

## PAYING FOR CARE IN WALES

### WRITTEN AND ON-LINE RESPONSES TO THE GREEN PAPER CONSULTATION

#### CONSULTATION REPORT

'Paying for Care in Wales: Green Paper consultation on options for reform' was published on 16 November 2009. The consultation period ran for fourteen weeks, until 28 February 2010.

The consultation and engagement programme consisted of the following elements:

- Copies of the Green Paper were distributed to local authorities, health bodies, national third sector organisations and other interested parties.
- A dedicated website [www.payingforcareinwales.net](http://www.payingforcareinwales.net), with an on-line response facility, was hosted by the Local Government Data Unit.
- An 'Easy Read' was prepared and published – other alternative formats were available on demand.
- Publicity leaflets were distributed to GP surgeries and public libraries across Wales.
- Three regional consultation events were organised for stakeholders, in Llandudno, Cardiff and Carmarthen, with a view to stimulating further informed debate at a local level.

This report contains a summary analysis of the written and on-line responses received from organisations and individuals. A separate report has been prepared of the three consultation events. Both reports are being published together on the website.

There were 94 responses from organisations and 74 from individuals. The organisational responses have been summarised in alphabetical order under each of the consultation questions. The individual responses have also been summarised under each consultation question, but no comments have been attributed to particular individuals. The full list of organisations and individuals who responded may be found at the beginning of the respective report.

The report is set out as follows:

Page 2	Responses from organisations: summary
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Appendix A	Responses to consultation (organisations) <i>Includes list of organisations which responded</i>
Appendix B	Responses to consultation (individuals) <i>Includes list of individuals who responded</i>

## **GREEN PAPER ON PAYING FOR CARE IN WALES**

### **RESPONSES FROM ORGANISATIONS**

#### **SUMMARY**

There were 94 responses from organisations.

#### Principles

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

The Advisory Group's principles were broadly endorsed by respondents, but a number said that they needed further information, or that further work was needed on the options, before they could judge how far the principles had been taken into account. Some questioned why the focus of the Green Paper was primarily on older people.

#### Transformation of Social Services in Wales

##### **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?**

The majority of responses supported the Assembly Government's vision for social services, especially the intention to rebalance services towards prevention and early intervention. A number of local authorities specifically endorsed local government's role in delivering social care, but a handful of other respondents suggested that social care should be integrated with the NHS Local Health Boards. Better links between health and social services was a common theme here, and in answer to Question 4 on improving service delivery. Various specific suggestions were put forward for strengthening the strategy, such as specific support for carers, and the resources necessary for delivery.

#### Welsh solutions for Welsh challenges

##### **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 proposals made by the Prime Minister for England?**

The Assembly Government's approach to more consistent charging was welcomed by the majority of respondents. A few suggested that the £50 maximum charge would be of more use to those with higher levels of income or savings, and disproportionately affect those on lower incomes. Others were concerned about potential new costs to local authorities, and a handful of authorities mentioned disappointment that the First Steps Package is being financed through withdrawal of the Joint Working Grant.

### Service delivery Improvements

**Do you have any comments on what is proposed?**

**Key challenges for social services in Wales**

**Have we identified the right challenges?**

Respondents felt that the Assembly Government had largely identified the key challenges, but identified many areas where service delivery improvements were needed. These included more integrated working between health and social care; developing the social care workforce; and investing in information, advice and advocacy services.

### Commission on social services

**What issues would you want to see the Commission address?**

Various detailed suggestions were made, including improving the choice and quality of services, and more integrated models of care. Some of the national organisations had already responded to the Commission's call for evidence.

### A New Model for Funding Care

**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?**

Most respondents answered 'yes' to this question, but there were some reservations. A number, particularly local authorities, mentioned the issue of compensation payments, which cannot currently be taken into account in financial assessments for services. Other respondents felt that there should be one system for all, irrespective of age, with care provided on the basis of need rather than means. Others mentioned the need for younger disabled people to be supported into employment, where appropriate.

**In England, the 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?**

There was a mixed response to this question, reflecting respondents' favoured funding options. For example, those who favoured the 'taxation' option thought that care should be provided to all on the basis of need. Others were concerned that helping those who could afford to pay would reduce overall levels of support and affect those who could not afford to pay. A number of respondents questioned what was meant by 'everyone who qualifies'.

