



## BRIEFING PAPER

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# Social care: forthcoming Green Paper on older people and parallel programme (England)

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## Summary

This House of Commons Library briefing paper looks at the forthcoming Green Paper on social care for older people – there will be a “parallel process” of work looking at social care for working age adults (although it does not appear that there will be a separate Green Paper covering this group).

In the March 2017 Budget, the Conservative Government said that it would publish a Green Paper on social care, in order to allow a public consultation to be held. This followed the decision in July 2015 to postpone the introduction of a cap on lifetime social care charges and a more generous means-test that had been proposed by the “Dilnot Commission” and accepted in principle by the then Coalition Government.

During the subsequent 2017 General Election campaign, the Conservative Party made a manifesto commitment to introduce the Green Paper.

The publication of the Green Paper has been delayed several times: from an original publication date of “summer 2017” and then to “the end of” 2017, a revised timeframe of “before the summer [Parliamentary] recess” (i.e. 25 July 2018) was announced. In June 2018, the then Health and Social Care Secretary announced a further delay to the “autumn” of 2018 following the announcement that a ten-year plan for the NHS would be developed.

The Government has said that the proposals in Green Paper will “ensure that the care and support system is sustainable in the long term”. During the General Election campaign, the Prime Minister said that the proposals in the Green Paper would include a lifetime “absolute limit” (i.e. cap) on what people pay for social care, and the Conservative Party’s manifesto also proposed changes to the means-test. The former Health and Social Care Secretary subsequently confirmed that a cap on lifetime social care charges would be introduced.

Other topics that the Government have said will be included include integration with health and other services, carers, workforce, and technological developments, among others. The Government will also consider domestic and international comparisons as part of the preparation for the Green Paper.

Social care is a devolved matter. This note relates to England only.

A list of other Library briefings on social care, including a paper on the Conservative Party’s General Election pledges on social care, can be found at the end of this note.

## 1. Timeline of key announcements

- March 2017 – in his Budget Statement, the Chancellor of the Exchequer announced there would be a social care Green Paper, and the then Health Minister stated that it would be published in the summer of that year;
- May 2017 – in its General Election manifesto, the Conservative Party committed to publishing the Green Paper;
- June 2017 – a minority Conservative Government is elected, and the Queen’s Speech stated that the Government would “work to improve social care and bring forward proposals for consultation”;
- July 2017 – in regard to social care reform, the Government said: “we cannot wait any longer—we need to get on with this”, adding the Green Paper would be published “at the end of this year”;
- November 2017 – the Government stated that the Green Paper would be published by the parliamentary summer recess in 2018 (i.e. 25 July 2018);
- December 2017 – the Government announced that the cap on social care would not be introduced in April 2020 (having already been deferred from April 2016), and did not set a new implementation date;
- January 2018 – lead responsibility for the Green Paper transferred from the Cabinet Office to the renamed Department of Health and Social Care (DHSC);
- March 2018 – the then Health and Social Care Secretary set out the seven principles that would “guide the Government’s thinking ahead of the social care green paper”;
- June 2018 – the then Health and Social Care Secretary announced a further delay in the publication of the Green Paper to “autumn” of 2018;
- July 2018 – Matt Hancock appointed as Health and Social Care Secretary, replacing Jeremy Hunt who had been in post since 2012.

## 2. Background and announcement

As the then Minister responsible for the Green Paper, Damian Green, told the House in November 2017, “reform of this vital sector [of care and support for older people] has been a controversial issue for many years, but the realities of an ageing society mean that we must reach a sustainable settlement for the long-term”.<sup>1</sup>

### Box 1: How do people pay for social care at present?

While the NHS is mostly free at the point of use (except e.g. dentistry, prescriptions for some groups), this is not the case for social care. Instead, a means-test is applied to determine if someone requiring social care support is eligible for local authority funding support.

At present, care home residents with capital below £23,250 (which may include the value of their home) are eligible for such support and even then they have to contribute their income (and some of their capital if in excess of £14,250) towards the cost.

For those receiving social care in other settings, such as at home, local authorities can establish their own frameworks for charging (if they decide to charge) – a key difference is that the value of a person’s home is always excluded (or “disregarded”) from the means-test.

There is no limit to the amount of social care funding an individual can have to make during their lifetime, which can lead to “catastrophic” social care bills for some people.

However, if someone qualifies for NHS Continuing Healthcare because their needs are primarily health-related, then both their health and social care costs are met by the NHS.

Further information can be found in the Library briefing papers:

- [Social care: paying for care home places and domiciliary care \(England\);](#)
- [NHS Continuing Healthcare in England.](#)

Since 1997, there have been a number of Government reviews of social care and how it is funded, most recently the “Commission on the Funding of Care and Support” chaired by Sir Andrew Dilnot.<sup>2</sup> The Commission proposed a cap on lifetime social care costs and a more generous means-test, among other measures, which the then Coalition Government accepted in principle (although it revised the details of the Commission’s proposals).<sup>3</sup>

The *Care Act 2014* laid the legislative foundations for the new approach, but in July 2015 the newly-elected Conservative Government announced that the introduction of the cap and more generous means-test, as well as some other reforms, would be postponed from April 2016 to April 2020 (this April 2020 date was itself dropped in December 2017).<sup>4, 5</sup>

In his March 2017 Budget Statement, the Chancellor of the Exchequer, Philip Hammond, announced that “the Government will set out their thinking on the options for the future financing of social care in a Green Paper later this year”.<sup>6</sup>

The Budget “Red Book” added further details on the rationale for the Green Paper:

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<sup>1</sup> [HCWS258 16 November 2017](#)

<sup>2</sup> See the Library briefing paper, [Social care: Government reviews and policy proposals for paying for care since 1997 \(England\).](#)

<sup>3</sup> See the Library briefing papers, [Social care: Announcements delaying the introduction of funding reforms \(including the cap\) \(England\)](#) and [Social care: how the postponed changes to paying for care, including the cap, would have worked \(England\).](#)

<sup>4</sup> [HC Deb 7 December 2017 c1235](#)

<sup>5</sup> While the introduction of the cap has been postponed pending the publication of the Green Paper and the outcome of the consultation, the Government has yet to clarify the timetable for the introduction of the more generous means-test which was part of its response to the Dilnot Commission, which the now Department of Health and Social Care has previously said was also due to be introduced in April 2020 [Email to the House of Commons Library from Department of Health officials, 21 July 2015].

