

**LGA response to the Care and Support Green Paper:
*Shaping the Future of Care Together*****Summary**

The Green Paper *Shaping the Future of Care Together* was published 14 July 2009.

Over the last 12 months we have completed a number of pieces of work in the run up to the publication of the Green Paper. These have promoted our positions and helped shaped our response to the Green Paper, a copy of which is attached to this covering note.

Recommendations

The Board are recommended to:

- (a) Note the LGA submission.
- (b) Consider next steps.

Action

The Board consider what can be done to raise the profile of the points raised in the LGA submission and what other activity we should lead on to maintain the momentum of the debate.

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Background

In the 2007 Pre-Budget Report and Comprehensive Spending Review the Government committed to a 'radical rethink' on long-term care, including a Green Paper on how best to fund adult social care and support in the future. The Government's 'Big Debate' on the future of adult social care was launched on 12 May 2008 and concluded on 28 November 2008. The Green Paper *Shaping the Future of Care Together* was published 14 July 2009.

The LGA response to the Green Paper draws heavily on the views of the LGA Community Wellbeing Board, LGA Executive and the local government sector. The response focuses on the debate over whether a reformed system should operate on a fully national level, or a part-national/part-local level.

The response has been the subject of wide consultation amongst senior LGA Members and officers. All Members of the Community Wellbeing Board are thanked for their invaluable contribution to this response, both in, and outside of, CWB Board meetings.

A White Paper on the future of care and support is expected in early 2010. Board Members are therefore asked to consider how we can raise the profile of the key points in our response, and what further activity we should lead on prior to the publication of the White Paper.

Financial Implications

The Green Paper 'fully national' system option would include a substantial transfer of funding from local to national taxation, leaving councils with unquantified responsibilities and difficulties in raising additional local resources.

Implications for Wales

The Green Paper makes proposals for England only.

Contact Officer: Matt Hibberd

Phone No: 0207 664 3160

Email: matthew.hibberd@lga.gov.uk

Shaping the Future of Care Together

Local Government Association consultation response

November 2009

About the Local Government Association

The Local Government Association (LGA) is a voluntary lobbying organisation, acting as the voice of the local government sector. We work with and on behalf of our membership to deliver our shared vision of an independent and confident local government sector, where local priorities drive public service improvement in every city, town and village and every councillor acts as a champion for their ward and for the people they represent.

The 423 authorities who make up the LGA cover every part of England and Wales. Together they represent over 50 million people and spend around £113 billion a year on local services. They include county councils, metropolitan district councils, English unitary authorities, London boroughs, shire district councils and Welsh unitary authorities, along with fire authorities, police authorities, national park authorities and passenger transport authorities.

Executive Summary

The LGA welcomes the publication of the Care and Support Green Paper (CSGP). The LGA has long called for reform of our adult social care and support system and has been involved in a range of activity over the last twelve months to raise the profile of the debate.

Two related issues are central to the reform of care and support. First, to ensure that we meet increasing demand as our population changes over the coming years adult social care needs additional funding. And second, as that funding becomes available the care system must balance national consistency and local flexibility. To realise the public's aspiration for fairness and personal choice in adult care the LGA calls for a national system of care and support that is locally expressed. This would see clear national standards for assessment and entitlement sit alongside local decisions on the services to meet need, and how to pay for and deliver them.

These local decisions would be informed by a council's local knowledge of the area and unique ability to design efficient local public services to meet a wide range of

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local needs. Such flexibility will be key to the delivery of the adult social transformation agenda, with its emphasis on outcomes for individuals. This local offer will cross the boundaries of care, health, housing, leisure, transport and will also include the delicate balance of people's own resources, community support and the huge personal and financial contribution of carers.

We oppose a fully national system. Previous attempts to operate such a system based on social security payments have failed and the public appears split on whether central or local government should lead adult care, which suggests the need for a combined national and local approach. The local component is also supported by local elected Members who play a key leadership role in ensuring the transformation and reform agendas are given top priority and effectively progressed.

Councils also provide leadership and coordination of the numerous local services and offers that collectively form the local response to local care and support needs. The LGA therefore supports a focus on joining up all relevant services that support an individual's wellbeing. The relationship between care and health is particularly important. When aligned correctly the two sectors are mutually beneficial to one another and, more importantly, are even more beneficial for those receiving services.

