant increase in the tax that people already pay. This is because taxation would be funding all of care and support, including the parts that people currently pay for themselves when they need it. For this reason we have ruled out this option.

**Advantages and disadvantages**

The advantage of this system is that it would be universal, and would probably be the simplest and most easily understandable way of funding care and support.

But the disadvantage of this system is that it puts a large part of the burden of paying for care and support on people who are working. This group would have to pay high contributions through tax to pay for the very large group of people needing care and support, most of whom would be retired. Given demographic changes, this pressure will be on a shrinking proportion of working age people. In 2007, the number of people aged over 65 became greater than the number 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.

Not everyone over retirement age is well-off. We know that many pensioners are on low incomes and require support in meeting the costs of care and support. However, we also know that, in 2004, people over retirement age collectively held £932 billion in housing assets. By contrast, people of working age have struggled to get onto the property ladder due to rising house prices, and often pay higher mortgages.

**Ways to contribute**

In the long term, we could have a system that would enable people who are still working to make regular contributions so that they could save up and pay their contributions to the Insurance or Comprehensive system by the time they retired.

But this would not solve the immediate issue about the increasing number of older people who will need care over the next decade, since many of these people will not have time to save a sufficient sum before they retire.

So, from the outset, we could have a menu of different ways in which people could pay their contribution, either for the Insurance system or for the Comprehensive system. People could choose how to pay according to what suited them.

If someone had savings, they might prefer to pay their contribution up front when they retired were as a lump sum. If someone was able to delay their retirement, they might decide

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to defer their State Pension for a few years and use the money to pay into the scheme. People could pay in affordable instalments throughout their retirement. If people didn’t want to have to pay anything during their lifetimes, they could defer the whole payment until they died, and then pay it from their estate. Or we could have a variation on these options, combining them so that, for example, people could pay partly as a lump sum from their pension and partly in instalments throughout their retirement.

We know, however, that many people said that they would like to be able to start to prepare before they retired. So as the system develops we would look to introduce options which gave people greater flexibility to make their contribution during their working lives.

We would like to hear from you about other ways that you think people could pay into this system, and how it would be easiest for people to pay.

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.

**Being fair to people who have saved**

During the engagement process, one of the main issues that people talked about was how to make sure that any new funding system was fair to those who have worked hard and saved all their lives. Many people were angry at the idea that they would have to pay more if they had worked hard and saved than if they had chosen to spend all their money and not bothered to save.

We know that some people own very little when they die. Often these are people who do not have a home to leave and do not have savings. Sometimes this is because people have been on a very low income and have not been able to save or buy a house. Other people have chosen not to. Among the issues that people will need to discuss during the debate is how we balance a system which helps everyone who needs it, regardless of how well-off they are, with one that supports people who have worked hard and saved.

**The role of carers**

The responsibility for paying for care could be shared in different ways between people who need care, and everyone in society through the state. But we also need to think about how responsibility for providing care is shared between family members and the state.

During the engagement process we talked to many people who provide care and support for their families and friends, ranging
Funding options

from people who support their parents to families who are supporting a disabled child or sibling, often on a lifelong basis. Many of them told us that they find it very rewarding to care, and people who are supported by their families and friends told us how much they value this.

But we also heard that carers are an extremely diverse group of people, with widely differing needs. We recognise this and believe that we should support people who care for others. We need to try to ensure that their caring responsibilities are not so great that they harm their wellbeing.

Supporting carers

We do not believe that, in the current economic climate, it would be affordable to have a system which completely replaced family care with state-funded care and support, nor would we want to take away from the central role that carers play.

But we know that being forced to provide a high amount of care and support can have a big impact on the carer’s health and wellbeing. There are already many carers in England who care for more than 50 hours a week, and this can have a serious effect on their health and their quality of life. And we also know that there can be economic impacts, both for the family and for wider society, if people have to drop out of the workforce because of high levels of caring responsibilities.

The new system that we propose in this Green Paper would help carers in many ways. In Chapter 3, we outlined what everyone with a care and support need can expect – a national assessment process, information, and personalised care and support. These measures will help carers who want to be able to care for their family and friends, by making the process far easier and making sure that their loved ones are receiving better care and support.

