

SUMMARY

Paying for Care in Wales

Green Paper consultation on options for reform

Any of us may need care and support at some point in our lives. But how should we pay for it?

The current system of paying for care for older and disabled people is over 60 years old, and needs to change if we are to meet increasing demand and higher expectations. We want to create a system that is simpler, fairer and more affordable for individuals, their families and government.

The Welsh Assembly Government wants to know your views on how we should pay for care in the future.

‘Paying for Care in Wales: creating a fair and sustainable system’ was published on 16 November 2009. It sets out a number of options for reforming the current system, and sets out the main advantages and disadvantages of each. You have until 28 February 2010 to comment on these options and tell us which model you think will work best in Wales.

To find out more, and have your say, visit www.payingforcareinwales.net or e-mail payingforcare@wales.gsi.gov.uk

Background

What is care and support?

Care and support means getting help with things like personal care and day-to-day tasks, so that you can continue to live independently.

Some care is provided in residential or nursing homes, but most is provided in people's own homes. Much care and support is provided informally by families, friends and neighbours.

How is it paid for?

This depends. Long term healthcare is paid for by the NHS. But social services have to be paid for, and your local council decides how much you have to pay based on your income and savings. If you have to go into residential care the council will also take into account the value of any property you own. There are also welfare benefits that people can claim.

Why does this need to change?

Because more of us are living longer and there are less people of working age who can contribute through their taxes. We also have higher expectations and demand services of a higher quality so that we can live more independent and fulfilled lives. This means that more money will be needed for care in the future.

What is the role of the Welsh Assembly Government?

The Welsh Assembly Government is responsible for the social care system in Wales, and social services are delivered at the local level by local authorities (councils).

The Assembly Government has developed a distinctive strategy to improve social services in Wales, including new legislation to achieve more consistency in the charges made by local authorities for social services provided in the home, and to help carers.

The Assembly Government has set up a Commission on the future of Social Services in Wales, which will look at how social services might meet the challenges of the next decade. The Commission has been asked to consider the findings from this Green Paper consultation in making its recommendations to the Assembly Government about the future direction of social services in Wales. The Commission will report on these by autumn 2010.

Although the Assembly Government is responsible for social care in Wales, the levers to change the system for paying for care are largely the responsibility of the Westminster (UK) Government, and the existing legal framework covers England as well as Wales. The options set out in the Green Paper have been developed by the UK Government (which is running a separate consultation in England). The Welsh Assembly Government will need to consider the implications of these proposals for Wales, and express a clear preference from Wales about what the new system should look like. We want to try and reach a consensus across society on the preferred option, which is why your views are so important.

Paying for care in Wales: the debate so far

Last year, the Welsh Assembly Government held a major consultation and engagement programme on the general direction that reform should take. The results of that consultation have helped to shape the Assembly Government's position on the proposals set out in the Green Paper.

There were two events for stakeholders; in Cardiff and Llandudno. There were opportunities for the general public to respond by post, e-mail, or at events organised by local stakeholders.

The Assembly Government also established a Stakeholder Advisory Group to consider policy options for establishing fairer and more sustainable arrangements for paying for care. The Advisory Group included organisations and individuals representing a range of stakeholder interests, including disabled people, service users and carers, local government and health, care home owners, and older people.

The Advisory Group drew up the following set of principles, which have been endorsed by the Assembly Government.

‘We believe that any new system of paying for care needs to:

- be explicit about human rights;
- support the individual at the time when she or he needs the support;
- ensure that decisions about provision of care are made on the needs of the individual and not on the individual’s financial resources or other assets or those of relatives;
- be simple, i.e. easily understood and operated by users and providers;
- promote social inclusion and independence;
- promote fair and equitable treatment;
- promote the participation and empowerment of the individual;
- ensure that providers are accountable and that those receiving the service can express views and complaints; and

- be affordable and financially sustainable, and demonstrate probity in the use of public funds.’

How far does each of the options for reform set out in this Green Paper reflect the underpinning principles recommended by the Wales Stakeholder Advisory Group?

Transforming Social Services

The Welsh Assembly Government's vision for social services in Wales is based on the belief that we need to develop distinctively Welsh solutions to Welsh challenges. Social services in Wales will continue to be rooted in local government, and are based on the idea of an integrated, family-based service that promotes independence, prevention and earlier intervention so that safe, high quality and flexible services are available for those who need them.

Strategy for social services in Wales

The Welsh Assembly Government's strategy for social services in Wales, *Fulfilled Lives, Supportive Communities*, was published in 2007.