Fair funding is crucial to a successfully reformed system of care and support, and we believe the funding options should be subject to wider public debate. Whichever option is adopted it must bring substantial additional funding for the care and support system, and we urge the Government to publish its financial modelling of the funding options as soon as possible. Without this information it is difficult to assess the accuracy of the Government's estimation of a £6bn shortfall for adult care by 2020, and the ability of the different funding models to meet this gap.

Local government already contributes a significant amount to local adult social care expenditure. We estimate that councils contribute on average 39% (or £5.3bn) to the cost of care locally through Council Tax, although for some councils Council Tax can fund as much as 80% of their local expenditure. In a fully national system of care and support it would therefore be crucial to set out what national and local government would be expected to fund. This would be an incredibly difficult task given the different local approaches to adult care provision.

Moreover, taking Council Tax contributions out of the adult care expenditure equation poses a number of serious risks. First, it would be difficult for government to find such a large sum of money, as the amount is more than the total Revenue Support Grant currently paid to councils. This could lead to the raising of access thresholds. Second, such a change would mean that an even lower proportion of local spending than is now the case would be funded through local taxation, lessening local government's flexibility and probably requiring a major overhaul of the local

government funding system. And third, councils might as a result have less money to spend on adult care and support than they themselves may previously have allocated, threatening the provision of services and the necessary focus on prevention and early intervention.

The Green Paper leaves a number of questions unanswered and, along with the Prime Minister's announcement on free personal care, there are many points in the current care and support debate that need further clarification. The LGA is committed to working with the Government and the Department of Health to resolve these issues and to keep the debate alive over the coming months.

Introduction

The LGA welcomes the publication of the Care and Support Green Paper (CSGP). The paper succeeds in setting out the complex issues facing our care system and makes a strong case for change. The LGA also welcomes the Government's efforts to take the 'big care debate' to the wider public through its series of regional events. The CSGP and the 'big care debate' are important steps on the path to reforming adult services. We believe it is crucial that this debate and momentum for change continues; even if a White Paper is implemented it is unlikely to take effect until 2014.

The LGA has long called for reform of our adult social care and support system and its links with promoting independence, choice and control. Over the last twelve months in particular we have been involved in a range of activity to raise the profile of the reform debate and the role of councils in adult social care.¹

The council role is a crucial one. Adult social care is an inherently local service and local authorities are key players in the commissioning, design and delivery of care and support. Moreover, the interplay between adult social care and other council services, or the services of other agencies who councils work closely with (such as the NHS) is a crucial aspect of supporting individuals' wellbeing. Councils therefore play an invaluable local coordinating role, bringing the public, private and voluntary sectors together for the benefit of local people.

Members and officers in this field have overseen continued improvement in our adult care services. A brief look at the distribution of star ratings from 2002-2008 shows a steady increase in the number of councils achieving the top three star rating; from 15 councils in 2002 to 56 councils in 2008. In its final round of assessment the

¹ For an overview of LGA activity visit: <http://www.lga.gov.uk/lga/core/page.do?pageId=325741>

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Commission for Social Care Inspection awarded 87% of councils either an 'excellent' or 'good' status for their adult care services².

Despite continued improvement we know that reform is desperately needed. The case for change from a demographic perspective has been well made and does not need repeating here. We know too that the problems of insufficient funding, escalating costs and the current needs and means tests are bringing our system to breaking point. For every one of the 1.75 million people who use and benefit from adult care services we know that there are hundreds of thousands more who receive no services and no informal care – despite councils spending nearly £295 million in total (2007/08) on adult social care-related services that people can access when they need it and without a formal assessment.³

If we are to realise a twenty first century system that is fit for the challenges of our time we must grasp this opportunity for reform and deal with the difficult issues before us. Failure to do so (or maintaining the status quo), given the pressures we face, is simply not an option. This means dealing at a national level with five key challenges:

- Designing a care system that is **clear**
- Designing a care funding system that is **fair**
- Designing a care system that is **accessible**
- Designing a care system that provides a fair **minimum guarantee**
- Designing a care system that has **strong local roots**

Addressing these points in a way that satisfies a diverse group of interested parties – users, family members, local and national politicians, providers, the third sector, the private sector – will not be easy. But doing so will help strengthen the three pillars of care, support and independence which must form the basis of a new care system. In this context it is also very important to connect the care and support proposals with housing and housing support arrangements.

