

NORTH LANARKSHIRE COUNCIL

REPORT

TO: Social Work Committee	Subject: Royal Commission on Funding for Long Term Care
FROM: Jim Dickie Director of Social Work	
DATE OF COMMITTEE: 24 August 1999	
REPORT AUTHOR: George McNally	
REF: JD/GMcI/DH	

1 PURPOSE OF REPORT

- 1.1 To advise the Social Work Committee of the publication of the Royal Commission Report on the Funding for Long Term Care.

2 BACKGROUND

- 2.1 Following the implementation of the Community Care and National Health Services Act 1990 in April 1993, there was criticism of the system of funding long term care.
- 2.2 In December 1997 the Government announced the appointment of a Royal Commission under the chairmanship of Sir Stewart Sutherland to investigate the issue of long term care. The terms of reference for the Royal Commission were:

“Examine the short and long term options for a sustainable system of funding of long term care for elderly people both in their own homes and in other settings, and, within 12 months to recommend how, and in what circumstances, the cost of such care should be apportioned between public and individuals”.

- 2.3 In carrying out their remit the Commission were asked to have regard to issues such as:-
- ◆ the number of people likely to require various kinds of long term care.
 - ◆ the expectations of elderly people for dignity and security in the way their long term care needs are met.
 - ◆ the strength and weaknesses of the current system.
 - ◆ fair and efficient ways for individuals to make any contributions required of them.
 - ◆ constraints on the public purse.
 - ◆ the deliberations of the Governments comprehensive spending review including the review of pensions.

- ◆ the implications of their recommendations for younger people who by reason of illness or disability have long term care needs.
- ◆ the Commissions recommendations should be costed.

3 THE WORK AND FINDINGS OF THE COMMISSION

3.1 The Commission held 15 meetings between December 1997 and February 1999. In addition to public sessions to gather evidence from interested parties, many individuals and bodies submitted written evidence for the Commissions consideration.

3.2 The report of the Commission was published in April 1999, it made a series of recommendations which are summarised on schedule 1 of this report. The two main recommendations being:-

i) "The cost of care for those individuals who need it should be split between living costs, housing costs and personal care. Personal care should be available after assessment, according to need and paid for from general taxation: the rest should be subject to a co-payment according to means".

ii) "The Government should establish a National Care Commission which will monitor trends including demography and spending, ensure transparency and accountability in the system, represent the interests of consumers and set national benchmarks now and in the future".

3.3 Apart from their recommendations, the Commission drew a number of conclusions from their investigation, some of which are worthy of note.

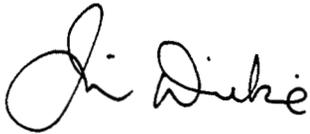
- ◆ There is no "demographic timebomb" as far as long term care is concerned and as a result of this long term care will be affordable.
- ◆ Long term care is a risk that is best covered by some kind risk pooling - to rely on income or savings, as most people effectively have to do now, is not efficient or fair due to the nature of the risk and the size of the sums required.
- ◆ The elements of care which relate to living costs should be met from people's income and savings subject to a means testing as now while special costs that are called "personal care" should be met by the state. It is estimated that this will cost between £800 million and £1.2 billion a year (at 1995 prices).
- ◆ More care should be given to people in their own homes, therefore, the role of housing will be increasingly important in the provision of long term care.
- ◆ The system needs more effective pooling of budgets including bringing together the budgets for housing aids and adaptations into a single pot.

4 CONCLUSION

- 4.1 The Royal Commission Report makes a number of important recommendations, which if adopted will remove some of the more contentious issues from the long term care agenda, and in so doing has the potential to give peace of mind and security to those who have recourse to long term care services.
- 4.2 To date there has been no firm indications from the Government on the acceptance of the recommendations and the timescale for implementation of the Commission Report.

5 RECOMMENDATIONS

- 5.1 Committee requested to:
- i) Note the terms of this report.



Jim Dickie
Director of Social Work
17 August 1999

For further information on this report please contact . Principal Officer (Strategy) (TEL: 01698 332063)

Schedule 1**Royal Commission Report on Funding For
Long Term Care****SUMMARY OF RECOMMENDATIONS**

- ◆ The costs of care for those individuals who need it should be split between living costs, housing costs and personal care. Personal care should be available after an assessment, according to need and paid for from general taxation: the rest should be subject to a co-payment according to means.
- ◆ The Government should establish a National Care Commission which will monitor longitudinal trends, including demography and spending, ensure transparency and accountability in the system, represent the interests of consumers, encourage innovation, keep under review the market for residential care, nursing care, and set national benchmarks, now and in the future.

FUNDING

- ◆ The Government should ascertain precisely how much money, whether from NHS, Local Authority Social Services and Housing budgets, or from Social Security budgets, goes to supporting older people in residential settings and in people's homes.
- ◆ The value of the home should be disregarded for up to three months after admission to care in a residential setting (with appropriate safeguards to prevent abuse) and the opportunity for rehabilitation should be included as an integral and initial part of any care assessment before any irreversible decisions on long-term care are taken.
- ◆ Measures should be taken to bring about increased efficiency and improved quality in the system, including a more client centred approach, a single point of contact for the client with developed budgeting, budgets shared between health, social services and other statutory bodies and greater integration of budgets for aids and adaptations.
- ◆ The Commission set out a number of other changes to the current system, such as changing the limits of the means test, or making nursing care free, which would be of value in themselves, but which would be subsumed by our main recommendation.
- ◆ The resources which underpin the Residential Allowance in Income Support should be transferred to local authorities.
- ◆ The Government should consider whether "preserved rights" payments in social security should be brought within the post 1993 system of community care funding, or whether some other solution can be found to address the shortfall in funding experienced by this group.

- ◆ The Government's proposals on pooled budgets should be taken further, with pooled budgets being implemented nationally.
- ◆ Budgets for aids and adaptations should be included in and accessible from a single budget pool and a scheme should be developed which would enable Local Authorities to make loans for aids and adaptations for individuals with housing assets.
- ◆ The system for making direct payments should be extended to the over 65s, subject to proper safeguards and monitoring.

PROVISION OF SERVICES

- ◆ Further research on the cost effectiveness of rehabilitation should be treated as a priority, but that this should not prevent the development of a national strategy on rehabilitation led by the Government to be emphasised in the performance framework for the NHS and Social Services.
- ◆ Further longitudinal research is required to track the process and outcomes of preventative interventions and to assess their impact both on quality of life and long-term costs.
- ◆ It should be a priority for Government to improve cultural awareness in services offered to black and ethnic minority elders.
- ◆ The role of advocacy should be developed locally, with backing from central Government.
- ◆ There should be wider consultation on the provision of aids and adaptations and on what should under a new system be free and what should be subject to a charge.

HELP FOR CARERS

- ◆ Better services should be offered to those people who currently have a carer.
- ◆ The Government should consider a national carer support package.

YOUNGER DISABLED PEOPLE

- ◆ In the light of the Commission's main recommendations, the Government should consider how the provision of care according to need would relate to Independent Living Fund provision for the personal care needs of younger disabled people.

IMPLEMENTATION

- ◆ Many of our recommendations can be implemented without the need for primary legislation. Examples include the disregard of housing assets for the first three months, changing the means-test limits, or extending the provision of free nursing care. The National Care Commission could be established as a shadow body within Government. We would urge the Government to implement our proposals as soon as possible. The need for change is pressing.