The main themes of the strategy are:

- the need for social services to have **strong accountable leadership** politically, professionally and managerially;
- developing the capacity to effect change and **strengthen the workforce** for modern needs;
- making the **voice of the user and carer** really count;
- streamlining **performance management** by focusing on outcomes, improving performance management and information, sharpening scrutiny, and reviewing regulation;
- promoting **stronger partnerships** that work across organisational boundaries and which put the citizen at the centre;

- using **collaboration** as a means of **gaining greater efficiency** and effectiveness in delivering services; and
- working to **strengthen communities**.

The strategy sets out some key principles that support our position:

- social services will remain **the responsibility of local government** working with others to champion the vulnerable and promote inclusion;
- adults' and children's social services will **retain a single professional lead** so that families are properly supported;
- services need to be **re-balanced towards prevention and earlier intervention**, rather than simply concentrating on those with the highest care needs
- local authorities should remain both purchasers and providers of services. However, commissioners must take a more active role in **helping to shape the mixed market** of private, public and voluntary care;
- the strategy acknowledges the need for a diverse workforce to deliver the new models of service but which retains **social work as a highly trained and skilled occupation** supported by a range of roles; and
- **social services must work closely with other sectors** such as housing services, and especially with the NHS.

Do you agree with our vision for social services in Wales?
 Should it be strengthened or amended in any way?
 Have we identified all the key issues?
 Are there any we should add, or give more weight to?

Welsh solutions for Welsh challenges

The Welsh Assembly Government is developing a distinctive and innovative legislative programme to improve social services in Wales, within the powers contained in the Government of Wales Act 2006. This includes:

- A Carers Legislative Competence Order to provide the necessary powers to bring forward legislation in this area, and an Assembly Measure on Carers to address issues of importance to carers.
- A Children and Families Measure setting a clear direction for the Welsh Assembly Government's aim of improving quality of life and equality of opportunity for disadvantaged children and families across Wales.
- An Assembly Measure which will give Welsh Ministers the power to make regulations ensuring more consistency and fairness in charging for non-residential social services across Wales.

Through these charging regulations, the Assembly Government will introduce an initial First Steps Improvement Package of actions. The package will include regulations:

- setting out a **maximum weekly charge of £50**;
- requiring local authorities to **disregard certain disability-related benefits** provided to those with high levels of disability when assessing the ability to pay a reasonable charge;
- **preventing authorities from charging for transport to day centres**; and
- requiring authorities to introduce a **procedure for reviewing charges**.

The Prime Minister announced on 29 September 2009 that in England new arrangements would be introduced so that personal care in the home would be free to all those adults who have the highest level of care needs. The policy of the Welsh Assembly Government has been to secure fairer and more consistent charging for those receiving care at home and in the community. This has been applied across the board to all those receiving services. The policy has secured improvements particularly for those on low incomes. If our new legislation is agreed we will introduce a £50 per week maximum charge across Wales as well as other requirements to secure more consistency. We believe that our approach is fairer and more beneficial to a wider number of service users than just focusing on those with the highest care needs.

What are your views on the approach to charging for non-residential social care services which the Welsh Assembly Government has adopted? How does this compare to the Prime Minister's proposals for England?

Improving service delivery

We are improving the delivery of social services in Wales in a variety of ways, including:

- Developing a framework to ensure better delivery of services for older people. This will be completed in 2010 and will provide a context within which local services can be planned and implemented to reflect local need.
- Examining how the six weeks free home care scheme can be made more consistently available

and effective in helping people regain their independence and other intermediate care services.

- Working with partners to develop a common care needs assessment framework so that it properly reflects the principles of person-centred care and leads to good outcomes for service users.
- Encouraging local authorities to further develop their own information strategies for social services, using best practice from around Wales.
- Working with partners to develop distinctive person-centred care policy approaches to meet the needs of service users in Wales.
- Considering what further work needs to be undertaken to protect vulnerable adults, including whether any further primary legislation is needed.

Do you have any comments on what is proposed?

Key challenges for social services in Wales

The main challenges and opportunities that confront us as we continue to aim for excellence and continuous improvement of social services in Wales include:

- ensuring that the progress made over the last ten years is sustained;
- tackling the unacceptable practice and variations in performance that continues to exist in too many places ;
- being clear about local responsibility for service improvement;
- reviewing the framework for regulation, and national minimum standards;
- extending and strengthening joint working;

- more person-centred care that supports independence;
- clear professional leadership;
- embracing a mixed economy for social care;
- developing and valuing the workforce; and
- sustaining and improving services in a difficult public sector financial climate.

Have we identified the right challenges?