In its blueprint for a reformed care system the CSGP includes a number of proposals that actively address the five key issues we identify above. This response therefore focuses less on policy areas where there is broad convergence between Government and LGA opinion. Where we hope this submission will add value is in a thorough exploration of the 'national vs. local' debate and in providing a strong rationale for the continuation of a strong degree of local autonomy in adult social care.

² Performance Ratings For Adult Social Services (England) 2008, Commission for Social Care Inspection, p.9, http://www.cqi.org.uk/_db/_documents/csci_star_2008_02.pdf

³ This figure is a 20% increase on 2006/07 and overall spend is expected to rise further still in 2008/09 to £312.4m

Engaging with the sector

This consultation response draws on the experience, expertise and views of both Member and officer colleagues in local government. The LGA Community Wellbeing Board has long been involved in discussions on the future of care and support and has steered the Association's work in this area which, over the last 18 months, has included:

- Two National Summits on adult care exclusively for Lead Members of adult services
- Two national-level one-day conferences on the future of care and support
- Three roundtable events at the House of Lords in conjunction with key partners: with the NHS Confederation on the interface between health and social care; with Age Concern on the impact of personalisation; and with the Joseph Rowntree Foundation on adult care funding
- An evening debate with parliamentarians and other key stakeholders on postcode choice
- The publication of three think piece papers on the future of care, which have been sent to all councils with a social services responsibility
- The provision of speakers to numerous conferences and events
- Attendance at or provision of speakers for several of the Big Care Debate sessions
- The submission of oral and written evidence to the All Party Parliamentary Group (Local Government) in its Inquiry into Older People's Services
- The submission of written evidence to the Health Select Committee for its inquiry into the future of social care services
- The publication of articles for magazines and the Department of Health as part of its pre-Green Paper engagement process

The context of reform

transforming adult social care

The CSGP rightly builds on the Putting People First (PPF) programme that councils are progressing across England. The LGA is fully committed to working with the Department of Health and ADASS to advance this important agenda.

The joint LGA/ADASS survey of Directors of Adult Social Services (May 2009) showed good overall progress with PPF, with most councils having dedicated transformation programme teams in place to deliver on the Concordat's commitments. The recent PPF milestones work, jointly issued by the LGA, ADASS and the Department of Health (September 2009), will further advance the agenda by

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giving councils markers against which they can measure their progress over the coming months.

PPF is already advancing four of the six components of the National Care Service (NCS). These are:

- Prevention services
- A joined up service
- Information and advice
- Personalised care and support

Although more can and will be done in these areas their inclusion in the PPF agreement is evidence that they are already national policy and have the LGA's full support. The LGA shares the commitment to values of independent living and supports the emerging personalisation agenda in social care; we believe this has great potential to transform the experience of social care through personal budgets and improved opportunities to exercise genuine choice and control – not just about how support is provided, but also over the nature of that support.

The remaining two components of the NCS – national assessment and fair funding – are considered in further detail below. The LGA believes the funding options should be subject to wider public debate. However, whichever option is adopted, it must bring substantial additional funding for the care and support system. As part of this we are pleased that the CSGP's proposals on Attendance Allowance (AA) are in line with LGA discussion papers. We acknowledge from discussions with partners that proposals to integrate AA funding into the wider care and support funding pot are a cause of considerable concern. We therefore believe the Government should clarify its intentions at the earliest opportunity.

AA integration is a difficult issue to resolve. On the one hand we agree that, in the context of finite resources and increasing demand, it is harder to justify AA provision for those people who have much greater personal wealth than AA recipients with far smaller personal financial resources. On the other hand, however, we also recognise that disabled people tend to have lower incomes, so AA is an important benefit in supporting individuals' quality of life and independence.

We believe this issue must be resolved in the Government's decisions on access thresholds to the National Care Service. Assuming AA funding is integrated into the wider care and support funding pot then getting the balance right in terms of eligibility to the NCS is critical. If thresholds are set too high then the additional money made available through AA will only benefit those with higher-end needs. This will take away a key element of financial support for a high number of individuals who would currently qualify for AA and, over time, may lead to their needs escalating. It may

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therefore only be a matter of time before at least some of these people qualified for the NCS and would then need access to services and support that would be potentially more expensive than services aimed at sustaining (or indeed improving) their lower level needs. If thresholds are set too low, however, there could be a significant increase in the number of people eligible for the NCS, and in this scenario we would question what impact integrated AA funding would have; although a substantial amount of money it could soon be spread very thinly.