All of the three funding options that we think are possible would provide some funding for people who need high levels of care and support. By improving support to people who need care, we will also be supporting carers, particularly people who care for those who would have received no funding from the state under the current means-test. For example, at the moment many people who do not receive any state funding due to the means-test will rely on paying for private care and support if they can afford it, and get extra help from family or friends. Under any of the funding options they would get some funding, which they could use to pay for care and support that would mean that their carer could have a break, or to support their carer in other ways. This will give people more flexibility in deciding how much they want to care for a family member.

And the Government has laid out other ways of supporting carers. Carers at the heart of 21st-century families and communities: ‘A caring system on your side. A life of your own’
set out a number of initiatives to support carers so that they can achieve a healthy balance between their caring role and a fulfilling life outside caring. Our vision is that, by 2018, all carers will be universally recognised, valued and supported as being fundamental to strong families and stable communities.

This Green Paper and the consultation process that will follow it will help to frame the ongoing debate on how best to support carers. We aim to create a new care and support system with the needs of carers at its heart. Alongside this, the Government remains committed to ensuring that carers’ benefits feature as a central element of our thinking on longer-term benefit reform.

**Accommodation costs**

When a person needs care in a residential home, they do not only face the costs of care. There are also associated charges, such as the costs of cleaning the room, providing food and doing laundry. These ‘accommodation costs’ are a normal part of everybody’s life, regardless of whether they have a care need or not. The options set out above do not include these accommodation costs.

Although there will always be a role for the state to play in helping people with low incomes and assets, we believe it is fair to expect the majority of people to cover these costs themselves. However, we also think there is more that the Government can do to help people in the way they pay these costs.

**Current system**

People who have savings or own a house worth more than £23,000, and whose partner or spouse is not living in their home, have to contribute to the costs of their accommodation. Over an average stay of two years they could spend around £25,000 on their care costs and about the same on their accommodation costs.

People with assets under £23,000, or whose spouse or partner is still living in the family home, receive state support towards their accommodation costs.

**Deferred payments for accommodation**

We believe that the preferred options we have set out above will give people a better deal than they currently receive and will support more people to stay in their own homes for longer. However, in addition we are proposing a universal deferred payment mechanism for residential care and accommodation costs. This means that when someone chooses to go into a care home, they will not have to pay the full costs immediately.

There will always be some people who spend long periods in residential care and therefore have costs that are well above the average. In the current system, this may mean that they have to
Funding options

“There is no fair and level playing field across the country and across the differing care needs.”
Quote from Age Concern ‘Big Q’ postcard

Some local authorities have particular circumstances, such as high levels of minority ethnic groups, for example, which give rise to particular needs.”
Participant at engagement event

sell their home. Deferred payments are already offered by many local authorities as a way for people to allow the cost of care and accommodation in a care home to be charged upon their estate when they die, rather than having to go through the process of selling their home when they need residential care.

We believe that the option to defer payment for accommodation costs in residential care should be available to everybody.

A nationally or locally determined funding system

In Chapter 5, we talked about the issues of how to prioritise state funding. One of the main questions we need to resolve is whether people should get the same care and support wherever they live in England, or whether it is acceptable for people in different parts of England to get different amounts of care and support even if they have the same needs.

Whichever funding system is finally agreed, local authorities will play a key role in delivering care and support. They will continue to:

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

If the system increases net costs for some local authorities, the Government will fully fund these in line with the ‘new burdens’ principles.

The need for a national system

During our engagement, many people told us that they felt it was very unfair that people with the same needs could get different amounts of care and support in different parts of England. The vast majority of people who responded to our engagement process wanted to see a system where people were treated equally wherever they lived.

Some disabled people told us that the current system is particularly bad for them, because it means that if they go to live in a new area they can never be sure that the new local authority will fund their care and support. For some people, this means that it is almost impossible for them to move house to take up a new job or be closer to their family, or just to live a normal life. The new system needs to enable people to live their lives the way they want to, in ways that most people take for granted – for example, by making sure that a university student can move...
between their home and university at the beginning of term without having to renegotiate their package of support every time.