Commission on the Future of Social Services in Wales

The Assembly Government has announced its intention to establish a Commission on the future of Social Services in Wales, to look at how social services meet the challenges of the next decade. This will look at how we can, amongst other things:

- provide a vision for the delivery of services;
- support the further development of professional practice;
- build inclusive social services based on the contribution of all partners who work in social care;
- improve collaboration between partners; and
- ensure the achievement of integrated social services capable of meeting the needs of children, young people and adults and older people in the most effective way.

It is expected that the Commission will report its findings by autumn 2010.

We will ask the Commission to consider our findings from this consultation and to take account of them in making its recommendations to the Assembly Government about the future direction of social services in Wales.

What issues would you want to see the Commission address?

A New Model for Funding Care

What is the Government proposing?

Costs for people who are disabled early in their lives

People who are disabled at birth or early in their lives are likely to have lower incomes, and are currently therefore likely to have their care and support funded by the state. The UK Government proposes that this will continue under a new system.

Do you think it is right that most people who are disabled early in their lives should continue to have their care and support funded by the state?

Help for everyone who qualifies for care and support

In England, the UK Government wants to use the money that is in the care system to make sure that everyone who qualifies for care and support will get some help with paying for their care.

Do you think this is the right starting point in Wales?

Disability benefits

The UK Government has suggested that there is a case for integrating some disability benefits, such as Attendance Allowance, into the care and support system. The social care and disability benefits systems have developed separately over the past 60 years, and are

allocated on different bases. The Government believes that this can lead to inconsistent and unfair outcomes. It wants to bring the two systems together so that state funding can be used more effectively.

What do you think about the possibility of merging disability benefits, such as Attendance Allowance, into the social care funding system?

Bringing new money into the system

As well as making sure that all the money currently in the system is used as effectively as possible, we also need to find new ways of bringing more money into the system.

The UK Government thinks that the new way to pay for care should be based on the idea of partnership between the individual and the Government.

This means that everyone who qualifies for care and support would have a proportion of their costs paid for by the Government, but they would have to make up the rest themselves. The amount that people would have to contribute would depend on how much they could afford.

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 insist on them being part of a scheme that would protect them.

The Wales Advisory Group set up by the Assembly Government to consider paying for care recommended that contributions should be compulsory for all people in paid work, and saw a central role for Government in guaranteeing the effective running of the scheme.

What do you think is the right approach to partnership between the state and the individual in Wales? Do you agree with the conclusion of the Wales Advisory Group that there is a central role for the state? Or do you think people in Wales would want more freedom to make their own arrangements to protect themselves from high care costs?

The five main funding options

The UK Government has considered the advantages and disadvantages of five funding options.

What are your views on the various funding options? How far do you think they fit with the principles recommended by the Wales Advisory Group, and with the aims set out at the beginning of this chapter?

Option 1: Pay for Yourself

Under this option, you would be responsible for paying for your own care and support as and when you need it. This has been 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 they will need.

We have agreed to rule out the Pay for Yourself option. Do you agree?

Option 2: Taxation

Under this option, care costs would be met from general taxation. This has been ruled out because it would require a significant increase in the tax people already pay (because tax would fund all care, including the parts that people currently pay for themselves when they need it). It would also put a large part of the burden of paying for care and support on people who are working.

Do you agree that meeting the full cost of all care and support from taxation is not a viable option for the future?

Option 3: Partnership

This option forms the foundation of the UK Government's three preferred options for a new funding system. Everybody, regardless of their wealth, who was assessed as having a care need, would be entitled to have a share of their 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. Above that amount, people would pay towards their costs directly from their own income and assets, as they do now.

The Partnership option alone would not fully protect people against the risk of having to pay high costs towards their care. But people who are less well-off would have more care paid for, and the least well-off people would continue to get all their care for free.

Do you think that the Partnership option on its own would be sufficient to reform the system in a fair and sustainable way?

The final two options build upon the Partnership option. They consist of the ways in which people could make up the remainder of their care costs (i.e. the proportion that they would have to fund themselves).

Option 4: Insurance

People could choose to take out insurance in case they needed care in the future. When they needed care, the Government would pay a proportion of the costs under the Partnership option, and the insurance would pay for the rest. People could either pay into private insurance schemes, or into a government-backed insurance scheme. People could pay in several different ways, before or after retirement, or after their death if they preferred.

People of working age who could not afford to take out insurance would receive free care and support.

Do you think that the Insurance option would work well for Wales when combined with the Partnership option? What are the advantages and disadvantages of this option?

Option 5: Comprehensive

Under this option, everyone over retirement age who had the resources to do so would be required to pay into a state insurance scheme. Care and support would then be free when people needed it.

