Government Response to the Health Select Committee Report on Social Care (Third Report of Session 2009-10)

Presented to Parliament
by the Secretary of State for Health
by Command of Her Majesty

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Introduction

The Government is grateful to the Health Select Committee for its report on social care. This is an important contribution to the debate on how to deliver a care and support system which provides much more control to individuals and their carers, reduces the insecurity they and their families face and ensures that people are treated with dignity and respect.

The Coalition Agreement made clear our commitment and determination to move on from more than a decade of indecision on how to fund social care, and to reach a fair and enduring settlement for the system for generations to come. We want a sustainable adult social care system that gives people the support and freedom to lead the life they chose, with dignity.

Personalised care is key to bringing about a fundamental change in the relationship between the citizen and the state. This means starting with the person as an individual with their own strengths, preferences and aspirations. Individuals must be able to identify their needs and make choices about how and when they are supported to live their lives.

We will take decisive steps to accelerate the pace of reform so that older people and disabled people get the care they need and have more choice and control over how their needs are met. Transformation of services should be a key part of how local authorities continue to deliver services effectively and efficiently during a period of fiscal consolidation. As we take critical steps to reduce the deficit, the right response is for the pace of transformation to increase - maximising the performance and penetration of services such as re-ablement, intermediate care and telecare.

This requires a significant transformation of adult social care so that commissioning, information systems, staff and services are ready to put people at the centre of their plans – working with people rather than doing to them. This means a radical change in the services available to people that can provide personalised support – more, different services that offer people what they need to live their life. Some councils have picked up this challenge, but others have not. We need to accelerate change so personalised services are the norm across all local councils.

If services are to reflect the needs of all service users, improved prevention and early intervention will be vital. That is why we have signalled through the revised NHS Operating Framework that we want more joined-up working by agencies at a local level following discharge from hospital. Re-ablement services have a key role to play in this. Early identification of carers' needs is also vital to sustaining home-based care networks that the state can support but never replicate.

Just as the state cannot rival carers in their detailed knowledge of a person's needs, nor by itself can it provide as broad a range of services as people require. Instead, mutual organisations, with their participative governance arrangements, and user-led organisations, often formed of only a few people, can provide a much broader mix of services. They give their members a sense of ownership and responsibility, providing incentives to act on behalf of themselves and others, building social capital within their local communities.

It is the challenge for local authorities to reflect the growing demand for personalised care in their commissioning strategies. Personalisation will also mean change in the role of social care workforce, as individuals increasingly become the arbiters of services.

We are committed to empowering professionals in social care, not just the NHS. We therefore wish to continue the process of social work reform, following the recommendations of the Social Work Task Force last year, and discuss with the other professional groups in the sector like occupational therapists and nurses what roles they can play in delivering more personalised services.

Later this year, we will publish a vision for adult social care, including the key next steps on personalisation.

How we should fund care and support is a key question for society to face – and one that will inevitably involve difficult choices and difficult trade-offs. But it is a question we can no longer avoid. The twin challenges of demographic changes, which will accelerate in the coming years, and the failure and unfairness of the current system, where many people are still having to sell their homes to pay for care, means that we must urgently reform the social care system.

We will establish an independent Commission to make recommendations on how to achieve an affordable and sustainable funding system for care and support. We recognise the vast amount of work that has already been done on social care by many experts. We want the Commission on the Funding of Care and Support to build from this to make recommendations on a funding settlement that is a fair partnership between the state and the individual, taking into account the vital role of families and carers and offering people the opportunity to protect their assets. We believe that the report of the Health Select Committee is a valuable contribution to this work and we will be recommending that the Commission consider its recommendations alongside other important contributions to the debate.

We recognise that we must take the opportunity now to move forward with reform, and this is why the Commission will be asked to report within a year. An ambitious timetable, but critical if we are to implement a solution in this Parliament.

As a key component of a lasting settlement for the social care system, we will reform the law underpinning adult social care by creating a single modern statute, helping disabled people, older people and carers to understand whether services can or should be provided. We will be working with the Law Commission as they consider their proposals on this work.

We will bring together the conclusions of the Law Commission and the Commission on the Funding of Care and Support, with our vision, into a White Paper in 2011, with legislation following to establish a sustainable legal and financial framework for adult social care in this Parliament.

Government Response to the Committee's Recommendations

Meeting Future Demands and Costs

1. *A compelling argument for thoroughly reforming the social care system is that in its current form it will struggle to meet people's needs under the pressure of future growth in demand and costs. However, we recognise that anticipating these is a far from exact science and there is much uncertainty. Projections are made from observed trends, based on a series of plausible assumptions about a number of variables, but within a considerable "funnel of doubt", which expands into the future. (Paragraph 69)*

The Department recognises the challenges in projecting future demand and costs for social care. Projections should not be regarded as forecasts: they are based on assumptions about trends in drivers of demand, such as future needs, and are conditional on those assumptions.

The Department has worked with independent experts in the field including the Personal Social Services Research Unit (PSSRU) at the London School of Economics. We will continue to work with world leaders to ensure we have the best possible data and models to inform our thinking. The Commission on the Funding of Care and Support will similarly work with leading experts to ensure that its recommendations are robust and evidence based. We will support the Commission to ensure it has access to the best possible data and projections.