<sup>6</sup> [HC Deb 8 March 2017 c818](#)

## 6 Social care: forthcoming Green Paper on older people and parallel programme (England)

In the longer term, the government is committed to establishing a fair and more sustainable basis for adult social care, in the face of the future demographic challenges set out in the OBR's [Office for Budget Responsibility] Fiscal Sustainability Report. The government will set out proposals in a green paper to put the system on a more secure and sustainable long term footing.<sup>7</sup>

### Box 2: What is a Green Paper?

Green papers are consultation documents produced by the Government. The aim of this document is to allow people both inside and outside Parliament to give the department feedback on its policy or legislative proposals.

During the 2017 General Election campaign, the Conservative Party made a number of pledges regarding how individuals pay for social care,<sup>8</sup> and said that they would honour the commitment they had made in the March 2017 Budget to publish a Green Paper:

An efficient elderly care system which provides dignity is not merely a function of money. So our forthcoming green paper will also address system-wide issues to improve the quality of care and reduce variation in practice. This will ensure the care system works better with the NHS to reduce unnecessary and unhealthy hospital stays and delayed transfers of care, and provide better quality assurance within the care sector.<sup>9</sup>

The first Queen's Speech of the new Parliament stated that: "My Ministers will work to improve social care and will bring forward proposals for consultation".<sup>10</sup>

<sup>7</sup> HM Treasury, [Spring Budget 2017](#), HC1025 2016-17, 8 March 2017, p47, para 5.6

<sup>8</sup> See the Library briefing paper, [Social care: the Conservative Party's 2017 General Election pledges on how individuals pay for care \(England\)](#).

<sup>9</sup> Conservative Party, [The Conservative and Unionist Party Manifesto 2017 – Forward, Together: Our Plan for a Stronger Britain and a Prosperous Future](#), May 2017, p65 [from the Amazon website]

<sup>10</sup> [HL Deb 21 June 2017 c6](#) and 10 Downing Street, [The Queen's Speech and Associated Background Briefing, on the Occasion of the Opening of Parliament on Wednesday 21 June 2017](#), 21 June 2017, p58

### 3. An older people Green Paper, and a separate “parallel programme” to look at specific issues for working age adults

The Government has said that the Green Paper will “focus on care for older people, but many of the issues and questions about the sustainability of the care system will be relevant to adults of all ages”. Therefore:

To ensure that issues specific to working-age adults with care needs are considered in their own right, the Government will take forward a parallel programme of work which is being led jointly by the Department of Health [now the Department of Health and Social Care] and the Department for Communities and Local Government [now the Ministry of Housing, Communities and Local Government], which will focus on this group.<sup>11</sup>

Further information was provided by the Parliamentary Under-Secretary for State, Jackie Doyle-Price in December 2017; replying to a point made by the Shadow Minister for Mental Health and Social Care, Barbara Keeley, the Minister said:

On working-age adults, the hon. Lady is right to some extent in that there are some common issues in the adult social care system that affect both care for the elderly and care for working-age adults, and those common issues will be considered as part of the Green Paper process. At the same time, however, we are going through massive change in how we deal with people with disabilities. We have the very brave ambition of getting more and more people into work and we are on a journey of getting people with learning disabilities out of long-term residential care and into work in the community, and that brings a separate set of challenges. That work will go on in parallel, but the work on the Green Paper will look at the common issues as well as at the specific area of care for the elderly. I hope that gives her some reassurance. We cannot look at this in a silo ... Care for the elderly and care for working-age adults face very distinct challenges, and I do not think we should diminish either constituency by grouping them all together.<sup>12</sup>

Ms Doyle-Price’s equivalent in the House of Lords, Lord O’Shaughnessy, added that while there would be “a parallel programme for working age adults ... it is of course separate from social care for older people”.<sup>13</sup>

More recently, in May 2018 the Government said “the Green Paper will inevitably cover a range of issues that are common to all adults with care and support needs, whether older people or those of working age”.<sup>14</sup>

In terms of taking forward work on the parallel programme, in January 2018 the Government said that it was “developing plans for engaging stakeholders in this work” and that it would “ensure that the views of people who use social care services, including disabled working-age adults, closely inform this work as it progresses”.<sup>15</sup>

The Government has not stated in what form the outcomes of its parallel programme for working age adults will be published, and has not made a commitment to publish a social care Green Paper for working-age adults.

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<sup>11</sup> [PO HL3917 13 December 2017](#)

<sup>12</sup> [HC Deb 7 December 2017 c1239](#)

<sup>13</sup> [HL Deb 7 December 2017 c1201](#)

<sup>14</sup> [PO HL7419 14 May 2018](#)

<sup>15</sup> [PO HL4545 22 January 2018](#)

## 4. The seven principles to guide the Government's thinking

In a speech on 20 March 2018, the then Health and Social Care Secretary, Jeremy Hunt, outlined “the seven key principles that will guide our thinking ahead of the Green Paper”, namely:

- quality and safety embedded in service provision
- whole-person, integrated care with the NHS and social care systems operating as one
- the highest possible control given to those receiving support
- a valued workforce
- better practical support for families and carers
- a sustainable funding model for social care supported by a diverse, vibrant and stable market
- greater security for all – for those born or developing a care need early in life and for those entering old age who do not know what their future care needs may be.<sup>16</sup>

Mr Hunt added that “innovation is going to be central to all of these principles: we will not succeed unless the changes we establish embrace the changes in technology and medicine that are profoundly reshaping our world”.