We also welcome the clarification from the Secretary of State on Disability Living Allowance, which we know is an important benefit for hundreds of thousands of people in England and a gateway to a range of additional support.

The CSGP also builds on a number of other developments – many of which the LGA has contributed to. These include, for example, the Carers Strategy, Valuing People Now, the National Dementia Strategy and New Horizons.

recession

Any public service reform must be placed in the broader context of the economic downturn. Adult social care is already feeling the impact of the recession such as through a reduction in income from social care charges, greater demand for welfare advice, mental health and drug and alcohol services, and a reduced supply of services as independent sector providers face difficulties.

Councils are working hard at a local level to mitigate the impacts of the recession but the reality before us is that we cannot meet the funding gap in adult care simply by doing what we are currently doing in a more efficient manner. Councils know all too well that there is a need for society to pay more for care and support in the future if we are to meet the needs of all those who require care.

As a cross-party organisation the LGA does not have a preferred funding model. We do believe, however, that whichever funding model is implemented must raise sufficient additional funding for care and support. In April this year the then Secretary of State for Health talked of a £6bn funding shortfall in adult social care by 2020 based on current levels of need. Being confident in the different models' ability to meet this funding gap will depend in part on the robustness of the Government's financial modelling for each funding option; we therefore urge the Government to publish this data as soon as possible. This will also allow us to make a more informed decision on whether a fully tax-funded is not viable, an option we know is still favoured by many stakeholders and individuals.

In the context of the recession, raising additional money for care and support must be done alongside a wider debate on all public funding available to support wellbeing at

a local and national level. Local authorities and their partners must also demonstrate that they are using their resources to best effect. The LGA is therefore committed to working with local and central government to share and promote the Department of Health's recent work on the Use of Resources. This will help ensure scarce resources are used effectively, and are focused on agendas such as prevention, which we know can both improve people's quality of life and save money in the long term.

This is particularly important after a decade that has seen funding for health increase in real terms by more than six times the increase in funding to local government to deliver services like social care.

A National And Local Care Service

Central to the Government's vision for the future of adult care and support is a National Care Service. Although we acknowledge the appeal of such a term we do not want it to detract from what we believe is the most pressing issue in this debate: the importance of our adult care system retaining strong local and individual roots. The remainder of this consultation response addresses this issue from a number of different angles.

a national entitlement with local expression

If reform secures additional money for care and support then balancing national consistency and local flexibility within the new system will be key to its sustainability and success in the future. This system must include not just older people but those with a physical or learning disability, or mental health needs. Getting the national-local balance right is also central to meeting the aspirations and expectations of the general public. During the engagement process for the development of the CSGP:

"...many people [said] that they felt it was very **unfair** that people with the same needs could get different amounts of care and support in different parts of England."⁴

We also know that people want **choice and control** over the services they receive:

"People want better quality services that are personal to them and more control over decisions that affect them. They want the right support, at the right time, in the right place."⁵

⁴ *Shaping the Future of Care Together*, HM Government, 2009, p.121.

⁵ *Putting People First – The Whole Story*, Transforming Adult Social Care Programme Board, 2008, p.1.

These objectives of fairness, choice and control can only be realised through an adult care and support system that is built upon national **and** local government foundations. The LGA therefore fully supports a national system that is locally expressed. Broadly speaking we envisage this national-local split as follows:

National system	=	National assessment
	=	National entitlement with commitment from the state to fund an agreed minimum portion of each individual's care package
Local expression	=	Services to meet need and the amount to pay for them decided locally
	=	Services delivered locally
	=	Capacity for individuals to plan for their own lives and design their own care package

We therefore support a part national/part local system, with a single, transferable assessment of need being applicable anywhere in the country, but the services to meet need – and the amount to pay for them – being decided locally. We believe such a system would meet the public's requirement for fairness because it would not discriminate based on geography. It would also pass the public's test of choice and control by allowing the local authority to use its knowledge of local budgets, citizens' needs, partner resources and local infrastructure to support the delivery of services that are flexible and responsive to local need.