The need for local flexibility
On the other hand, many people told us that different areas of the country had very different needs. An inner-city area may have a completely different approach to care and support from a remote rural area, and it may cost different amounts to provide services. Decisions about how to design or deliver services have to be made locally, by the people who know the area.

This means that people living in different parts of the country will inevitably have access to different kinds of services and get different kinds of care and support, to enable them to achieve the same outcomes.

So people told us that there needs to be a level of flexibility in the system. Services need to be designed locally, so that they can respond to what people need in an area, reflect local circumstances and encourage innovative approaches to service delivery.

But people did not think this was a reason why people living in one area should get their care and support funded while people living in another area get no support from the state.

A fairer, universal system
The Government believes that the care and support system should be fair and universal. This means that it must make sure that everyone who needs care can get it, regardless of where they live.

We also think that the system must enable people to move around the country without the risk that they will lose all of their care and support just because they have moved house. This will ensure that people who need care and support are empowered to live normal lives and are able to choose where they want to live and work, in the way that most people take for granted. In Chapter 3 we said that once someone had been assessed as needing care and support, that assessment should be ‘portable’ so that someone moving to a new area knows that the new local authority will help them meet their needs and that the state will continue to fund a set proportion of their care and support, wherever they live.

How the universal system works in practice
Moving to a universal system would have important consequences for the way that care and support works across England. In particular, it would have consequences for the way that money for care and support is raised and spent across the country.
As we said in Chapter 3, someone who needs care would go through a standardised, national assessment process. This assessment would identify that they had a need – for example, that they needed support to get to work or that they needed help with feeding themselves. It would not say what specific services someone was entitled to, since every area is different and people’s needs may be met in very different ways. This needs assessment would be portable and would be accepted by any local authority anywhere in England.

The Government would also set, at a national level, the level of need at which someone becomes eligible for state funding. This would mean that anyone who had this level of need would be eligible for some support, wherever they go in England.

And the Government would set, nationally, what proportion of someone’s care and support package would be funded. Under the Partnership model, for example, the state might pay a quarter or a third of a person’s care and support costs, or under the Comprehensive model the person would be entitled to all of the basic care and support required to meet their needs for free (in return for payment of their insurance premium).

**Choices in the universal system**

Beyond this, however, there could be different approaches to how the system works, depending on how standardised it was. These have different implications for the way that money is raised and distributed around England.

1. 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 package would be paid for by the state wherever they lived. But local authorities would be responsible for deciding how much an individual should be given to spend on overall 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 a new area, but the actual amount of funding that was put into their care and support would vary from place to place.

A part-national, part-local system would work with the Partnership system and the Comprehensive system.

It might be more difficult to have a part-national, part-local system with an Insurance system.

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. This could provide more space and flexibility for local authorities to encourage new kinds of care and support in their area. It would also help them respond to local
Funding options

conditions and to deliver real choice and control for individuals. For example, care and support in the North of England costs less than in the South because of differences in wages, land prices and property prices. Local authorities would be able to decide how much funding people needed in their particular area, making the best use of public funds and delivering services that are focused on people’s needs.

Under this system, local authorities would continue to raise some of the money that goes into care and support through council tax.

The disadvantage is that people would get different amounts of funding in different places, which might be seen as unfair.

2. A fully national system

Under this system, national government rather than local authorities would decide how much funding people should get. We could set up a system where everyone who had the same level of need received exactly the same funding wherever they lived in England, but this would not take account of the fact that the same amount of money will buy fewer services in one area of England compared with another. Or we could have a national system that gave people slightly different amounts depending on where they lived in England to take account of the different costs of care and support across England.

A fully national system would work with the Partnership system, the Insurance system and the Comprehensive system.

The advantage of this system is that it would be easy for people to understand and plan for. People told us that the system seems fairer if everyone gets the same amount of money.