The former Health and Social Care Secretary concluded his speech by saying:

By reforming the system in line with these principles everyone – whatever their age – can be confident in our care and support system. Confident that they will have control, confident that they will have quality care and confident that they will get the support they need from wider society.<sup>17</sup>

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<sup>16</sup> Department of Health and Social Care, [We need to do better on social care](#), speech, 20 March 2018

<sup>17</sup> As above



## 5. Confirmed contents of the Green Paper for older people

The Government has said that the Green Paper will look at social care more broadly, and not just how individuals have to pay for it:

To achieve reform where previous attempts have failed, we must look more broadly than social care services alone, and not focus narrowly on questions of means-testing, important though these are.<sup>18</sup>

Nevertheless, while the Green Paper will look at issues other than funding and would “have to consider the shape of the market and making sure that the whole system is put on a sustainable basis for the future”, the Government has stated that “the consultation [Green Paper] is looking primarily at the funding situation”.<sup>19</sup>

The Government has said that the Green Paper will propose a number of options for social care and is seeking a consensus on the development of policies:

The consultation will cover a wide range of options to encourage a very wide debate. It will set out options to improve the social care system and put it on a more secure financial footing, supporting people, families and communities to prepare for old age, and it will address issues related to the quality of care and variation in practice. It will include proposals on options for caps on overall care costs and means-tested floors. It is, however, a consultation, and the Government wish to approach the future of social care in the spirit of consensus. Our consultation is designed to encourage a grown-up conversation in order that society can rise to this challenge.<sup>20</sup>

To date, the Government has confirmed that the Green Paper on social care for older people will cover the following issues:

- a sustainable social care system – “we will put forward proposals in the Green Paper to ensure that our care and support system is sustainable in the long term and that people receive the services they need in the most appropriate setting for them”;<sup>21</sup>
- how people pay for social care including a cap on lifetime social care bills – “we will consult on options which will include a capital floor [i.e. means-test] and an absolute limit [i.e. cap] on the amount people who can be asked to pay, and are keen to hear different views on the cap, both its level and design”.<sup>22</sup> During the General Election, the Conservative Party pledged a more generous £100,000 means-test, financed by the inclusion in the means-test of a person’s home if they received domiciliary care.<sup>23, 24</sup> Seemingly pre-empting the outcome of the Green Paper consultation, the Prime Minister said during the election campaign that an “absolute limit” on lifetime social care charges would be introduced,<sup>25</sup> which was confirmed by the then Health and Social Care Secretary: in March 2018 it was reported that, when “asked directly if ... there would be a cap on what any individual had to pay, he replied: ‘Yes.’”;<sup>26</sup>

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<sup>18</sup> [HCWS258 16 November 2017](#)

<sup>19</sup> [HL Deb 10 October 2017 c113](#)

<sup>20</sup> [HC Deb 25 October 2017 c323](#)

<sup>21</sup> [PO 117823 13 December 2017](#)

<sup>22</sup> [PQ 110250 7 November 2017](#)

<sup>23</sup> For more information, see the Library briefing paper [Social care: the Conservative Party's 2017 General Election pledges on how individuals pay for care \(England\)](#).

<sup>24</sup> The value of the home is already included in the social care means-test for care home residents, subject to certain exceptions; see the Library briefing paper, [Social care: paying for care home places and domiciliary care \(England\)](#).

<sup>25</sup> Welsh Conservatives, [Theresa May: Speech at the Welsh Conservative Manifesto Launch](#), 22 May 2017

<sup>26</sup> [“Jeremy Hunt confirms individual costs for social care to be capped”](#), *The Guardian*, 20 March 2018

## 10 Social care: forthcoming Green Paper on older people and parallel programme (England)

- the Competition and Markets Authority's (CMA) care home market report – published on 30 November 2017,<sup>27</sup> in March 2018 the Government published its response to the report,<sup>28</sup> and stated that the Green Paper would “take forward” the issues raised by the CMA;<sup>29</sup>
- market stabilisation – the former Health and Social Care Secretary said that this was “one of the key parts” of the Green Paper that the DHSC was working on, adding that “we have seen a number of care homes go under ... Our particular concern is ... people in the advanced stages of dementia who might not be able to get the care that they want. This is a key focus of our work”;<sup>30</sup>
- market shaping and capacity – the DHSC said that the Green Paper will “consider the fundamental issues facing the care system, including the future sustainability of the market, capacity planning and market shaping responsibilities”, which are currently the responsibility of local authorities as set out in the Care Act 2014;<sup>31</sup>
- integration of health and social care – the Government said the Green Paper “naturally needs to look particularly at the interaction between health and social care”;<sup>32</sup>
- holistic and person-centred – “the whole purpose of having a Green Paper and a debate is to make sure that we consider this issue not in a silo, but holistically [e.g. with housing], with a person-centred approach”;<sup>33</sup>
- housing – the Government has said that “housing will be a crucial part of considerations for reform of care and support”, adding “we intend to set out proposals for existing, new, and specialised housing, to ensure people can live in a ‘safe and suitable’ home, for as long as possible”.<sup>34</sup> The former Health and Social Care Secretary said that the Green Paper will have a “significant chapter on housing”;<sup>35</sup>
- the role of carers – “the Green Paper will include a focus on unpaid care and how our society supports carers as a vital part of a sustainable health and social care system”.<sup>36</sup> The Government said that it was “committed to making sure that the issues raised with us through the call for evidence on carers [i.e. the “Carers strategy: call for evidence”] in 2016 are central to any proposals for the wider social care system” in the Green Paper.<sup>37, 38, 39</sup> The Government has said that “the call for evidence was launched in preparation for a Carers Strategy. The announcement of a Green Paper on Care and Support for Older People presents an opportunity for a more fundamental approach to tackling the challenges carers face, by considering

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<sup>27</sup> Competition and Markets Authority, [Care homes market study](#), webpage updated 22 March 2018

<sup>28</sup> Department of Health and Social Care, [CMA care homes market study: government response](#), 5 March 2018

<sup>29</sup> [PQ 116913 5 December 2017](#) and Department of Health and Social Care, [CMA care homes market study: government response](#), 5 March 2018, p7, para 2.9