The amount people had to pay could vary according to what they could afford. Or there could be a set amount so that people knew how much they had to save for. People might choose to pay this sum during their working life, as

a lump sum or in instalments during their retirement, or even from their estate after their death. People who could not afford to pay into the system would have their contribution paid for by the state.

Because everyone would be in the system, people would be able to pay less than their likely average costs.

Do you think that the Comprehensive option would work well for Wales when combined with the Partnership option? What are the advantages and disadvantages of this option?

The Government 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.

If the Comprehensive option were adopted, do you think that couples should be given a lower payment charge?

Ways to contribute

There are various ways in which people could pay their contribution, either for the Insurance option or for the Comprehensive option. People could choose how to pay according to what suited them.

If someone had savings, they might prefer to pay their contribution as a lump sum when they have retired. If someone was able to delay their retirement, they might decide 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 combine these options so that people could pay partly as a lump sum from their pension and partly in instalments throughout their retirement.

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

Are there any other ways in which people could pay into this system? How would it be easiest for people to pay?

Accommodation costs

It is important to note that the options the UK Government has put forward consider only the costs of people's care. Accommodation costs for those people in residential care are not paid for by the state. This includes such things as the costs of food and lodging, the costs of cleaning the room, providing food and doing laundry. This is because these costs are a normal part of everybody's life, regardless of whether they have a care need or not. At the moment, people in Wales who have savings or own a house worth more than £22,000, and whose partner or spouse is not living in their home, have to contribute to the costs of their accommodation.

The UK Government is 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. 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 sell their home immediately.

The Assembly Government believes that the option to defer payment for care and accommodation costs should be available to everybody. This is an issue on which the Welsh Assembly Government could decide to introduce legislation tailored to the circumstances of Wales.

Would it be a priority for the people of Wales to have a right to defer care and accommodation cost payments in residential care?

Being fair to people who have saved

We know that people feel strongly about the idea that they have to pay more if they work hard and save than if they choose to spend all their money and don't bother to save.

How might 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?

A nationally or locally determined funding system

One of the main questions we need to resolve is whether people should get the same level of financial help with their care and support wherever they live in Wales, or

whether it is acceptable for people in different parts of Wales to get different amounts of assistance even if they have the same needs.

Most people in Wales who replied to our earlier consultation told us that they want a national (all-Wales) system, but that there needs to be a degree of flexibility to allow local authorities and others to design services locally. In this way they can respond to what people need in an area, reflect local circumstances and encourage innovative approaches to service delivery.

One option would be for the Assembly Government, or the UK Government, to decide centrally how much funding people should get. A system could be set up where everyone who had the same level of need received exactly the same funding wherever they lived in Wales. Or we could have a national system that gave people slightly different amounts depending on where they lived in Wales to take account of the different costs of care and support across the country.

Do you think there should be an all-Wales system for deciding who gets what levels of help? How do you think this would fit with the responsibilities of local government (working with other agencies) in planning and commissioning services in Wales?

Do you think the same system should apply in both England and Wales, or should there be a stand-alone system in Wales? What issues do you think arise from these options?

Responding to this consultation

Further copies and accessible formats

Further hard copies of the consultation document can be obtained by e-mailing payingforcare@wales.gsi.gov.uk or by telephoning 029 2082 5681.

If you need this document in an alternative format, please contact the Paying for Care team on the above number.

If you would like a hard copy please contact the Paying for Care team on the above number.

How can my organisation get involved?

We will be holding three national consultation events for stakeholders during the consultation period. Invitations to these have been sent to all 22 local authorities in Wales, and authorities have been asked to send a representative group of delegates from their local area. Invitations have also been sent to national organisations with an interest in paying for care.

If you are a member of an organisation or an interest group, you might wish to contribute to its own debate on the Green Paper options.

What will happen next?

The Welsh Assembly Government will consider all responses it receives during this consultation. A consultation report, summarising the responses received, will be published on this website a few weeks after the consultation closes.

Welsh Ministers will then have further discussions with the UK Government, and with Ministers in Scotland and Northern Ireland, to come to a common view on what works best for citizens across all parts of the UK.

When a decision is taken on the best way forward, there will be a White Paper setting out proposals for the future. Because this would be a major reform, the changes would need to be phased in gradually over a number of years.

How will my comments be used?

Your comments will only be used to shape the Welsh Assembly Government's and the UK Government's plans to change the system of paying for care. The plans will eventually form the proposals set out in a White Paper. Responses will be summarised in the consultation report, which will be published on the website. No comments will be attributed to individuals.