

Developing the free personal care proposal

Summary

The Prime Minister announced the introduction from October 2010 of free personal care for those with the greatest need in his speech to the Labour Party conference. He did not fully define personal care (other than that it would not extend, as in Scotland, to that provided in residential or nursing homes). He described this as a down payment on the National Care service set out in the Green Paper.

We anticipate that further details will be published shortly on both the legislation proposed and draft guidance on its implementation. John Bolton and Janet Walden, who are leading on this for the Department of Health, will attend the Board meeting to provide an up to date briefing.

Recommendations

The Board are recommended to:

- (a) make any immediate observations based on the presentation;
- (b) reiterate concerns about the funding implications for local authorities and seek confirmation of an early review of costs within 12 months of its introduction;
- (c) consider what further action, in collaboration with ADASS and others, to take during the consultation process.

Action

The Board consider representation to the Department for Communities and Local Government that this is an additional burden and that the expectation that the local government contribution to the costs of this proposal can be met from efficiency savings is unreasonable.

Background

The Prime Minister announced, in his speech to the Labour Party conference, the introduction from October 2010 of free personal care for those (initially for older people, subsequently clarified as all adults) with the greatest need. He did not fully define personal care, other than that it would not extend, as in Scotland, to that provided in residential or nursing homes. He described this as a down payment on the National Care service set out in the Green Paper.

The cost to councils (loss of income and the full cost of self-funders) is estimated by the Department of Health to be £670 million in a full year. This would be met by a new grant of £420 million to councils, with the balance to be met by councils themselves from efficiency savings including a reduction in use of residential care, itself an untested assumption.

Legislation will be required to amend the statutory basis for charging. There are a number of unresolved questions we will need to work through in detail with civil servants and we expect to be resolved during the consultation period. These include:

- What is included in personal care? If it is defined in service terms, it will run against the personalisation programme that expresses care and support needs as personal budgets. It will also be important that the entitlement is not expressed financially through national bandings for costs.
- It will only apply to people with the highest needs. This will raise questions about varying local definitions of the highest need.
- There will also be people with lower level needs who may well consider paying charges to be unfair, unless councils waive these (though that would add to the bill to foot locally).
- There is a risk of further cost shunting from the NHS to local authorities in relation to what is now defined as health care needs (and free) being redefined as social care. It could, potentially, disrupt the existing continuing care agreements. This would add to the bill.
- The numbers are highly speculative. Survey work is underway and already suggesting wide variations in definition, service patterns, availability of reablement services, and charging income. The biggest unknown is the numbers of self-funders likely to take this up.
- The presumption of efficiency gains from councils using less residential care is untested and questionable. Councils already meet on average 39% of costs from council tax. This would add to that proportion.

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Finally, it suggests the Government may already be favouring the national care service approach rather than part national/part local before the consultation period has ended. This initiative can be seen as pre-emptive in a number of other ways. Although it brings £420 million new funding in from the NHS, it will primarily benefit those with above average means. It does not address the wider issues about funding highlighted in the Green Paper.

Financial Implications

Local government already contributes a significant amount to total local adult social care expenditure through Council Tax. The Green Paper national system option include a substantial transfer of funding from local to national taxation, leaving councils with unquantified responsibilities. The proposals for free personal care leave an open-ended contribution required from unidentified council efficiency gains. The Board may wish to make representations to the Department for Communities and Local Government about that.

It will be important to recognise the need to include the additional costs of new assessments, and the need to build up reablement services as part of this proposition.

Implications for Wales

The proposal is for England only.

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