<sup>30</sup> [HC Deb 6 February 2018 c1348](#)

<sup>31</sup> [PQ 143779 17 May 2018](#)

<sup>32</sup> [HL Deb 16 March 2017 c1950](#)

<sup>33</sup> [HC Deb 7 December 2017 c1239](#) and [PQ 126945 9 February 2018](#)

<sup>34</sup> [PQ 152243 19 June 2018](#)

<sup>35</sup> [HC Deb 8 May 2018 c519](#)

<sup>36</sup> [PQ 112788 21 November 2017](#)

<sup>37</sup> [HC Deb 7 December 2017 c1236](#)

<sup>38</sup> GOV.UK, [Carers strategy: call for evidence, closed consultation](#), accessed on 27 March 2018

<sup>39</sup> In June 2018, the Government published the [Carers Action Plan 2018 – 2020](#), which it said was “a staging post between now and the intention to introduce fully fledged policy proposals [in the social care Green Paper] in due course” [[HL Deb 7 December 2017 c1200](#), see also p8 of the Action Plan].

them alongside our strategy for social care”.<sup>40</sup> In June 2018, it published its [response to the call for evidence](#);

- workforce – in response to the question, “what assessment his Department has made of the effect of the UK leaving the EU on the availability of non-UK EU nationals to work in the social care sector”, the Parliamentary Under-Secretary for the then Department of Health said “we are aware that our challenge ... is to ensure the [adult social care] workforce has the right number of people ... with the right skills ... That is why we have set out a plan to attract and retain talented staff, backed by an additional £2 billion investment in the sector over the next three years and a commitment to publishing a Green Paper by summer 2018, setting out proposals for reform to ensure sustainability in social care in the long term”.<sup>41</sup> In addition, it said that “the results of the consultation ... on the draft Health and Social Care Workforce Strategy ... will inform both the final strategy and the Green Paper on care and support for older people, both due later this year”;<sup>42</sup>
- social isolation and loneliness – in response to a parliamentary question on this topic, the Government said that the Green Paper “will set out a number of proposals to help older people live healthier, longer, and more independent lives”;<sup>43</sup>
- technological developments – “our vision for care ... must consider how care is provided at present and challenge the system to embrace new technology, innovation and workforce models which can deliver better quality and value”;<sup>44</sup>
- domestic and international comparisons – “international comparisons of different funding systems are being actively explored in preparation for the Green Paper”<sup>45</sup> – it will also include a review of social care policies in the other nations of the UK.<sup>46</sup> Mr Hunt said that “we need to look at models from all over the world and learn from the progress that has been made, although I think it is also fair to say that I do not think that anyone has really cracked this to their own satisfaction. I still think that everyone is wrestling with this huge challenge of the growth in older people”.<sup>47</sup>

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<sup>40</sup> Department of Health and Social Care, [How can we improve support for carers? – Government response to the 2016 carers call for evidence](#), June 2018, p5

<sup>41</sup> [PQ 902945 14 December 2017](#)

<sup>42</sup> [PQ 142452 14 May 2018](#)

<sup>43</sup> [PQ 154719 21 June 2017](#)

<sup>44</sup> [HCWS258 16 November 2017](#) and [PQ 126945 9 February 2018](#)

<sup>45</sup> [PQ 119650 19 December 2017](#)

<sup>46</sup> [HC Deb 7 December 2017 c1240](#)

<sup>47</sup> Health Committee, [The Work of the Secretary of State](#), HC 523 2017–2019, 23 January 2018, Q167

## 6. Collaboration in developing the Green Paper

### 6.1 Cross-departmental involvement and input from independent experts

Development of the Green Paper is being overseen by an “Inter-Ministerial Group ... and as part of this initial engagement we have asked a number of independent experts in this area to provide their views to the group”. The Inter-Ministerial Group also has oversight of the parallel programme of work on social care for working age adults.<sup>48</sup>

As of November 2017, the make-up of the Group included Ministers drawn from: the Cabinet Office; HM Treasury; and the Departments of Health (now Health and Social Care); Communities and Local Government (now the Ministry of Housing, Communities and Local Government, or MHCLG); Work and Pensions; and Business, Energy and Industrial Strategy.<sup>49</sup>

The list of the independent experts supporting the Group is:

- Caroline Abrahams – Charity Director of Age UK
- Dame Kate Barker – former Chair of the King’s Fund Commission on the Future of Health and Social Care in England
- Sir David Behan – Chief Executive of Care Quality Commission
- Dr Eileen Burns – President of the British Geriatrics Society
- Professor Paul Burstow – Chair of the Social Care Institute for Excellence
- Jules Constantinou – President-elect of the Institute and Faculty of Actuaries
- Sir Andrew Dilnot – former Chair of the Commission on the Funding of Care and Support
- Baroness Martha Lane Fox – Founder and Executive Chair of Doteveryone
- Mike Parish – Chief Executive of Care UK
- David Pearson – former President of the Association of Directors of Adult Social Services and Corporate Director for Social Care, Health and Public Protection at Nottinghamshire County Council
- Imelda Redmond – National Director of Healthwatch England
- Nigel Wilson – Chief Executive of Legal and General.<sup>50</sup>

Lord O’Shaughnessy assured Peers that “experts will be fully engaged in the Green Paper, providing advice to Ministers and supporting engagement. There is no point in having such an august group and not drawing on their expertise”.<sup>51</sup>

### 6.2 Consultation with stakeholders and users

Ahead of the publication of the Green Paper, the Government said in December 2017 that it was:

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<sup>48</sup> [HCWS258 16 November 2017](#)

<sup>49</sup> [PQ 110250 7 November 2017](#)

<sup>50</sup> GOV.UK, [Government to set out proposals to reform care and support](#), press release, 16 November 2017

<sup>51</sup> [HL Deb 7 December 2017 c1200](#)

starting a process of initial engagement over the coming months through which the Government will work with experts, stakeholders and users to shape the long-term reforms that will be proposed in the Green Paper ... We are ... engaging closely with key stakeholders, and with people who use services and their carers. The Government will host a number of roundtables to hear a range of perspectives from those representing different constituencies, including carers, service recipients, providers, health services, financial services providers, local government, and working-age adults.