The disadvantage is that the system would decide at a national level how much funding someone is going to receive. It could be more difficult for local authorities to tailor the care and support package that people receive to their wishes and to respond to local circumstances. And people who live in areas where care and support is very expensive might not be able to afford as much care and support. Because this system would not be as flexible to people’s needs and would be less able to respond to local variations, it might not therefore offer such good value for taxpayers’ money. This loss of flexibility would be a particular risk when planning how local care and support services work with services provided by the NHS.

This system would also be likely to mean major changes to the way that money for care and support is raised and spent in England. These changes are described in the next section.
Consequences of a fully national system
Having a single, fully national system in England would mean major changes to the way that local authorities raise and spend funding for care and support.

At the moment, local authorities use funding that they get from national government to pay for the care and support they provide. In addition, they can decide to fund additional demand on their local services by using funding from council tax over and above the funding they receive from national government.

If national government, rather than local authorities, decided how much funding people should get, it would be unfair to ask local authorities to fund this new system from money they raised themselves, as they would have no way of controlling these costs.

Under a national system, then, it is likely that all funding for care and support would need to be raised nationally through national taxation, instead of some of it coming through council tax.

The local government finance system
Funding for local government services comes from a mixture of funding that national government gives to local authorities (‘government grant’) and local taxation.

When national government decides how much grant to give to local authorities, it takes into account the fact that different areas have higher costs than others when they are providing services. This is because, for example, some areas have more older or disabled people than others, and wages are higher in some areas than in others.

National government also needs to take into account an area’s ability to raise council tax. Some local authorities in England can raise much more money from national tax than others because some areas have more houses in the higher council tax bands.

At the moment, the amount of funding that the different local authorities receive from national government is set at different levels to take account of these differences in cost and local authorities’ ability to raise money from council tax.

We also guarantee that, after making adjustments to ensure that last year’s figures are comparable with this year’s, every local authority gets a minimum percentage increase in the amount of funding it receives. To pay for this guarantee, we reduce any increases for local authorities that are above this minimum.

In general this means that national government gives more money to areas that can raise less council tax and have higher costs than it gives to areas that can raise a lot of money from council tax and have lower costs.
We would need to make sure that, whatever happened to the system, local authorities would still have sufficient funding to be able to carry on properly providing other local services for their communities.

Summary table showing the part-national, part-local and fully national funding options

<table>
<thead>
<tr>
<th>Funding option</th>
<th>Who raises funds for care and support?</th>
<th>Who decides who gets state funding and who decides what proportion of an individual’s overall care and support package should be funded?</th>
<th>Who decides what the cost of someone’s care and support should be?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current system – local system</td>
<td>National and local taxation</td>
<td>Local authorities can set eligibility criteria and have discretion over what is charged for home care (within national guidelines). There are national rules for residential care charging</td>
<td>Local authorities</td>
</tr>
<tr>
<td>Part-national, part-local</td>
<td>National and local taxation</td>
<td>Eligibility criteria and the proportion of care and support costs met are decided nationally – the proportion of costs met could depend on an individual’s needs and/or means</td>
<td>Local authorities</td>
</tr>
<tr>
<td>Fully national</td>
<td>National taxation</td>
<td>Eligibility criteria and the proportion of care and support costs met are decided nationally – the proportion of costs met could depend on an individual’s needs and/or means</td>
<td>National government, but local authorities can top up if they choose</td>
</tr>
</tbody>
</table>

Conclusion

There are no easy answers to the issues around funding, and we will have to make some hard decisions. We believe that the issues are so central to everybody’s lives that we should be very clear that there is a consensus across society on which option is preferred before we decide which is the right option for England. But we believe that it is worth making these decisions so that we can build a National Care Service which future generations can be proud of and which will ensure that everyone is able to access the care and support they need.
Consultation 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?

The next chapter summarises all of the questions we have asked in this Green Paper and sets out a timeline for reform.
Having your say

Summary

The new National Care Service will affect every adult in England, whether people use the system themselves, have family members who need support, or are taxpayers.