2. *In order to minimise that doubt, the best possible evidence base is needed. We are, therefore, extremely disappointed that, fourteen years after our predecessor committee called on the then Government to commission better data on healthy life expectancy, the delay in doing so means the available data are still inconclusive. The Cognitive Function and Ageing Study and the English Longitudinal Study of Ageing are expected in due course to yield cohort data and we recommend that the DH take full account of these as soon as they become available. (Paragraph 70)*

We agree that it is very important to have a good evidence base. The Department's Policy Research Programme is funding social care research via established and new research units on social care workforce, quality and outcomes of person-centred care and the economics of care systems, as well as a range of shorter term projects and grouped study initiatives. £15million has also recently been invested in a new School for Social Care Research under the National Institute for Health Research. This exciting new initiative will provide high quality research-based evidence on adult social care practice.

The Medical Research Council (MRC) has funded a consortium of research units to conduct a study entitled *Is Ageing Changing? Health, healthy life and cognition across generations*. The study builds on the design and infrastructure of the MRC Cognitive Function and Ageing Study collaborative (CFAS). New cohorts in Cambridgeshire, Newcastle and Nottingham are providing data on generational and geographical differences in new cohorts including people in institutions.

We recognise the value of longitudinal data on ageing. The Department has been a major funder of the English Longitudinal Survey of Ageing (ELSA) since its inception. A key focus of ELSA is on the combination of factors, social, economic and biophysical, that influence healthy life expectancy. Uniquely, ELSA provides comparison between the objective measures and the subjective experience of healthy ageing. We have recently agreed, along with other UK Government Departments, to fund the next phase of the survey (waves 5 and 6). DH will contribute a total of £1.8million over the next four years.

We expect that ELSA will be of increasing value as more waves of data are collected and more questions are included on receipt of formal as well as informal social care. This should enable us to assess the impact of major policy shifts, such as personalisation, on the lives of older people.

We recognise that healthy life expectancy is an important indicator of the population's overall health and well-being. The Office for National Statistics (ONS) routinely publish high quality data on trends in health expectancy at birth and at age 65.

3. *Despite the degree of uncertainty about future demand and cost, it is nonetheless clear that, on all reasonable assumptions, the social care system will face considerable increased pressures in the decades to come. It is important, though, to avoid demographic despair and alarmism. Population ageing is far from being a new phenomenon, nor is it unique to this country. Its effects have not yet proved catastrophic and there is no compelling reason to suppose that they will in the future, provided the right political decisions are made now. (Paragraph 71)*

We note that the Office for Budget Responsibility included in their recent *Pre-Budget Forecast June 2010* a projection that public expenditure on long-term care will rise from 1.2% of GDP in 2009-10 to 2.1% of GDP in 2049-50. We understand the importance of reforming the social care system before the demographic pressures accelerate further during the 2010s and 2020s. This is why we will establish the Commission on the Funding of Care and Support to report within a year.

4. *We note that, in its presentation of the data on life expectancy, the DH has confused period and cohort measures of life expectancy, as well as life expectancy at birth and at age 65. In so doing, there is a danger of overstating the extent of demographic change and potentially discrediting the projections used. In an area that is characterised by uncertainty, it is essential that care is taken to interpret existing data accurately. (Paragraph 72)*

We agree that it is important to interpret data accurately. Cohort and period life expectancy have different uses and each is valid in the correct context. The case for considering cohort life expectancy in the context of social care is recognised. The

previous Government's White Paper made clear that data on cohort life expectancy was shown.

Meeting the challenge of an ageing population also means we need to focus hard on getting the best value for money. We will be looking, in particular, at how local authorities can deliver more personalised and preventative care, in order to achieve the best possible outcomes in a challenging fiscal environment. This means, for example, working with local authorities to establish effective re-ablement services across the country, to mainstream the use of telecare, and to develop crisis response services.

5. *The Department has also not made clear that part of the demographic challenge facing the social care system is the transient "cohort effect" of the ageing of the population "bulge" born during the post-war "baby boom". The fact that the first "baby boomers" will not enter their mid-80s until the early 2030s means that there is still a 20-year "window of opportunity" in which to prepare for this. This is not an argument for complacency, far from it; but there is a chance to address the challenge systematically so as to ensure comprehensive and lasting reform, rather than being led by panic into further incremental reform of marginal and temporary value. (Paragraph 73)*

We recognise that growth in the numbers of older people is due partly to the ageing of the baby boom cohort and partly to falling mortality rates. We agree that that post-war baby boom cohort will start to reach age 85 from 2030, but do not agree that this means that the baby boomers will have little impact on demand for social care before 2030. Although the average age of admission to care homes is around 85, some older people require residential care or intensive home-based care by age 75 or even earlier. This means that the baby boomers will start to impact on demand for social care well before 2030.

ONS expect that mortality rates will continue to fall over the coming years and beyond, leading to increasing numbers of people in late old age well before 2030. The 2008-based ONS principal population projections show the greatest percentage increase in numbers of people aged 75 and over and in numbers of people aged 85 and over in the late 2020s rather than in the 2030s.

In addition, we know that reform of the funding of long-term care is needed now to deliver a fair and sustainable system which will help people to prepare for their future care needs.

It is for these reasons that we will establish the Commission on the Funding of Care and Support to report within a year.

6. *We are concerned that an ageing population is too often seen in public debate as something negative, a problem to be solved, with older people regarded as a burden. The fact that many more people can expect to live well into old age is one of society's greatest achievements and something to be celebrated rather than lamented. (Paragraph 74)*

We entirely agree. Rising life expectancy is a success to be celebrated and, as set out below, we recognise and value the important contribution older people make to our society.