[...]

We have already written to the chairs of relevant all-party parliamentary groups to invite them to meet us to discuss their priorities and perspectives on reform.<sup>52</sup>

The Government noted that the voluntary sector would also be “closely involved” .<sup>53</sup>

More recently, in May 2018 the Government said that:

In developing the Social Care Green Paper, the Government is taking the time needed to debate the many complex issues and listen to the perspectives of experts and care users, in order to build consensus around reforms which can succeed.<sup>54</sup>

and that:

The Department [of Health and Social Care] has undertaken a period of engagement where the Government is working with experts, stakeholders and users to shape the long-term reforms that will be proposed in the Green Paper.<sup>55</sup>

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<sup>52</sup> [HC Deb 7 December 2017 c1235](#)

<sup>53</sup> [HL Deb 7 December 2017 c1202](#)

<sup>54</sup> [PQ HL7419 14 May 2018](#)

<sup>55</sup> [PQ 148655 6 June 2018](#)

## 7. Delays in publishing the Green Paper

To date, the publication date of the Green Paper has been changed three times:

- it was originally due to be published in “summer 2017”;
- this was changed shortly after the General Election by the re-elected Conservative Government to “the end of the year” [i.e. 2017];
- a revised publication date of “by summer [Parliamentary] recess” – i.e. 25 July 2018 – announced in November 2017;
- a new publication date of the “autumn” of 2018, announced in June 2018.

As noted above, when the Government first announced its intention to publish a new Green Paper on social care in the Spring 2017 Budget statement, the Chancellor told the House that it would be published by the end of 2017.<sup>56</sup> Indeed, the then Health Minister, Philip Dunne, told the House later in March 2017 that “it would be fair to say that it is expected to be published in the summer”.<sup>57</sup>

Following the June 2017 General Election, the re-elected Conservative Government said in July 2017 in regard to social care reform that “we cannot wait any longer—we need to get on with this” and that the Green Paper would be published “at the end of this year”.<sup>58</sup>

However, over the summer of 2017 the Government changed its position, saying instead that it would “provide further details on the next steps on social care in due course”.<sup>59</sup>

In November 2017, the then First Secretary of State and Cabinet Office Minister, Damian Green – who at the time was leading the Government’s work on the Green Paper – said that the Green Paper would be published “by summer recess 2018”, a reference to Parliament’s summer recess which started on 25 July 2018.<sup>60</sup> The “precise timings”, the Government subsequently said, “will be confirmed nearer the time”.<sup>61</sup>

With just over one month until the scheduled publication, in June 2018 the then Secretary of State for the Department of Health and Social Care – which had taken over responsibility for the Green Paper from the Cabinet Office in January 2018 (see section 9) – announced a further deferment to the “autumn” of 2018.

Mr Hunt made a statement to the House on 18 June 2018 following the Prime Minister’s announcement of a new long-term funding plan for the NHS (see box 3).<sup>62</sup> Noting that the plan would be published later in the year, the Health and Social Care Secretary said:

While the long-term funding profile of the social care system will not be settled until the spending review, we will publish the social care Green Paper ahead of that. However, because we want to integrate plans for social care with the new NHS plan, it does not make sense to publish it before the NHS plan has even been drafted, so we now intend to publish the social care Green Paper in the autumn around the same time as the NHS plan.<sup>63</sup>

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<sup>56</sup> [HC Deb 8 March 2017 c818](#)

<sup>57</sup> [HC Deb 14 March 2017 c48WH](#)

<sup>58</sup> [HL Deb 6 July 2017 c987](#)

<sup>59</sup> For example, see [PQ 922 27 June 2017](#), [PQ 3910 12 July 2017](#), [PQ 5983 21 July 2017](#), and [PQ 110250 7 November 2017](#).

<sup>60</sup> [HCWS258 16 November 2017](#)

<sup>61</sup> [PQ 112555 29 November 2017](#)

<sup>62</sup> “NHS funding: Theresa May unveils £20bn boost”, BBC News, 17 June 2018

<sup>63</sup> [HC Deb 18 June 2018 c52](#)

### Box 3: The Green Paper and the NHS Long-term Plan

In March 2018, the Prime Minister told the Liaison Committee of the House of Commons that there was a “need to get away from this annual approach to the NHS budget” in order for “the NHS to plan and manage effectively”.

Ms May therefore proposed “a sustainable, long-term plan that should build on the work of the five year forward view but we should look beyond it to a plan that allows the NHS to realise greater productivity and efficiency gains” and said that the Government would “come forward with a long-term plan”. A “multi-year funding settlement in support of the plan” would be made, which was “consistent with our fiscal rules and balanced approach, but ensuring that the NHS can cope with the rising demand ahead of the spending review”.<sup>64</sup>

On 17 June 2018, the Prime Minister announced additional annual increases in funding for the NHS of 3.4% per annum, amounting to an extra £20.5 billion a year by the 2023/24 financial year.<sup>65, 66</sup>

In a statement to the House the following day, the then Health and Social Care Secretary provided further details in his statement entitled “NHS Long-Term Plan” (or “NHS Plan” for short) which provided more details on the 10-year plan, including the integration of health and social care:

For our most vulnerable citizens with both health and care needs, we also recognise that NHS and social care provision are two sides of the same coin. It is not possible to have a plan for one sector without having a plan for the other. Indeed, we have been clear with the NHS that a key plank of its plan must be the full integration of the two services. As part of the NHS plan, we will review the current functioning and structure of the Better Care Fund to make sure that it supports that.<sup>67</sup>

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<sup>64</sup> Liaison Committee, [Oral evidence: The Prime Minister](#), HC 905 2017–19, 27 March 2018, Q76

<sup>65</sup> [“NHS funding: Theresa May unveils £20bn boost”](#), BBC News, 17 June 2018

<sup>66</sup> [HC Deb 18 June 2018 c52](#)

<sup>67</sup> [HC Deb 18 June 2018 c52](#)

## 8. Implementation date

In December 2017, the Government was asked:

what the timetable is to (a) publish recommendations and (b) bring forward legislative proposals as a result of the Green Paper.

