

Shaping the Future of Care Together Green Paper

Shaping the Future of Care Together sets out a vision for a new care and support system. The Green Paper highlights the challenges faced by the current care system and the need for radical reform, to develop a National care service that is fair, simple and affordable for everyone.

Within the Green Paper, it sets out a number of consultation questions and asks everyone to provide their views about how they think Government can make this vision a reality and develop a care and support system fit for the 21st century.

The consultation will run from 14th July 2009 to 13th November 2009.

Problems with the current system

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

Some people qualify for support through disability benefits. Social care is provided by the state only to those who cannot pay for themselves. Those who can pay for themselves are expected to do so with no support from the state, sometimes having to use their life savings and the value of their house, until they have only £23,000 left.

For the large number of people who are expected to make provision for themselves, with no help towards the cost of care and support, this system can seem very unfair. Often, there is also little in the way of advice and support at times when families need it most.

As life expectancy rises and care costs become higher, families face uncertainty about the costs they are likely to incur and how best to plan for them. This Green Paper sets out options for radically different models for funding social care.

Vision for the Future

The Government's vision for the future is a National Care Service in England. In the new National Care Service everyone should be able to get really good care wherever they live.

The Green Paper sets out six fundamental principles of what people should be able to expect:

1. The right support to help you stay independent and well for as long as possible and to stop your care and support needs getting worse. You will receive free support to stay well and as independent as possible. People who are leaving hospital and need care and support for the first time should have the right to the re-ablement help they will benefit from at home, for example for six weeks.

This extra support will help people get back to their normal lives and should save money for the care and support system and the NHS. And depending on funding decisions, this right will be extended to more people.

2. Wherever you are in England, you will have the right to have your care and support needs assessed in the same way. And you will have a right to have the same proportion of your care and support costs paid for wherever you live. You will be able to take your needs assessment with you wherever you go, so wherever you are in England the assessment of your needs will be the same, enabling you to live the life you want wherever you want. Once you are assessed as needing care and support, you will get a proportion of your care and support costs paid for, and this will be the same wherever you are in England.
3. All the services that you need will work together smoothly, particularly when your needs are assessed. Whatever your care and support needs, services will work around you and will be better joined up. You will only need to have one assessment of your needs to gain access to a whole range of care and support services.
4. You can understand and find your way through the care and support system easily. When you need care and support, or are preparing for it, you will find it easy to get information about who can help you, what care you can expect and how quickly you can get it.
5. The services you use will be based on your personal circumstances and need. Your care and support will be designed and delivered around your individual needs. As part of your care and support plan, you will have much greater choice over how and where you receive support, and the possibility of controlling your own budget wherever appropriate.
6. Your money will be spent wisely and everyone who qualifies for care and support from the state will get some help meeting the cost of care and support needs. You will be able to get help with paying for your care and support needs, and your money will be used wisely to fund a care and support system that is fair and sustainable.

Funding Options

Current system – In the current system, people who have the highest needs and lowest means get some help through the social care system, and some people get help through disability benefits.

But many people, including some with high needs, get no help with paying for care at all. Twenty per cent of people will need care that costs less than £1,000 – but 20 per cent will need care that costs more than £50,000. And someone who is in a care home for years could have costs of more than £100,000.

If someone is in a care home and no one is living in their house, they are expected to use their savings and the value of their house to pay for care and accommodation, until they have used up almost all of them.

Proposed Options

1. Pay for Yourself

In this system, everybody would be responsible for paying for their own basic care and support, when they needed it. They could take out insurance to cover some of these costs, or use their income and savings. There would be no support from the state, even for people with the lowest incomes and no savings.

This is ruled out because it would leave many people without the care and support they need, and is fundamentally unfair because people cannot predict what care and support they will need.

2. Partnership

In this system, everyone who qualified for care and support from the state would be entitled to have a set proportion – for example, a quarter or a third – of their basic care and support costs paid for by the state. People who were less well-off would have more care and support paid for – for example, two-thirds – while the least well-off people would continue to get all their care and support for free.