7. *Longer life expectancy does not inevitably mean more years lived with ill health and disability; people can live lives that are healthier as well as longer, and many older people are living proof of this. Future healthy life expectancy is not fixed; actions taken now could help to make the "compression of morbidity" more likely. The importance of research to develop curative or mitigating interventions for long-term conditions should not be underestimated. Such research could pay major dividends, in terms of health outcomes and public spending, as well as in individuals' quality of life, and must be adequately supported and funded. Similarly, the importance of public health interventions must be acknowledged. The health risks posed by smoking, drinking, poor diet and lack of exercise have important implications for future social care demand. This reinforces the need for interventions to address these issues, although their effectiveness must be rigorously evaluated. It also reinforces the importance of coordinating health and social care services. (Paragraph 75)*

We recognise that, while there is uncertainty about future trends in healthy life expectancy, we can and should take measures to promote healthy ageing. We agree with the Committee that we need action to promote public health, and encourage behaviour change to help people live healthier lives. We need an ambitious strategy to prevent ill health which harnesses innovative techniques to help people take responsibility for their own health.

We also recognise the importance of research on prevention. By 2011, the National Institute of Health Research will provide just under £1billion of funding to support high quality research on all areas of health-related research, including public health and social care. There is a strong focus on the evaluation of preventative initiatives in public health and social care in the DH Policy Research Programme. This covers a wide range of health and social care areas, including family intervention, health promotion, assistive technologies, active ageing and carer support. Funding has also been provided to support a national public health research consortium, designed to strengthen the evidence-base on the prevention of ill health and health inequalities.

We agree that greater coordination of health and social care can contribute to better outcomes for users and carers, supporting personalised services focused around individuals and not organisations. We know that some local organisations have already seized opportunities to improve services through better integrated working. We want this to continue with greater pace and urgency so that it becomes the norm for local working relationships.

Our recently published White Paper *Equity and Excellence: Liberating the NHS* sets out our intention to promote integration across health and adult social care as well as to support public health.

8. *We would also counsel against pessimism regarding the affordability of care and support in the future. The old-age "support ratio" or "dependency ratio" is not the most important factor to take account of in determining the likely future affordability of social care. Our society must not underestimate its ability to become more productive and*

wealthier, nor indeed the contribution that the growing numbers of older people will continue to make to that. (Paragraph 76)

We are not pessimistic about the affordability of care and support in the future; but we do feel that it is prudent to take forward reforms before the demographic pressures accelerate further during the next two decades.

We also agree that the contribution which older people can make should be recognised and facilitated. Giving people the choice to work up to and beyond State Pension Age is critical to ensuring the economic prosperity of our society in terms of work and pensions. We believe that individuals must have the opportunity to work and save longer towards a financially secure retirement. The Age Positive Initiative is encouraging employers to recognise the business benefits and valuable skills and experience of employing older workers. Nearly 1.4 million people are working past State Pension Age, many in part-time work.

We also recognise the wider contribution which older people make to society. Almost one third of informal carers in England are aged 60 or over. Some 60% of childcare provision is provided by grandparents, according to an estimate by the Grandparents' Association.

Shortcomings of the present social care system

9. *The multiple shortcomings of the existing social care system provide powerful arguments for fundamental reform. Too often when people approach the system for help they do not receive even information and advice on what is available and how to access it. The system is also often poorly co-ordinated with other help (not least NHS services and care provided voluntarily, as well as the housing support and social security benefits systems). People who need care and support encounter various forms of rationing, including by eligibility criteria, means-testing and charging, with much local variation. Where people are able to access care, it can be insufficiently focused on helping them to remain independent and avoid developing greater needs, as well as being limited in scope and not always of good quality. In these respects too, there is marked variation between local areas. The result is a social care system that:*

- *excludes many people with less severe care needs;*
- *penalises people with relatively modest financial means;*
- *places unfair and unreasonable demands on carers; and*
- *varies geographically to an extent that is strongly perceived as unfair.*

In consequence of all these factors, there is a great deal of unmet need. (Paragraph 157)

10. *These shortcomings are all indicative of a system that: provides a residual or "safety net" service, rather than a universal one; is chronically underfunded; and is insufficiently focused on the needs and aspirations of the individual people who actually need care and support. (Paragraph 158)*

The Government recognises that the social care system needs reform, that is why the Coalition Programme for Government, *Freedom, Fairness, Responsibility* states:

- The Government believes that people needing care deserve to be treated with dignity and respect. We understand the urgency of reforming the system of social care to provide much more control to individuals and their carers, and to ease the cost burden that they and their families face.
- We will establish a commission on long-term care, to report within a year. The commission will consider a range of ideas, including both a voluntary insurance scheme to protect the assets of those who go into residential care, and a partnership scheme as proposed by Derek Wanless.
- We will break down barriers between health and social care funding to incentivise preventative action.
- We will extend the greater roll-out of personal budgets to give people and their carers more control and purchasing power.
- We will use direct payments to carers and better community-based provision to improve access to respite care.

The Law Commission Review has made a valuable contribution to the debate on social care law reform, and highlighted some of the key issues with the current legal framework. Alongside the Commission on the Funding of Care and Support, the Government sees reform of the law underpinning adult social care as a key component towards a lasting settlement for the system. Creating a single modern statute, will help disabled people, older people and carers to understand whether services can or should be provided. We will work with the Law Commission as they consider their proposals on this work.

11. *On the particular issue of quality, we note that the effectiveness of regulatory systems in uncovering and addressing poor quality care is an issue. (Paragraph 159)*

12. *We have also concluded that more needs to be known about the role of particular factors in compromising standards. The staffing issues that we heard about (lack of training and career-development, inadequate staffing levels and high staff turnover), and their relationship to low pay levels, need to be investigated fully. The apparent quality "gradient" between for-profit and non-profit providers of care services is also of concern and this too needs to be fully examined. (Paragraph 160)*

We will strengthen the role of the Care Quality Commission (CQC) so that it becomes an effective quality inspectorate. It will be responsible for the essential safety and quality requirements with the registration system. Where services fail to meet minimum standards they will be subject to enforcement measures. CQC will be able to inspect providers to see if they are meeting quality standards. The Secretary of State will be able to request that a provider be inspected where he has concerns about the quality of services.