The reply given by the then First Secretary of State did not address this question,<sup>68</sup> and no indication has been given by the Government on how swiftly progress will be made once the Green Paper is published.<sup>69</sup>

The Green Paper itself will be “subject to a full public consultation, providing a further opportunity for interested parties to give their views”.<sup>70</sup>

The answer to a very similar question tabled in March 2018 likewise did not provide information on when any recommendations would be published or legislation brought forward following the Green Paper.<sup>71</sup>

It might be expected that, following the consultation, a Government response will be published (perhaps in the form of a White Paper) setting out how it has responded to comments and will take matters forward. It is possible that primary legislation (i.e. an Act of Parliament) may be required, although the revision of the means-test capital limits or the introduction of a cap could be achieved through secondary legislation (e.g. regulations).<sup>72</sup>

As an indicator of how quickly, or otherwise, implementation may occur, the rescheduled April 2020 date for the introduction of the cap on social care costs has itself been dropped in order to “allow for fuller engagement and the development of the approach”.<sup>73</sup>

In his June 2018 statement, Mr Hunt noted that “the long-term funding profile of the social care system will not be settled until the spending review”.<sup>74</sup> The outcome of the Spending Review will be announced some time in 2019,<sup>75</sup> although it is not clear at this stage if the Government response to the Green Paper consultation will be completed in time to feed into the Spending Review.

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<sup>68</sup> [PQ 117823 13 December 2017](#)

<sup>69</sup> For example, see [HL Deb 7 December 2017 c1201](#)

<sup>70</sup> [PQ 112555 29 November 2017](#)

<sup>71</sup> [PQ 133954 27 March 2018](#)

<sup>72</sup> The *Care Act 2014* already has existing provisions for such matters, although the details (e.g. the level of the cap) would have to be specified in secondary legislation.

<sup>73</sup> [HC Deb 7 December 2017 c1235](#)

<sup>74</sup> [HC Deb 18 June 2018 c52](#)

<sup>75</sup> [HC Deb 13 March 2018 c719](#)



## 9. Lead department

Initially, it seemed that the then Department of Health was the lead department responsible for drafting the Green Paper following the Chancellor's announcement in March 2017.<sup>76</sup>

After the June 2017 General Election, the Cabinet Office, and specifically the then First Secretary of State, Damian Green, took responsibility for leading the Government's work on developing the Green Paper.

However, in the January 2018 Government reshuffle, responsibility for the Green Paper transferred to the renamed Department of Health and Social Care (previously the Department of Health, or DH).<sup>77</sup> The DH had long been responsible for adult social care and social services policies,<sup>78</sup> although the delivery of social care is the responsibility of local authorities with funding from the Ministry for Housing, Communities and Local Government (MHCLG).<sup>79</sup> The lead minister for the Green Paper is now the Health and Social Care Secretary.<sup>80</sup>

It was reported that "local government experts [had] voiced fears that work on the social care green paper – already delayed from last autumn to this summer – will be slowed down as a result of the move" from the Cabinet Office to the DHSC:

Richard Humphries, senior fellow – policy, the King's Fund, said: "In the short term, there is a risk that momentum will be lost as the team [working on the green paper] is drawn from across Whitehall. You can't assume it will all move, lock stock and barrel, to the DH[SC]."

"The deeper concern is whether the DH[SC] will have the same clout as the Cabinet Office in negotiating a new funding settlement from the Treasury. Social care is a challenge for the whole of government, and the risk of hiving it off to one spending department means it will be competing against all other spending departments."

He added: "The DH has a long track record of producing green papers on social care but will the next one make any difference?"<sup>81</sup>

In July 2018, as part of a wider Government reshuffle, it was announced that the new Health and Social Care Secretary would be Matt Hancock, replacing Jeremy Hunt who had held the position (and the predecessor role of Health Secretary) since 2012.

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<sup>76</sup> For example, the then Parliamentary Under-Secretary at the Department of Health, David Mowat, answered a parliamentary question about the Green Paper in March 2017 ([PQ 68147 21 March 2017](#)), indicating that responsibility lay with the then Department of Health.

<sup>77</sup> [PQ 123733 23 January 2018](#)

<sup>78</sup> The Department for Education is responsible for children's social care and social services policies.

<sup>79</sup> Previously called the Department for Communities and Local Government (DCLG) prior to January 2018.

<sup>80</sup> [PQ HL4666 25 January 2018](#)

<sup>81</sup> ["DH-written social care green paper could 'lack weight with Treasury'"](#), *Local Government Chronicle*, 9 January 2018

## 10. Commentary on the proposed Green Paper

### 10.1 Communities and Local Government Select Committee's March 2017 report and response

In its March 2017 report, *Adult social care funding*, that was published after the Budget Statement, the Communities and Local Government Select Committee said that it “welcomed” the announcement that a social care Green Paper would be published, noting that “the need to find a way to fund social care for the long-term has now become urgent”.

Witnesses had suggested a number of funding proposals for social care, including a hypothecated tax<sup>82</sup> and a mandatory social insurance mechanism.

The Committee said it was “vital that political parties across the spectrum, together with the social care sector and the wider public, are involved in the process of reaching a solution” – reiterating the call previously made by its Chair and the Chairs of the Communities and Local Government Committee and the Public Accounts Committee<sup>83</sup> – and said that “the solution needs to be implemented in the next spending round”.<sup>84</sup>

In its response to the Committee published in October 2017, the Government said that it wanted to “ensure there is a balanced package of reforms that supports quality and dignified care, but which is financially sustainable for current and future generations”. In terms of wider involvement, the Government said it was “committed to listening to a wide range of views on how to reform the social care system and will want to work with key partners to shape proposals going forwards”.<sup>85</sup>

### 10.2 Reaction to the November 2017 written Ministerial statement

Following the November 2017 written statement on the Green Paper by the Government which set out the revised publication timetable of “by summer recess 2018” and some details of its contents,<sup>86</sup> *Community Care* reported that:

Jeremy Hughes, chief executive of the Alzheimer’s Society, said it was “reassured” that the government was “setting out its commitment to address the social care crisis so that real action can begin”.