It is vital that everybody gets involved in this consultation to have their say on the future direction of the new care and support system. This chapter sets out the consultation questions we ask in this Green Paper and lets you know how you can get involved.

Building a new system for care and support is not a simple task. Care and support includes many different kinds of services, practical help, support and relationships. It is important to get everyone’s views so that we can build a system which will empower and support people to meet their aspirations. The development of a new system will mean making difficult choices about how to balance different priorities, and we want you to tell us what you think about these issues.

Chapters 1 and 2: Introduction and the case for change

We began by explaining what care and support is, why the system needs to change and what we are hoping to address with this reform.

Chapter 3: The vision for the future

In Chapter 3, we laid out our vision for the future care and support system. We said that, in order to make the vision a reality, everyone in England should be able to expect six things:

1. Prevention services
   You will receive the right support to help you stay independent and well for as long as possible and to stop your care and support needs getting worse.

2. National assessment
   Wherever you are in England, you will have the right to have your care needs assessed in the same way. And you will have a right to have the same proportion of your care and support costs paid for wherever you live.
3. A joined-up service
All the services that you need will work together smoothly, particularly when your needs are assessed.

4. Information and advice
You can understand and find your way through the care and support system easily.

5. Personalised care and support
The services you use will be based on your personal circumstances and need.

6. Fair funding
Your money will be 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.

Consultation 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?

Chapter 4: Making the vision a reality
We described the processes we need to consider to produce a package of support to people who need care. This Green Paper lays out the principles that we think should underpin the system, and we will need to work with local authorities, primary care trusts, organisations that provide care and support, carers, people who use services, and other key stakeholders to design the system.

Some of these questions may be of particular interest to stakeholders such as local authorities, or perhaps third sector organisations providing practical help to people. The questions asked here are deliberately open ended, and we would welcome everybody’s views on how we can ensure that the system actually allows people working in care and support to deliver the quality and personalised care and support that we aspire to.
Having your say

Consultation 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?

Chapter 5: The choices around funding
We described the difficult choices that we will need to make to create the care and support system of the future. These choices focus particularly on funding (considered in Chapter 6).

Chapter 6: Funding options
We described the different funding options for funding a long-term care and support system. We also described what trade-offs would have to be made if these options were to be taken. These decisions affect everybody, even people who are not directly involved in the care and support system, because much of the cost of care and support is paid for by society through taxation.

Consultation 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?
Having your say

“The national debate about the future of care is a central, mainstream concern; the question of ‘who cares?’ affects us all... The debate on adult social care reform plans in England is crucial not only to individual people who need support but to every citizen.”

National Council for Independent Living, response to the engagement process

How you can get involved

All information about the Green Paper consultation can be found at www.careandsupport.direct.gov.uk. You can find regular updates on how the consultation is progressing on this website. Alternatively, you can email careandsupport@dh.gsi.gov.uk or write to the Care and Support Team, Room 149, Richmond House, 79 Whitehall, London SW1A 2NS to tell us your views.

Confidentiality of information

Please be aware that, under the Freedom of Information Act 2000, we may be asked to share the information we receive as part of this consultation.

If you would like your response to remain confidential, it would be helpful if you could explain why. If we receive a request to disclose the information, we will take full account of your explanation but we cannot guarantee that confidentiality can be maintained in all circumstances.

An automatic confidentiality disclaimer generated by your IT system will not be regarded as binding.

The consultation will last until 13 November 2009. During this time, the Government will be running a series of events for stakeholders and members of the public where these issues can be discussed in detail. If you would like to get involved in these events, you can find out how by going to the website.

If you would like to read this document in a different format or language, please write to DH Publications Orderline, PO Box 777, London SE1 6XH or email: dh@prolog.uk.com

Next steps

We do not want the pace of reform to slow down during the consultation. That is why we will set up a national leadership group, bringing together the leading experts and organisations across care and support to drive forward changes where there is already a strong consensus, including prevention, and to resolve issues where clear differences remain even after the consultation on the Green Paper.

Once the consultation has been completed, we will use these responses to inform and finalise our proposals. We will then publish a White Paper on care and support in 2010.