It is for local authority commissioners to decide from which providers they commission. The previous social care regulator – the Commission for Social Care Inspection (CSCI) - facilitated this by issuing a quality ratings assessment for each

regulated provider. The quality rating awarded to a registered care service is illustrated by stars (in a scale from zero to three stars) to make it easier for people choosing, purchasing or commissioning a service to make a decision as to whether it meets the requirements they are looking for. In March 2009, CSCI published *CSCI quality ratings – a market research report.* This showed the impact of the system of quality ratings on, among other things, the behaviour of people in councils who commission services to meet the needs of people in their community.

We are clear that there should continue to be a system of providing comparative information about adult social care providers, which is a valuable tool for commissioners and service users.

13. *Pervading the whole system of social care is a persistent ageism, both overt and covert. We welcome the fact that the Government and the Equality and Human Rights Commission have finally recognised this and begun to address it but we are appalled that this has taken so long.*

The passage of the Human Rights Act 1998, provided a framework in which public authorities use the principles of human rights in the design and delivery of policy, regulation and public services. This affords protection for people of all ages to be treated with fairness, equality, respect, and dignity.

The Department has published guidance on human rights (on the Human Rights Act (European Convention on Human Rights)), setting out how the NHS and adult social care can take a human rights-based approach to improve the design and delivery of services.

On 22 October 2009, a report on the review of *Achieving Age Equality in health and social care* was published. The Department has made clear it welcomes the review's report and has developed a range of actions in response to its recommendations. Work has already begun on a resource pack designed to help the NHS and local authorities deliver the recommendations made in the review's report.

The Equality Act 2010 bans age discrimination in services and public functions in both social care and healthcare. The Act also creates a new equality duty on public bodies and others carrying out public functions. The duty applies in relation to age, as well as to seven other protected characteristics.

Plans for Reform

14. *Social care reform has two interrelated strands: the first concerned with how care and support are funded and the second with how they are commissioned and provided. When the Government took office in 1997, it stated that the first of these was one of its major priorities. Yet it took until 2009 for the Government to set out a range of options for fundamental reform, in the Green Paper Shaping the Future of Care Together. This came so late in the present Parliament that the White Paper containing the Government's plans for change will be published just weeks before a general election, with no prospect of legislation until the next Parliament. The problems, and the options for solving funding reform, have long been known; and prime opportunities to initiate reform (a Royal Commission in 1999 and major reform*

proposals resulting from independent reviews) have been squandered. The failure to grasp this nettle is sadly indicative of the low priority given to social care by successive administrations and this must not continue. (Paragraph 221)

We agree that the previous Government has failed to address this issue and we are determined not to make the same mistake. We will establish an independent Commission to make recommendations on how to achieve an affordable and sustainable funding system for care and support. We want to ensure this is a fair partnership between the state and the individual which takes into account the vital role of families and carers.

The Commission on the Funding of Care and Support will report within a year, followed as quickly as possible by a White Paper and legislation. The Commission will be given clear terms of reference and will not only help Government in identifying what the solution is to funding long-term care, but also how this should be implemented to deliver the best care outcomes for people.

15. *On the second strand of reform, how care and support are commissioned and provided, the Government has made better use of its time in office, initiating a programme of "transformation" with potentially far-reaching consequences. We strongly welcome the focus on personalisation as the way forward, although we recognise that there is still a long way to go before all councils are offering genuinely self-directed support. (Paragraph 222)*

16. *The Green Paper Shaping the Future of Care Together sets out the Government's vision for a National Care Service, embodying both strands of reform. The following major elements of this vision have attracted practically universal consensus and we too strongly endorse them:*

- *A focus on prevention, rehabilitation and re-ablement;*
- *A "portable" national assessment, backed up by national uniformity in the proportion of care and support costs being paid for from public funds;*
- *A more joined up service, with social care, the NHS, housing support services and the social security benefits system all better integrated;*
- *Easy access to information and advice for everyone, regardless of their circumstances;*
- *Personalised care and support, so that the needs and aspirations of each individual person are met;*
- *A more universal funding system, ending the situation where many people get no support at all from public funds;*
- *More support for carers, recognising their vital role, supporting them and ensuring that they are not obliged to take on too much responsibility for care;*
- *Building a sound evidence base on the effectiveness and cost effectiveness of different forms of care and support. (Paragraph 223)*

We agree with the Committee that focus on prevention, on personalised care and support and on providing more support for carers as well as funding that is a fair partnership between the state and the individual should be key elements of a reformed care and support system.

That is why we have set out in our Coalition Programme for Government, *Freedom Fairness, Responsibility*, a clear commitment to extend the greater roll-out of personal budgets to give people and their carers more control and purchasing power and to use direct payments to carers and better community-based provision to improve access to respite care.

17. *The current social care system is complex and opaque. This is substantially down to the fact that it has been the subject of countless piecemeal reforms since its creation in 1948. It is underpinned by an outdated structure of numerous Acts of Parliament, case law, regulations, directions, guidance and circulars, much of which are anachronistic and inconsistent with current policy and modern thinking about equality, human rights, dignity, personalisation and autonomy. (Paragraph 224)*

18. *We welcome the Law Commission's commitment to thorough reform of social care law to ensure it becomes consistent, coherent and up-to-date. We recommend that the National Care Service be built on fresh legislative foundations, rather than created through further modifying and patching the existing framework, which is clearly no longer fit for purpose. (Paragraph 225)*

The Law Commission Review has made a valuable contribution to the debate on social care law reform, and highlighted some of the key issues with the current legal framework. Alongside the Commission on the Funding of Care and Support, the Coalition Government sees reform of the law underpinning adult social care as a key component towards a lasting settlement for the system. Creating a single modern statute, will help disabled people, older people and carers to understand whether services can or should be provided. We will work with the Law Commission as they consider their proposals on this work.