Giving local government the freedom and discretion to make local decisions on adult care is crucial. Council areas are unique, with no two the same – even at a regional or sub-regional level. Moreover, in many parts of the country services relevant to the adult social care agenda are provided by both county councils and district councils. Some big cities may have high levels of deprivation and a high number of residents with chronic long term conditions, whilst other more rural areas may be relatively prosperous but have a high number of retired people. On this particular point we believe it is important that the Government fully considers the implications of the Green Paper for rural areas, which typically have higher numbers of older people (at higher risk of social exclusion) than urban areas.

As described above, adult care services vary according to the specific features of the area in which they are provided; to meet local patterns of need and to reflect different approaches to how care is delivered. At the heart of each area – coordinating the local approach – is the council, using its knowledge of the area, its people and local capacity to design services in line with local circumstance.

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The approach we have outlined above – and indeed the components of the NCS – in our opinion constitutes a ‘guarantee’. This guarantee exists at the national level and is locally expressed as a flexible and customised offer.

A system built in such a way would not only support fairness and choice. A national system – with standardised national assessment arrangements and a consistent proportion of care costs being met – would also help the Government get a sense of the true costs of care and assist in the realistic allocation of funding to them. Local expression – with service decisions being made locally – would help ensure that a commitment to care and support would be inextricably linked to the broader, yet wholly relevant, agenda of building sustainable communities that tap into the full range of local activity needed to support independence.

This local knowledge and flexibility is key to the delivery of the adult social care transformation agenda, with its emphasis on achieving outcomes for individuals, their families and communities. This is a critical point. Whilst we may not be able to fully predict how services will adapt and grow under a truly personalised system, it is fair to assume they may be smaller, more organic, and will cross the boundaries of care, health, housing and a range of other local services. This ‘local offer’ – of small services developing within and between agencies will also include the delicate balance of people’s own resources, community support and the love and good will of carers. It is a careful and complex local ecology that supports choice and control and one that cannot operate successfully if disturbed by attempts to run it at a national level.

learning lessons from history

It is also important to reflect on previous attempts to control a national adult services system; taking such a historical perspective suggests it is a denial of history to say that a national system is best.

The Community Care Act reforms of 1990 were the necessary response to the chaotic development of a national funding system based on social security payments. The Act required local government to step in to manage demand through assessment of need and the commissioning of appropriate services to meet that need. Many policy analysts would argue that the failures of the present system are to do with the inadequacy of overall funding, rather than the failure of good case management and local commissioning.

postcode lottery vs. local democracy and individual choice

The term ‘postcode lottery’ has become widely used in the debate about the future of adult care and support. However, whilst we agree that it is unacceptable that individuals can be denied support simply because of where they live, we do not believe that a national system is the cure-all to this particular problem. Cancer drugs, dental treatments and access to IVF treatments are just three examples of how a national system (the NHS) is not necessarily immune to the inevitable reality of local variation.

Moreover, we believe that ‘democratic choice’ is a far better term to be used in this debate than ‘postcode lottery’. The following table, which was included in Sir Michael Lyons’ interim report, shows the public’s response when asked whether certain services should have standards set down by central government or if local councils should be free to decide the level of service provided.

	Central government standards %	Local government decision %	Don’t know / did not answer %
Refuse collection	19	78	3
Leisure services	19	77	4
Planning and development control	26	70	4
Social housing	26	68	5
Public transport	35	61	4
Social services	38	58	4
Roads	45	49	5
Fire and rescue	60	36	4
Education	64	31	4
Police	66	29	4
NHS	80	17	3

The spectrum between ‘refuse collection’ at the top of the table and ‘NHS’ at the bottom is evident; “demand for central standards is greatest in relation to critical or ‘life and death’ services and lowest for those about the ‘quality’ of the local area.”⁶ The position of ‘social services’ – exactly in the middle of the ranking – is indicative of the varied role the service plays for different people, reflecting both its ‘critical’ and ‘quality’ nature. As such the public is fairly evenly split on whether national or local government should take the lead, which is further evidence of the need for a national care guarantee with local expression.