He added: “The [2017 general] election showed that the public are hungry for social care reform, but with the paper not expected until summer, they will have had another year of waiting. If there has been no true progress by then we, and people with dementia, will be asking big questions of the government.”

Margaret Willcox, president of the Association of Directors of Adult Social Services (ADASS), also welcomed news of the green paper, saying: “It is right that all members

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<sup>82</sup> A hypothecated tax is where the money raised from a specific measure e.g. a 1p rise in income tax rates, is ring-fenced and spent on a specific policy e.g. social care funding.

<sup>83</sup> Communities and Local Government Committee, [Letter to the Prime Minister: Health and Social Care](#), 6 January 2017

<sup>84</sup> Communities and Local Government Committee, [Adult Social Care](#), HC 1103 2016–17, 31 March 2017, p60, para 160 and p64, paras 164 and 165

<sup>85</sup> Department for Communities and Local Government, [Government Response to the Communities and Local Government Select Committee Report: Adult Social Care](#), Cm9501, October 2017, p19, paras 91 and 92

<sup>86</sup> [HCWS258 16 November 2017](#)

of society, many of whom are likely to need some form of care in their lives, will have a say on the future funding of care and delivery of care services.

“We are also encouraged that the Government will undertake a parallel programme of work focusing on issues for working-age adults, as financial pressures due to the increasing care needs of younger adults with disabilities or mental health problems are now greater than those due to supporting older people, which our Budget survey highlighted this year.

[...]

Dr Anna Dixon, chief executive of the Centre for Ageing Better, welcomed the government’s plans to consult with care users ahead of the publication of the green paper.

She said: “As the Government have recognised in their announcement today, we need a long-term sustainable funding solution for adult social care that means everyone has good access to good quality social care when they need it. Action also needs to be taken now, including increased funding for social care in the autumn budget.”<sup>87</sup>

An article in *The Guardian* contended that while, “at last[,] we have some details of the government’s long-awaited consultation on reform of long-term care”, it added “but let’s be clear: this will not be a *social care* green paper”, and went on:

In one sense, as Green said, [the Green Paper] is broader than social care services and broader than funding alone: it will “incorporate the wider networks of support and services which help older people to live independently, including the crucial role of housing and the interaction with other public services”.

In another sense, however, it is far narrower. Care for younger adults, which accounts for almost half of all council spending on adult social care and includes the fastest growing element, learning disability, is to be excluded from the green paper. Instead, it will be reviewed by “a parallel programme of work” led jointly by the departments of health and communities and local government.

[...]

Calls for an all-age approach were supported even by some of those named as advisers on the green paper, while Victor Adebawale, the crossbench peer and chief executive of care provider Turning Point, simply tweeted #notgoodenough.

Other critics have pointed out that there is no care users’ or workers’ representation among the 12 experts, who will “provide advice and support engagement in advance of the green paper”. Trade union Unison branded this “a huge mistake”.<sup>88</sup>

### 10.3 Independent Age’s “7 tests” for the Green Paper (January 2018)

In January 2018, the charity Independent Age set out seven tests for the social care Green Paper “if it is to deliver real change”, namely:

Set out an ambition for a social care system that is fairer, more transparent and more sustainable than our current system.

Be based on a thorough understanding of people’s experiences of using and delivering the services today.

Go beyond narrow questions about social care funding and finance and tackle problems related to housing, regional variation and the social care market.

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<sup>87</sup> [“Green paper on older people’s social care to be published by summer 2018”](#), *Community Care*, 16 November 2017

<sup>88</sup> [“Government plans to reform England’s social care are an opportunity missed”](#), *The Guardian*, 17 November 2017

Demonstrate a clear aspiration to end poor quality and to create real choice for all users.

Identify the key questions to address, commit to the widest possible consultation and set out a clear plan for action.

Create an urgent plan for action, with reforms underway by the end of this parliament and a clear vision for future sustainability.

Be politically feasible but also command the support of all parties so whatever reforms are proposed they have a strong prospect of lasting for more than a single parliament.<sup>89</sup>

## 10.4 Health Foundation and King's Fund report (May 2018)

The joint report, entitled *A fork in the road: Next steps for social care funding reform*, considered "the costs of social care funding options, public attitudes to them – and the implications for policy reform".

The report noted that "social care is facing high growth in demand ... growing at an average rate of 3.7% a year", while "at the same time, we project growth in spending on social care of just 2.1% a year".<sup>90</sup> In this context, the report sought to "identify and make explicit the advantages and disadvantages, impact and consequences of adopting one option over another".

The report's authors noted that:

While a joint health and social care budget might support progress towards more integrated care, it will not alone generate additional revenue for either health or social care, nor change eligibility for care. Therefore, we do not explore this option in detail in the costing analysis but do consider the issue of further integration between health and social care in the context of reform and public attitudes.<sup>91</sup>

There were four options proposed in the report which "focus on changes to public provision of social care for older people"; the authors noted that "there is far greater scope for funding older people's social care by drawing on personal and property wealth than there is for funding working-age adults' social care, where a fully tax-funded solution is likely to be the only appropriate approach".<sup>92</sup>

### The report's four options

#### **"Improving' the current system – and maintaining or restoring access" (options 1 and 2)**

This approach would mean "retaining the existing social care system but seeking incremental improvements over time". It would have the benefit of avoiding "major reform", something which successive governments had faced "great difficulty" in achieving. However, making "small improvements would not address many of the fundamental problems with the current system", while "even substantial levels of new money would not fix the issues of the system's complexity. Nor would it protect people against catastrophic care costs".