Funding

19. *The Government's presentation of the funding options in the Green Paper is significantly flawed. The option of free care wholly funded from general taxation is ruled out by the Government on the grounds that it would place "a heavy burden" on taxpayers of working age. However, many of those who gave evidence to us supported this option and most of the arguments against it can be said to apply just as much to the idea of a free NHS. We recommend the Tax-funded option should be debated in order to gauge whether people are prepared to pay higher taxes for social care or wish to see tax revenue diverted to it from other areas of spending (Paragraph 266)*

20. *The DH told us that the Partnership option presented in the Green Paper derived from the model developed by Sir Derek Wanless. However, a key part of Sir Derek's model which is missing from the DH's is the idea of the state matching individuals' contributions pound-for-pound, on top of a basic state contribution, to provide an incentive for people to make provision for themselves. We believe that Sir Derek's original Partnership option should have been included in the debate. (Paragraph 267)*

21. *We are dissatisfied with the Green Paper's approach to the issue of "hotel costs", which it excludes from the funding options "because we would expect people to pay for their own food and lodging whether or not they were in a care home". It can*

plausibly be argued that such costs are significantly higher in residential care than they would be in a person's own home. Funding reform that fails to address the risk of incurring uncapped catastrophic costs of this kind risks being quickly discredited and losing public support. The Government must look at options for dealing with this issue, such as an accommodation charge that takes account of people's ability to pay. (Paragraph 268)

22. *We are also concerned that the Green Paper pays insufficient attention to how the various funding options might affect people of working age who use social care services. The means-testing element of the "Partnership" and "Insurance" options would risk replicating the existing poverty trap in which many disabled people of working age find themselves. The proposed free system for people of working age alongside the "Comprehensive" option for older people would avoid the poverty trap. However, we are concerned that the transition from one system to the other at the age of 65 could mean that people become worse off merely by reason of growing older. (Paragraph 269)*

We have established an independent Commission to make recommendations on how to achieve an affordable and sustainable funding system for care and support. The Commission on the Funding of Care and Support will report within a year.

As set out in our programme for Government, the Commission will consider a range of ideas, including both a voluntary insurance scheme to protect the assets of those who go into residential care, and a partnership scheme as proposed by Derek Wanless.

Further details on the work of the Commission will be set out shortly.

23. *A major deficiency in the Green Paper is that it is silent on the question of the overall "funding envelope" for social care, i.e. how much money, from all sources, will be spent on people with care and support needs in future. This leaves the Green Paper unable to indicate the scope of the new system. The state of public finances as a result of the credit crunch, the bank bailouts and the recession clearly makes the question of future spending levels particularly problematic. However, the issue cannot be ducked. We need to know in hard cash terms what future overall social care funding will be. (Paragraph 270)*

We agree with the Committee that Government should be upfront about the money which will be available to the social care system. That is why we have set out headline spending plans in an emergency Budget, and will be publishing detailed plans for the duration of the next Parliament in a Spending Review in the autumn. We will expect the work of the Commission to feed into the Spending Review, and for its final conclusions to be consistent with the Government's spending plans.

However, the Committee will be aware that local authorities have discretion around how they choose to spend their allocations. We agree with this principle. It is therefore not for central government to prescribe precisely how much will be spent on social care over the next spending review period, as this will, rightly, reflect local priorities and decisions.

24. *Ahead of fundamental reform, there is scope to mitigate significantly the worst aspects of the existing funding system quickly and relatively cheaply. This is not to argue for minor change as an alternative to major reform, but rather to make the case for addressing some of the deficiencies as a matter of urgency. We recommend that the following measures be taken immediately:*

- *The capital thresholds in the means test must be substantially raised in order to ease the burden on people of relatively modest means.*

- *Consideration should be given to some form of "cap" to limit people's liability to pay from their own resources before they qualify for public support.*

- *Universal access to the deferred payment mechanism (which allows people to avoid having to sell their home during their lifetime to fund residential care) must be introduced.*

- *The presumed "tariff income" on capital between the two thresholds is punitive must be substantially reduced.*

The Personal Expenses Allowance for people in residential care is far too low and fails to ensure dignity or opportunities for people to maintain their social and family relationships. It must, as a minimum, be doubled. (Paragraph 271)

The Committee's report raises a number of important points which the independent Commission will want to consider as part of its work. The Government does not wish to pre-empt the work of the Commission at this stage.