⁶ *Local Solutions or Postcode Lotteries: the acceptability of difference in public services*, OPM, 2007.

political leadership and accountability

The table above also highlights the importance of local democracy because where there is local variation in services, it is a consequence of local decision making. Understanding this local political process is an important aspect of accepting – or indeed actively supporting – difference. The statutory role of the Lead Member in adult social care is therefore hugely significant and another important reason to maintain a strong local element to a future care and support system.

The leadership role that Lead Members for adult services play has, and continues to have, a critical effect in ensuring the transformation agenda is given top priority and effectively progressed at a local level. We know that Lead Members are involved in a range of activity to lead the process of change and provide key leadership to the reform of care and support.

Lead Members for adult services are therefore central to the reform process by leading change locally. They play a key role in ensuring their councillor colleagues understand the scope and importance of the agenda. Discussions with Cabinet colleagues ensures that all relevant council services link in to the reform process. And discussions with frontline councillor colleagues ensures that awareness of the reform debate is raised amongst residents. This helps further embed local democracy and a local understanding of how decisions on adult care services are made. This, of course, sits alongside the more formal structures for patient and public involvement in social care as provided by Local Involvement Networks. And as LINKs can refer matters to council Overview and Scrutiny Committees this is an important mechanism for councils to take responsibility in scrutinising the NHS.

Adult care is about empowering individuals and a commitment to this kind of ambition is often a significant reason why members seek to become local politicians in the first place. Running a fully national adult care system would denude residents of this important local involvement and connection and lessen their voice on a service area that is set to affect more and more people over the coming years.

working together

As noted above, Lead Members play an important role working with both political colleagues within an authority to strengthen links between adult care and other council departments, and other partners to strengthen links between a council's work and the relevant work of other local agencies. Joining up adult care with all appropriate council services and the services provided by other agencies is crucial to the provision of the right local offer. It is also in line with the Total Place initiative, with its focus on prioritising spending for the benefit of an area. As such it is another compelling reason why local government's role in care and support must remain at

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the fore and indeed be strengthened through greater involvement in NHS institutions; because it is the council providing local leadership and coordination (such as through Local Strategic Partnerships or Health and Wellbeing sub groups of the LSP) that ensures the smooth running of partnership work.

The LGA has long said that supporting older and disabled people is about more than just providing services delivered by council adult social care departments. It is about those departments working with appropriate health, housing, benefits, leisure, library, learning and skills, and transport services to name a few – be they provided by the council, the statutory, private or third sectors. We therefore support a focus on joining up all relevant services that support an individual's wellbeing, in particular through better alignment of planning and budgets. Whilst the CSGP succeeds in setting out a vision for the future based on care and support, it is this local interplay and interaction between different services and different sectors that builds individuals' independence. The services listed above all contribute to a person's general sense of wellbeing and their quality of life. Supporting this must be at the heart of a reformed system.

The local relationship between adult care and health is particularly significant – not least because both sectors undoubtedly face a lengthy period of financial austerity over the coming years. This must not become a fight for resources, but a comparative analysis of local government social care and NHS resources shows there is a lot of funding in the overall health and social care system. This suggests the importance of considering new ways to bring together, or reshape, funding in ways that deliver better outcomes.

Social care expenditure is a fraction of that spent on the NHS. Expenditure on adult social care in 2008/09 was expected to be £13.8bn. By comparison, CSR07 revealed that the NHS total baseline budget for 2007/08 was £90.4bn. Over the three years of CSR07, additional funding for the NHS will increase funding to £96.4bn, £102.9bn and £109.8bn⁷. If a fraction of this funding was spent on care and support in the community, aligned with social care spending, this would represent a significant increase in care and support locally and could help reduce more expensive healthcare costs. We therefore welcome the Government's intention to require a significant NHS financial contribution to this agenda.

Council and NHS services must not develop in isolation from one another because the interdependencies between the two sectors are critical and, when aligned correctly, provide mutual benefit and, more importantly, benefit those receiving services. In 2002, for example, the Department of Health announced the transfer of

⁷ Figures announced in CSR07 (October 2007), prior to Budget 2009 announcement of additional efficiency savings to be delivered by the Department of Health in 2010-11.