### Disability benefits

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

This question provoked the largest number of responses, with the majority strongly opposing any move to integrate Attendance Allowance (AA) into social care funding. It is clear that many older people value AA for the choice and control it gives them in meeting their care needs or the extra costs of disability. It is regarded as a key component of the prevention agenda, often being used to meet moderate levels of need which would not be met by the social care system. Withdrawing this benefit could lead to increased demand for social care assessments, and mean an increase in unmet low to moderate level needs. The potential impact on carers was mentioned in a number of responses, as Attendance Allowance is awarded regardless of whether a person receives unpaid care or not, whereas this is taken into account in social care assessments.

Some, however, thought this was an option worth exploring in more detail. These cited confusion over the purpose of these benefits, or the need for a simplified system.

Other issues raised included whether those who received Disability Living Allowance (DLA) before their sixty-fifth birthday would be able to carry it over as they do now; how carers benefits might be affected; and how an integrated system might affect the existing arrangement whereby DLA/AA acted as a 'passport' to other benefits such as the disability premium.

### Bringing new money into the system

#### **What do you think is the right approach to partnership between the state and the individual in Wales?**

The differing approaches to partnership explored in these consultation responses generally reflected respondents' favoured funding option. The idea of a partnership between the state and individual was generally accepted, but the nature of the partnership depended largely upon the preferred model.

**Do you agree with the conclusions 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 overwhelming majority of respondents who answered this question firmly thought that there was a central role for the state, especially in ensuring a fair funding system.

#### Different funding options

**What are your views on the various funding models? 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?**

Comments on the five funding options are given below:

#### Option 1: Pay for Yourself

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

There was almost unanimous agreement that this option should be ruled out.

#### Option 2: Taxation

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

This question provoked a large number of responses and much comment. The majority of respondents did not agree with the decision to rule out this option, and felt that the arguments for and against funding care through taxation should be revisited. It was felt by many to be the nearest to the Advisory Group’s principles, especially in terms of fairness and simplicity. There were calls for the Department of Health to release its economic modelling so that the implications of this model could be considered properly.

Those who agreed that taxation was not a viable option did so for a number of reasons, including the increased tax burden and the lack of political will.

#### Option 3: Partnership

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

The majority of respondents who answered this question thought that the partnership option on its own would not be sufficient. There were concerns

that on the one hand it would penalise the thrifty, and on the other that it could lead to a two-tier system.

#### Option 4: Insurance

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

Many responses to this question revealed a high degree of anxiety about the insurance option, particularly around the involvement of the private sector. The banking crisis has dented people's confidence in the private financial sector. Several respondents were concerned that people with pre-existing or genetic conditions would face unacceptably high premiums. There was also concern that if these schemes were voluntary, not enough people would opt-in to make them viable. A number of respondents stated a preference for a state-backed scheme, with the funds ring-fenced for care.

#### Option 5: Comprehensive

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

There were mixed responses to this option. Many thought that it was the most attractive of the options under active consideration, and would work better than the insurance model. Some supporters, however, questioned the difference between compulsory state insurance and taxation.

Those who were opposed to this option felt that it would place an additional and unfair burden on retired people, replacing National Insurance with another form of tax. Some questioned why a flat-rate payment was being considered. Others felt that it would cause resentment among those who did not in the end need care – something that would be disguised if it were paid for from general taxation or a form of National Insurance.

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

Opinion was fairly evenly divided among those who responded to this question. Some opposed the idea on the grounds of equality, and felt that everyone should be treated the same. There was also some discussion of how 'couples' would be defined. Those in favour mentioned that benefits and pensions are all less pro rata for couples, so a lower charge would be appropriate. Some suggested that it might provide a disincentive to provide informal care.

### Ways to contribute

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

Some respondents used this question to restate the case for a taxation or National Insurance-based solution. A few mentioned the need for flexibility and choice – a menu of options. Specific ideas included investing a lump sum at birth (possibly an Individual Care Account), putting an additional 1% on VAT, and a ‘Credits for Caring’ scheme.

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

A majority welcomed this proposal, but a significant minority did not (or did not think it a priority). A number of respondents felt that accommodation costs should be considered as part of the care and support package for individuals, and included in the new arrangements for paying for care. One suggested that if accommodation costs are excluded, a large element of the current unpopular system will be maintained. Specific issues raised were how providers fund accommodation costs during the deferral period, and what would happen if the deferral costs exceeded the value of the estate.

#### **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?**

Those who specifically answered this question acknowledged the difficulty of striking an acceptable balance. Some reiterated their belief that the only fair system was one based on an individual’s needs rather than ability to pay. A few favoured higher capital limits.