Free Personal Care at Home Bill

25. *We acknowledge that the Government is itself bringing forward significant interim reform of social care through the Free Personal Care at Home Bill. However, we have strong misgivings about this. The proposal for free personal care should be substantially increased, consistent with the introduction of a National Care Service. (Paragraph 293)*

26. *For the Government suddenly to announce this new policy just weeks after publishing the Green Paper, and in the middle of the consultation period, smacks of policy-making on the hoof. The haste with which the proposals have been assembled is all too apparent in their shortcomings. (Paragraph 294)*

27. *Since only part of the social care system is to be changed, there is a risk of creating perverse incentives and introducing unanticipated consequences. Witnesses told us that families will have an incentive to try and keep people out of residential care longer than is appropriate, in order to continue receipt of free care. Councils, meanwhile, will have opposite incentives to place people in residential care prematurely, or to manipulate their eligibility criteria so that people being cared for at home are not classified as having higher levels of need. (Paragraph 295)*

28. *Furthermore, estimates of the likely levels of demand and cost appear low, and there is a risk that the reform could be substantially underfunded. Local authorities have warned that they will not be able to fund their share of the costs from efficiency savings, as the Government intends. This could result in rationing or cuts in other services, including aspects of social care. Meanwhile, the DH has yet to make clear how exactly it will find its share of the funding. It has indicated that some will come from public health and research budgets, which could be detrimental to the long-term interests of NHS patients. (Paragraph 296)*

29. *As we have stated, the option of a free social care system is one that needs to be debated and considered. However, it is not helpful for the Government to rush in a poorly thought-out and very circumscribed form of free care, as it is doing, rather than it being an integral part of a National Care Service. (Paragraph 297)*

The Coalition Government has announced that we will not be commencing the provisions in the Personal Care at Home Act, 2010 relating to free care at home.

We believe that reform of the social care system must be coherent rather than piecemeal. The Personal Care at Home Bill did not meet this test. The Committee is right to describe this measure as “policy making on the hoof”. That is why we will establish a Commission to consider the funding of long-term care in the round. In addition, as a key component of a lasting settlement for the social care system, we will reform the law underpinning adult social care by creating a single modern statute, helping disabled people, older people and carers to understand whether services can or should be provided. We are working with the Law Commission as they consider their proposals on this work.

30. *Whether the National Care Service should be a national system locally provided (“fully national”) or a local system with national standards (“part local/part national”) is a key area of controversy. The argument in favour of local accountability, along with flexibility to meet local needs and priorities, is very persuasive. On the other hand, the “fully national” option would clearly be the best way to ensure more clarity and consistency in provision; it would also seem to be an effective means of bringing about full integration of health and social care. The lack of detail in the descriptions of the two options given in the Green Paper makes it difficult to arrive at a definitive view one way or the other. In particular, the Government must make clear whether the fully national option will involve a funding allocation mechanism that takes account of differing local costs. (Paragraph 305)*

We agree that it is important that local authorities have the flexibility to provide care and support in a way that best meets people’s individual needs and circumstances. The Government believes that it is not best placed to determine how much money an individual should receive in a personal budget, without having the opportunity to understand that person’s situation and what they wish to achieve. We will therefore support local authorities in continuing to provide high quality care and support services to those in their communities. However, we also recognise the benefits in national consistency, and, as such, Government will have a key role in setting national strategies across services. These national strategies will enable the roles of the NHS, public health and social care to be more co-ordinated, ensuring a framework

is in place to enable co-ordinated and coherent local commissioning strategies across all services to be developed.

Personalisation

31. *Although there is effectively unanimous agreement in principle with personalising care and support, the pace of change remains slow. However, "transformation" promises to take social care into uncharted waters and the profound ramifications, and risks, of this need to be fully considered and worked through. (Paragraph 352)*

32. *There has been confusion about whether the Government is pressing ahead with Individual Budgets (combining various funding streams in addition to social care moneys) or instead adopting the less ambitious model of Personal Budgets (involving social care funding only). The policy, and the associated terminology, must be made absolutely clear, as well as the basis for whatever decisions are taken. (Paragraph 353)*

33. *The Secretary of State told us that personalising social care is part of an aspiration to remodel drastically all public services "over the next 20 years" and the "implications of all of this are pretty vast". The Government appears to have a goal of bringing together all disability-related expenditure while giving individual disabled people control of all the sums available to them, so they are better able to use them to meet their particular needs. There is a logic to this, but it will raise some contentious and difficult issues. For instance, personal health budgets, which are currently being piloted in the NHS, raise the thorny questions of top-ups and vouchers (on which basis the Government itself ruled out individual budgets for healthcare as recently as 2006). (Paragraph 354)*

Individual budgets were piloted by the Department of Health in 2006-07 and included various disability funding streams and social care resources covering older people and people with disabilities. Personal budgets cover social care resources only.

We want personal budgets to increasingly become the norm in social care. Greater alignment with personal health budgets, in time and considering those who could receive most benefit, could have positive implications for service users in terms of extending choice and control, while recognising potential links between their health and care needs. However, it is important to consider the impact on joint working and integration in delivery of budgets to users. Whilst at an individual level both budgets may be combined, the funding streams for health and social care will remain separate and allocated through the NHS and the local authority.

In designing and agreeing the different health and social care plans, care will need to be taken that a joint approach is adopted to ensure plans are as complementary and cost effective as possible. As this policy develops further we will consider what appropriate mechanisms will need to be in place to allow combined budgets to be as effective as possible.

34. *The idea of reforming disability benefits for older people (Attendance Allowance and Disability Living Allowance) by merging the budget for these into social care funding has been particularly controversial. Many of the concerns that have been*

expressed about the likely consequences of this demand careful attention. It is feared that some people would be left worse off if universal, needs-based and entitlement-led social security benefits are replaced with means-tested, rationed and cash-limited social care provision. The Government has given assurances that there would be "no cash losers" under transitional guarantees for existing benefit recipients. However, no such guarantees would apparently extend to people who develop a care need in future, who could be worse off under a new system than they would have been under the current one. (Paragraph 355)

***35.** In justifying this proposal, the DH told us about wealthy claimants allegedly using AA payments to fund Saga cruises. We believe this kind of "policy-making by anecdote" is not helpful and risks disparaging people who have genuine care and support needs. Research by Professor Ruth Hancock and her colleagues indicates that disability benefits are a lifeline to many people, with significant needs and without great wealth, who often don't receive help from the social care system, enabling them to meet costs of daily living. If the DH has hard evidence to the contrary, it should be published. We also note that there appears to be a tension, if not a contradiction, in the Government's policy in that, while it says it is committed to more universalism in care and support, in this case it appears to be intent on going in the opposite direction. (Paragraph 356)*

We know that disability benefits play an important role in supporting older people and people with disabilities and we recognise that these benefits are highly valued by the people who receive them. We also know that urgent reform of the social care system is needed to provide much more control to individuals and their carers and to reduce the insecurity that they and their families face.