A 65-year-old in England will need care and support that costs on average £30,000 during their retirement, so someone who got the basic offer of a third or a quarter paid for might need to pay around £20,000 or £22,500. Many people would pay much less. And some people who needed high levels of care and support would pay far more than this, and would need to spend their savings and the value of their homes. This system would work for people of all ages.

3. Insurance

In this system, everyone would be entitled to have a share of their care and support costs met, just as in the Partnership model. But this system would go further to help people cover the additional costs of their care and support through insurance, if they wanted to. The state could play different roles to enable this.

It could work more closely with the private insurance market, so that people could receive a certain level of income should they need care and support. Or the state could create its own insurance scheme. If people decided to pay into the scheme, they would get all their basic care and support free if they needed it.

People could pay in several different ways, in instalments or as a lump sum, before or after retirement, or after their death if they preferred. Once people had paid their contribution they would get their care and support free when they needed it.

As an indication of the costs, people might need to pay around £20,000 to £25,000 to be protected under a scheme of this sort, compared with the average cost of care for a 65-year-old which is £30,000. This system would work for people over retirement age.

However people paid, the insurance payment would help people to protect their wealth and the value of their homes. Whether they decided to pay during their working life, during their retirement or after they died, people would know that once they had made their contribution and paid for their accommodation, the costs of their care and support would not prevent the rest of their wealth being passed on to their children.

4. Comprehensive

In this system, everyone over retirement age who had the resources to do so would be required to pay into a state insurance scheme. Everyone who was able to pay would pay their contribution, and then everyone whose needs meant that they qualified for care and support from the state would get all of their basic care and support for free when they needed it.

It would be possible to vary how much people had to pay according to what they could afford. The size of people's contribution could be set according to what savings or assets they had, so that the system was more affordable for people who were less well-off.

Alternatively, if people wanted to be able to know exactly how much they would have to pay, most people other than those with lower levels of savings or assets could be required to pay a single, set figure, so that people knew how much they would have to save for. As an indication of the costs, people might need to pay around £17,000 to £20,000 to be protected under a scheme of this sort compared with the average cost of care for a 65-year-old which is £30,000. The cost would be less for people who were over 65 when the scheme was introduced.

However people paid, the insurance payment would help people to protect their wealth and the value of their homes. Whether they decided to pay during their working life, during their retirement or after they died, people would know that once they had made their contribution and paid for their accommodation, the costs of their care and support would not prevent the rest of their wealth being passed on to their children.

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

5. Tax-funded

In this system, people would pay tax throughout their lives, which would be used to pay for all the people who currently need care. When, in turn, people needed care themselves, they would get all their basic care free. This system would work for people of all ages.

This is ruled out because it places a heavy burden on people of working age.

Consultation Questions:

Question 1

We want to build a National Care Service that is fair, simple and affordable. We think that in this new system there are six things that you should be able to expect:

- prevention services
- national assessment
- a joined-up service
- information and advice
- personalised care and support
- fair funding.

- a) Is there anything missing from this approach?
- b) How should this work?

Question 2

We think that, in order to make the National Care Service work, we will need services that are joined up, give you choice around what kind of care and support you get, and are high quality.

- a) Do you agree?
- b) What would this look like in practice?
- c) What are the barriers to making this happen?

Question 3

The Government is suggesting three ways in which the National Care Service could be funded in the future:

- Partnership – People will be supported by the Government for around a quarter to a third of the cost of their care and support, or more if they have a low income.
- Insurance – As well as providing a quarter to a third of the cost of people's care and support, the Government would also make it easier for people to take out insurance to cover their remaining costs.

- Comprehensive – Everyone gets care free when they need it in return for paying a contribution into a state insurance scheme, if they can afford it, whether or not they need care and support.
- a) Which of these options do you prefer, and why?
- b) Should local government say how much money people get depending on the situation in their area, or should national government decide?