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£100m per year from the NHS to councils to help tackle the problem of delayed discharges from hospital. After the grant was distributed in 2003, and in subsequent years, councils used the money effectively, developing whole systems approaches to increase the range and volume of services necessary to reduce delayed discharge. This reduced the number of people who at any one time occupied an acute hospital bed that they no longer needed by almost 3,000. Again, considering the totality of the money available locally in this way is the right way forward and is consistent with the Total Place initiative.

defining local government's role

Local government already contributes a significant amount to total local adult social care expenditure through Council Tax. We estimate that local government meets the cost of around 40% (or more than £5.3bn) of total adult social care spend of more than £13bn. Based on average Band D Council Tax of £1,373, £296 is, on average, attributable to adult social care.

For individual councils, however, there is considerable variation in the proportion of adult social expenditure funded through Council Tax. Our analysis of three different councils demonstrates this variation. Our analysis indicates that the proportion of projected expenditure on social care in 2008/09 expected to be funded by government funding ranged from 18.5% to 30% to 71%. Conversely, Council Tax was therefore expected to fund 81.5%, 70% and 29% of planned adult social care expenditure. Planned Council Tax contributions to adult care therefore accounted for 40.8%, 37.4% and 21.3% of Council Tax requirement respectively.

In a fully nationally funded system it would be imperative to set out clearly what would be 'in or out' from local government's perspective. Would councils, for example, continue to fund information, advice and advocacy services, or local prevention services? A distinction between what local and national government would fund and be responsible for would be needed. It would also be incredibly difficult. There is wide variation in approaches to adult social care across the country with some councils going down a route based predominantly on Personal Budgets, and other councils significantly reducing residential care places. As set out above, the interplay of other council and other partner services with care and support also makes it difficult to reduce the plethora of services and offers down to a simple local/national responsibility distinction. This being the case it is unclear whether a fully national system would really be able to take account of the vast range of services available at a local level that contribute to an individual's wellbeing.

In looking at the complexity of how funding flows through the system we also need to consider the care pathway, which varies in different local authorities. In Manchester, for example, all service users over 65 go through the council's reablement service

(for free), which enables a full assessment to be conducted once the individual has stabilised, rather than at the point of crisis. The council's aim is twofold: to reduce reliance and dependency on public services and to reduce high cost provisions; and to focus more on early intervention and prevention – moving people away from crisis responses to a range of services that focus on helping people regain their independence. Manchester's prevention and early intervention services are incorporating assistive technology, online shopping and reablement, and are being developed with a range of partners (such as the voluntary sector and health) and other council service areas (such as libraries, leisure, and children's services around a 'whole family' approach).

Manchester is also looking at tackling issues such as community engagement and worklessness through Community Care Assessments. Here the council is incorporating a 4-tier scope for employment as part of the assessment process to support as many people as possible back into work.

In just this one example it is clear that a funding model for adult care that is too tightly controlled nationally could make it harder to invest in other linked services such as leisure, cultural facilities and more informal support services provided through other agencies and the community to deliver longer term savings in social care.

the dangers and difficulties of a fully national system

One of the most significant difficulties of a fully national system is the changes required to the current system of local government funding and the provision of local government services.

Local government is funded through a mixture of central government grants and money raised through local taxation. For 2009/10 funding for local government included:

- Redistributed business rates: approx. £19.5bn
- Revenue Support Grant: approx. £4.5bn
- Specific and General Grants: approx. £48.2bn
- Council Tax: approx. £25.6bn

We know from our own research that local government funds around 40% of total local adult social care expenditure through Council Tax. And as we know total adult care spend is approximately £13.7bn we can say that councils and central government contribute the following amounts:

- Councils contribute £5.3bn
- Central government contributes £8.4bn

In a fully national system councils' £5.3bn contribution would presumably be lost because – as the CSGP recognises – it would not be fair to expect councils to raise this money but have no control over how it is spent. This means central government would have to raise additional funds to make up the shortfall. There are three main risks associated with this.

Meeting the shortfall

The main risk relates to whether central government would be able to raise the £5.3bn currently provided by Council Tax. If it could not, and the Government's NCS guarantee was not fully funded, there would be serious question marks over who would assume responsibility for the residual financial risk. We assume that in a fully national system the Government would take responsibility for this risk but in a shortfall scenario there may then be the potential for the Government to raise access thresholds by stealth to ensure available funding could stretch as far as it needed to. This would effectively mean the NCS would become a service for only those with the greatest need which is, of course, one of the biggest criticisms of the current system.