The Commission on the Funding of Care and Support will consider how we ensure responsible and sustainable funding for long-term care. Further details on this work will be set out shortly.

***36.** Adequate funding is clearly vital to personalisation, which must not be seen as a cost saving exercise; it may well cost more to provide adequate personalised care and support. Some people in receipt of Direct Payments have found that inadequate funding and inflexible Resource Allocation Systems make it difficult for them to meet their needs without topping up from their own resources. Personalisation must not mean that people who use services are simply turned into rationers of their own care and support, having to make choices which compromise their ability to meet their needs or to maintain their dignity. (Paragraph 357)*

People will need very different care and support depending on their individual circumstances. However, regardless of their level of need, the care package an individual receives should be sufficient to treat people with dignity and respect, to give them choice and control over their care, and to help prevent them becoming more dependent.

***37.** It must be recognised that not every person who uses social care services will want to take on an entrepreneurial and managerial role as commissioner of their own care and support. Nor should it be assumed that taking on such a role is the only means by which people can be empowered and made full partners in their own care.*

The potential of "co-production" (i.e. full partnership between providers and people who use services) to allow personalisation of mainstream services, including residential care, should be fully explored within the "transformation" agenda. (Paragraph 358)

We recognise that personalisation is about more than just personal budgets. It is an important shift in the relationship between citizen and state, a recognition that in order for a person to live a fulfilling and independent life, they must be able to control the care and support they need. No-one will be forced to have a direct payment if they do not wish to receive any of their budget as cash. People will as now be able to choose directly provided services if that is what they wish, but they will be offered the opportunity to decide how the funding for their care will be spent.

Co-production describes services where people combine some of their own time and effort with public resources, such as professional help. This relationship can lead to results that people appreciate more, can offer a wider range of benefits, and can prove more efficient than services simply provided to or for individuals. We want to encourage those working within the sector to be innovative and develop new approaches within employee-led social enterprises.

Just as the state cannot rival carers in their detailed knowledge of a person's needs, nor by itself can it provide as broad a range of services as people require. Instead, mutual organisations, with their participative governance arrangements, and user-led organisations, often formed of only a few people, can provide a much broader mix of services. They give their members a sense of ownership and responsibility, providing incentives to act on behalf of themselves and others, building social capital within their local communities.

38. *There are concerns about the right of people who use services such as day care centres to continue doing so, if that is their preference. Such services should not simply be shut down with people being told that it is now down to them to act as commissioners. In some cases it may be appropriate to "ringfence" services for those people who wish to continue using them, although this should not be an excuse to protect outmoded and poor quality services. (Paragraph 359)*

Councils have a responsibility to ensure that, wherever possible, the choices made both by people who use services and by their carers are respected and supported.

39. *Where people do act as their own commissioners, information, advice, advocacy and brokerage services must be available and must not be funded from people's own resource allocations. Offloading such responsibilities and costs onto people who use services could seriously curtail or negate the potential benefits of personalisation. (Paragraph 360)*

Good information and advice makes it easy for people to understand and gain access to services to which they are entitled. There will be opportunities to consider both strategy and initiatives to improve information in our vision for social care, particularly thinking about information on quality, outcomes, performance and the opportunity for individuals to rate their experiences.

40. *People commissioning their own services in some areas may find that the market fails and they are unable to procure the care and support they need, particularly in rural areas. It is not certain that councils will necessarily have the capacity or the capability to act as effective market managers in such situations. (Paragraph 361)*

It is increasingly important that local authorities understand the needs of their own communities, and develop and stimulate a diverse and healthy local care market. This will mean working with care providers to bring the right mix of services into their area, and may require changes to existing business models such as the promotion of social enterprises in order to meet the needs of the local population.

41. *Personalisation necessarily entails enabling people who use services to take risks on their own behalf, as part of assuming control of their own care and support. However, there are contentious issues concerning the nature and extent of such "risk transfer". Adult-protection and safeguarding policies (consistent with councils' duty of care) must be tailored to situations where people are directing their own care and support. Many people will be comfortable with managing risks themselves and should be free to do so, but it is imperative that others are able to access appropriate safeguarding mechanisms. The risk of placing unreasonable demands on carers, either as care providers or as care managers, must also be acknowledged and considered. (Paragraph 362)*

Planning a personalised care package involves allowing disabled adults and older people to make their own informed decisions, including decisions about risk. Councils have a responsibility to ensure that, wherever possible, the choices made both by people who use services and by their carers are respected and supported. There should be effective risk management in place, with scrutiny that should be reasonable and proportionate.