### A nationally or locally determined funding system

#### **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?**

A large majority of respondents thought that there should be an all-Wales system. However, a number of these mentioned the need for local flexibility in the way services were commissioned and delivered.

**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?**

There were mixed opinions on this. A majority were in favour of consistency, although the reasons given varied from achieving consistency in outcomes or ensuring cross-border portability, to a pragmatic acceptance that Wales cannot go it alone while major areas such as taxation and welfare benefits are non-devolved. Some felt it depended on which system was chosen, or on the funding available to Wales. A minority were undecided, or favoured a Welsh model for funding care.

# GREEN PAPER ON PAYING FOR CARE IN WALES

## RESPONSES FROM INDIVIDUALS

### SUMMARY

There were 76 responses from individuals.

*No summary analysis is offered for the questions on 'Transformation of Social Services in Wales' due to the low number of individual respondents who commented on these, and the variety of answers provided.*

*This paper gives a general summary analysis of answers to the questions in Chapter 3 'A New Model for Funding Care'.*

### A New Model for Funding Care

Overall, the issues which prompted the most feedback from individuals were:

- The retention of Attendance Allowance and Disability Living Allowance as benefits rather than that funding being merged into a social care funding 'pot'.
- The favouring of general taxation as the means of paying for care.
- The strong view that people who had worked hard and saved should not be penalised for having accumulated assets that would be used to pay for care against those who hadn't been prudent receiving free care.

### **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?**

The majority of respondents stated that people disabled early in their lives should continue to have their care and support funded by the state. Some respondents stated that the funding should only be available if the disability is not caused by their own making. Other respondents felt that if the individual had received substantial compensation for a disabling injury then they should receive no further funding from the state.

### **In England, the 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?**

The majority of respondents felt that everyone who qualified for help and support should receive it on the basis that we all pay for health and education services whether we need them or not so it should be the same for care.

### Disability Benefits

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

A significant majority of respondents felt that it would be totally unacceptable to merge AA and DLA into a social care funding system. The arguments centred on the loss of choice, control, dignity and independence. Some suggested that Social Services struggle to provide the services they do now and questioned whether they would be able to provide further services. However a significant minority of respondents felt these benefits should be merged. The arguments centred on the cost of care being so high and that a holistic approach to care would be provided.

### Bringing new money into the system

#### **What do you think is the right approach to partnership between the state and the individual in Wales?**

Many respondents felt that the state should make it compulsory for people to contribute to their care costs. Others felt that those who can't afford to pay shouldn't be expected to but that those who can should.

#### **Do you agree with the conclusions 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 majority of respondents felt there should be a central role for the state in providing a basic level of care and if people wished to pay more for additional provision then they should be able to. People should be able to choose.

### Different funding options

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

Everyone who responded agreed that the Pay For Yourself option should be ruled out.

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

The overwhelming majority of respondents felt that care should be paid for out of taxation, that it was the fairest option and that the funding should be ring fenced for care. However a significant minority felt that to do so would place an unfair burden on the younger generation. Some correspondents referred to their caring role – carers save the government £87 billion per year - which prevented them from working and earning.

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

The majority of respondents were not in favour of this option. It was considered neither fair nor equitable. A number commented that the voluntary nature of it would mean that many would choose not to pay.

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

Apart from Pay for Yourself, many respondents felt this was the least popular option from those presented. There was considerable suspicion about the use of private insurance companies given that profit making will be one of their central aims. If there was to be an insurance scheme, then it should be state run. Some considered that the existing NI arrangements could be utilised for this purpose.

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

The majority of respondents felt that this was the preferred option if the general taxation route could not be pursued. It appears to be the fairest recognising that the government cannot afford to pay all costs.

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

There appears to be an even split across respondents that favour a lower payment charge for couples and those that don't.

Ways to contribute

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

Many respondents felt that one option would be to pay additional funding into National Insurance as it would be simple and the system is already set up. The same applies to general taxation.

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

The majority of respondents supported the right to defer care and accommodation costs although no strong views were conveyed.

**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 significant majority of respondents commented that those who have worked hard and saved should not be penalised for having done so in terms of having to pay over assets to pay for care in comparison to those who have never worked and never saved receiving free care.

A nationally or locally determined funding system

**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?**

The majority of respondents felt that an all Wales system would be the fairest and simplest.

**The majority of respondents felt that an all Wales system would be the fairest and simplest.**

There was an even split in the number of respondents favouring an England and Wales system and a Wales only system. An England and Wales system was judged to be simplest although no particular arguments were conveyed in support of a Wales only system.