The local government finance system

Removing councils' £5.3bn contribution to adult social care expenditure from Council Tax would shift the balance of funding – currently 75:25 central to local – even further to central government. It would require government to re-think, at least to some degree, the existing model of local government finance. Assuming some form of ring-fenced arrangements for a wholly national social care system, this would significantly lessen local government's flexibility on local expenditure. It would also increase the problems of gearing for local authorities, such that councils wishing to increase local spending by, for example, 1% would require much bigger increases in Council Tax to fund it. This has obvious implications for councils' ability to provide the services they need and want to for residents.

The wrong focus for adult care

The potential for a fully national system to fail to raise sufficient funds and likely changes to the local government finance system could have significant consequences for services on the ground.

- Insufficient funding: facing a possible shortfall the Government could potentially cut down spend on particular components of the NCS. Prevention or reablement services – those that take time to deliver savings – may be the first to experience a decrease in central funding.

- Gearing and national redistribution: for some councils, redistributed funding on a national level could increase the amount available for adult social care. But for others national redistribution could result in councils having less money than they previously allocated for care and support. This could jeopardise services available locally because the capping of Council Tax increases and the impact of the gearing effect would make it well-nigh impossible to raise sufficient additional revenue locally.

Such a scenario may be 'worst case' but it is a possibility and one we cannot afford to allow to develop. Moving away from a focus on crisis toward a focus on prevention and early intervention must be at the heart of a reformed care and support system if we are to successfully meet the challenge of our changing demography.

further issues to clarify

We believe the Government needs to be clearer on a number of issues, including:

- Its view of local government's role in a system of national entitlement, setting out how individual preferences and individual control can be built into the system.
- Defining what would constitute the total local resource for care and support that would be funded from national taxation in the national model, or fully funded in the part national/part local model. Clarity is needed on what costs might still be expected to fall on local authorities. For example, would local authorities be required to continue to fund information, advice and advocacy, case management, and commissioning activity?
- How funding will follow entitlements and reflect individuals' preferences and service designs; councils cannot commission effectively without resources.
- How Government would anticipate amending the local government finance system in the event of a fully national model, and what it would do to make up the significant contribution that Council Tax currently makes to social care expenditure.
- What extra funding the Government believes will be required in a future model of adult social care and how it will use the new burdens procedure to ensure that local authorities are able to meet any additional costs that fall to them.
- Providing clarity on the implications for funding models of the mandatory and voluntary sign-up options.

- How it sees the market developing in a national system with national prices.
- How a future care and support system would work with housing and housing support policy.
- How innovation and the role of local not for profit organisations can be fostered.

Free personal care

The Prime Minister announced the introduction from October 2010 of free personal care for older people (subsequently clarified to be all adults) 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 CSGP.

The cost to councils (loss of income and the full cost of personal care for eligible 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 met by councils themselves, ostensibly from a reduction in use of residential care, itself an untested assumption.

There are a number of unresolved questions on this issue, which include:

- It will only apply to people with the highest needs (those defined as 'critical' under FACS). This will raise questions about **varying local definitions** of the highest need.
- There will also be older people with lower level needs who will be unhappy about paying charges unless councils waive these (which would add to the bill locally). This could be politically sensitive for councils.
- 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 in personal budgets.
- 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. This would add to the bill locally.

- The presumption of **efficiency gains** from councils to fund the estimated £220 million shortfall by using less residential care is **untested and questionable**. Councils already have a 3% efficiency requirement next year. In addition, councils already meet on average 39% of costs from council tax. This would add to that proportion.
- Councils are worried that the numbers are highly speculative and **almost certainly too low**. Current studies suggest that those with 'highest need' can vary between 20% and 50% of users receiving public funds in different areas. We know little about demand from those paying for themselves at the moment. This affects how costs are modeled.

Maintaining the Debate

The LGA is committed to playing its part in this debate and working with the Government and all political parties to help build consensus for a reformed system of adult care and support. We would welcome the opportunity to discuss the implications of this consultation response for the White Paper with the Department of Health.

Over the coming months we will continue to work with our member authorities to develop a position on care and support reform that best reflects the concerns and aspirations of the local government sector. We will also work hard to ensure this important debate retains a high profile and does not slip off the policy agenda.

We look forward to the publication of a White Paper in early 2010.