42 *There are fears about the possible emergence of an unskilled, casualised, unregulated, and potentially exploited, workforce of Personal Assistants (PAs) operating in a semi-informal "grey" market. Local authority "banks" of PAs, which people may choose to commission from if they wish, may be one way of addressing such concerns. There seems to be agreement that people employing PAs should always be given the option of running Criminal Records Bureau checks on prospective employees. Beyond this, however, there are differing views on whether PAs should be subject to mandatory regulation and obliged to register with the Independent Safeguarding Authority under the new Vetting and Barring System. Without a "level playing field" in regulation between PAs and social care staff employed by councils and others, unsuitable staff could migrate from regulated sectors into unregulated PA roles. Nonetheless, many people who employ PAs will insist that they should be free to choose who they wish to work for them. There should be a regulated option for those who wish to use this route, but people who prefer not to use it, and give informed consent to accept the risks that may arise, should be free to do so. Strong safeguards must, though, be put in place to protect the vulnerable. (Paragraph 363)*

We recognise that this is an important issue and the Committee rightly identify the need to balance the rights of disabled people and other care users to exercise choice and control over their own lives with the need to protect vulnerable people. On 15

June, the Home Secretary announced that the Vetting and Barring Scheme introduced under the Safeguarding Vulnerable Groups Act (2006) will be reviewed. We will ensure that the recommendations of the Committee are taken into account as part of this work.

The Social Care Workforce

43 *It is clear that the social care workforce as a whole is increasingly in a state of flux, with existing roles changing and others emerging as new models of care and support provision develop. The role of social workers in particular in a radically changed social care system is still unclear, with contending views being expressed. Plans to extend regulation to the rest of the social care workforce now seem to be in disarray. We are concerned at what appears to be the apparent lack of an overarching strategic vision for the future social care workforce, and we recommend that this be addressed as part of social care reform. (Paragraph 370)*

The social care workforce is key to our agenda of delivering personalised services which improve people's experiences of care and deliver better outcomes. We are committed to social work reform. However, because we recognise the need to address the wider workforce as well, we will set out an overarching strategic vision for the future workforce when we set out our overall vision for social care later this year.

The previous administration first committed in 2005 to extending policy statutory professional regulation to around 750,000 social care workers, though it subsequently clarified that its intention was to regulate home care workers in the first instance. The policy intention at the time was to regulate both for public protection reasons and to drive up the quality of the workforce by requiring domiciliary care workers to achieve an NVQ Level 2 qualification within five years of first being included on the register.

Plans to introduce the registration of domiciliary care workers were well advanced in summer 2009, when concerns about the General Social Care Council's (GSCC) conduct function first emerged. Subsequent events and an investigation by the Council for Healthcare Regulatory Excellence established significant failings in the organisation, which posed a risk to public protection. This prompted the Department to suspend work on the opening of the register until there was confidence that the GSCC would be able to deliver its existing functions efficiently and take on a significant increase in the volume of registrants.

The report by the Council for Healthcare Regulatory Excellence into the conduct functions of the GSCC, published in November 2009, also recommended that:

the Government reviews the risks in relation to the work and supervision of domiciliary care workers and their managers and reconsiders if inclusion in the GSCC's statutory register is proportionate and targeted. Other approaches such as a statutory licensing scheme or an employer-led approach based on codes of conduct and practice and inductions standards may be more appropriate.

The Coalition Government has therefore reviewed the evidence base for registration of social care workers and it is not immediately clear to us that full statutory regulation

is necessarily the most proportion or effective way of delivering public protection and raising standards within the workforce.

During 2009, the Department of Health commissioned Europe Economics to undertake an assessment of the impact of regulating home care workers. The costs of regulating home care workers along the lines proposed by the previous administration were estimated at around £435 million over 10 years (including indirect costs), whereas benefits were estimated at between £227 million to £417 million.

There have been changes in the wider regulatory system since the previous administration first announced its intention to regulate home care workers. In particular, the creation of Independent Safeguarding Authority and the new Vetting and Barring Scheme means that there is now a new tier of regulation aimed at removing anyone who poses a risk of harm to vulnerable people from the sector Therefore, the sorts of risk that regulation of home care workers could seek to mitigate, over and above those that the Vetting and Barring scheme is designed to tackle, are lower level risks such as neglect and poor service provision.

Our view is that, in many cases, these sorts of risk might be better addressed through the regulation of service providers and through incentives on service providers to employ appropriately qualified staff. Employers should also be constantly vigilant to the possibility of abuse.

If the underlying objective here is to deliver a well-trained, competent workforce, then full blown statutory regulation may not be the most proportionate way of delivering that objective. The Government therefore proposes to explore whether there are lighter-touch models of registration which could deliver the benefits of statutory regulation, but without the same costs.

The Way Forward

44. *While there is welcome consensus on several aspects of social care reform, a number of key issues remain highly contentious and insufficiently addressed. Many witnesses agreed that worthwhile and lasting reform will only be achieved if consensus can be reached on these issues too, so that the necessary tough decisions can be taken with broad popular support. (Paragraph 371)*

45. *Achieving consensus on all these difficult and enduring issues requires calm, rational deliberation and an informed national debate. We would have liked to see all the political parties come together in that spirit to map out a programme of sustainable reform. Instead, regrettably, the Government is hastily drafting a White Paper while also rushing through Parliament a hurriedly concocted Bill that cuts across its own Green Paper, in a febrile atmosphere of unedifying pre-election party-political squabbling and point-scoring. (Paragraph 372)*

46. *There is still an opportunity, in advance of the demographic challenges to come with the ageing of the "baby boomers", to reform the social care system, achieving consensus and creating a lasting solution that would represent a "Beveridge" model for our time. Current and future generations will be betrayed if the failure to achieve*

consensus means that social care reform is once more left to languish near the bottom of Government's list of priorities in the next Parliament. (Paragraph 373)

We know that urgent reform of the social care system is needed to provide much more control to individuals and their carers, and to reduce the insecurity that they and their families face. This is one of the biggest challenges faced by society today.

As a Coalition Government, established with the aim of working together in the national interest, we have an unprecedented political opportunity to deliver reform. Care and support is a good example of where we need pragmatic, sustainable proposals to build a new and lasting settlement.

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