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<sup>89</sup> Independent Age, [Launching our seven key tests for the Government's green paper](#), 31 January 2018

<sup>90</sup> Health Foundation and King's Fund, [A fork in the road: Next steps for social care funding reform](#), May 2018, p2

<sup>91</sup> As above, p13

<sup>92</sup> As above, p13

In terms of funding models, the authors modelled two funding proposals: “from no change to the current system and keeping pace with pressures, to more widespread improvements to the system by returning to levels observed in 2009/10”:

- Maintaining the system at 2015/16 levels and keeping pace with pressures would require additional investment of £4bn more by 2020/21 than was spent in 2015/16. This is £1.5bn higher than our projection of additional spending by local authorities based on current trends. By 2030/31, an extra £12bn would need to be spent, £6bn higher than projected spending plans ... It is not enough to lead to real improvement. This just stops the system declining any further, but does not address issues such as fewer people receiving care or market instability (although some level of improvement is possible through efficiency savings).
- Restoring the system to 2009/10 levels and restoring the level of eligibility that existed at that time (perhaps through changes in the eligibility criteria) would require an additional £8bn in 2020/21 above estimated plans. Projecting forward to 2030/31, the funding gap grows to £15bn ... This level of investment could indeed improve access and quality without primary legislation, but the major concerns over the design of the system even at that time, would go unresolved if this option was taken. It is true that genuine efficiency gains will have been made since 2009/10, so the actual cost could be lower if these have been sustained”.<sup>93</sup>

### **“Free personal care – broadening the offer” (option 3)**

Following the model of free personal care adopted in Scotland in 2002, “aligning eligibility with health, free personal care would also remove one of the biggest national obstacles to integration of health and social care”. It was observed that “by supporting older people to live at home, helping to prevent costly hospital admissions, and delaying the need for residential care, the system may have resulted in lower total government expenditure as compared with no policy being in place”, and that “the model has proved popular and durable in Scotland and is now being expanded to adults of working age”.

The report estimated that “free personal care could require around an extra £6bn in 2020/21 and £8bn by 2030/31, compared with continuing levels of access and quality under the current system. This would increase the estimated funding gap to £7bn in 2020/21 and £14bn in 2030/31”.

However, the actual costs might be higher because of two factors: firstly, it would only “expand the number of people [with severe need] who could access publicly funded personal care by removing the means test from these services ... If improving the needs threshold [to e.g. high or moderate need] were also to be included, this would add considerably more to the total cost”. The report also cautioned that “it is likely that, initially at least, the costs could be higher due to behavioural effects. In Scotland, introducing free personal care created unexpected levels of increased demand for domiciliary care which we might also expect to occur in England”.<sup>94</sup>

### **“The ‘cap and floor’ option – protecting people from catastrophic costs” (option 4)**

Noting the Conservative Party’s 2017 General Election manifesto commitments – an unspecified cap on lifetime social care charges, and a more generous £100,000 means-test limit<sup>95</sup> – the report noted that while this would mean a “more generous system for some, offering protection against catastrophic care costs”, there was “a question as to

<sup>93</sup> Health Foundation and King’s Fund, [A fork in the road: Next steps for social care funding reform](#), May 2018, pp14–16

<sup>94</sup> As above, pp16–18

<sup>95</sup> For more information, see the Library briefing paper [Social care: the Conservative Party's 2017 General Election pledges on how individuals pay for care \(England\)](#).

whether this alone is the best use of increased spending on social care, given the complex pattern of 'winners' and 'losers' (some of whom will make big gains)".

Much would depend on the actual level of the cap and the floor i.e. means-test limit, and even then "many people would still be liable for relatively high costs – including all care which falls outside of needs eligibility".

In addition, the manifesto proposal to bring the value of the home into the means-test for those in receipt of domiciliary care "would reduce the incentive for people to remain in their homes (although it is difficult to predict how behaviours would change in practice)", and so run contrary to "current health and care policy [which] is aimed at supporting people to live independently, and avoiding the need for long-term care as far as possible".

Assuming the cap is set at £75,000, the cost of the "cap and floor" policy would be "an additional £4bn in 2020/21 and an extra £6bn in 2030/31 above the costs of maintaining the current model. Introducing this model could therefore increase the total projected funding gap against our estimated budget from £1.5bn to £5bn in 2020/21, and from £6bn to £12bn in 2030/31".<sup>96</sup>

### Raising funds to pay for the cost

The report set out a number of proposals to raise additional funding to pay for social care which could top an additional £15 billion per annum by 2030/31 under the most costly option (namely, returning access to social care to 2009/10 levels). The proposals included:

- taxing or redirecting spending on older people;
- taxing wealth; or
- the introduction of a hypothecated social care tax;

The report considered the advantages and disadvantages of the last option in more detail. The report noted that "it would be likely to require very substantial tax increases to bring about improvements (and to be worth the upheaval)", and that "a hypothecated tax for social care would be a major change from the current system of public finance in the UK".

However, "a key weakness" of a hypothecated tax would be that "any 'take' will rise and fall with the economy, rather than being aligned to changes in need or demand"; this may require the establishment of a "stabilisation fund" to smooth the level of funding over the economic cycle (albeit by weakening the link between taxation and expenditure). It could also "risk exacerbating the separation between the health and social care systems", while a hypothecated social care *and* health tax "would be a huge undertaking which risks leaving social care as the poor neighbour".<sup>97</sup>

### Other matters explored in the report

The report also "aimed to explore the public's knowledge and experience of social care in general, but also how people responded to the options we put forward, and what values and beliefs were brought into play as they reacted", and found that:

- "the public has limited knowledge of what social care is";
- "the public has even less knowledge of how social care is funded";
- "when informed, people think the current funding model needs to change";

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<sup>96</sup> Health Foundation and King's Fund, [A fork in the road: Next steps for social care funding reform](#), May 2018, pp18–20

<sup>97</sup> As above, pp21–25

- “underlying public beliefs about the role of government and fairness need to be recognised”. In particular, “views on the role of government as a vehicle for resolving the failures of the current system revealed a paradox. On the one hand, there was agreement that the system was not working and government needed to take a leading role in fixing it. On the other hand, some people were not convinced that government was capable of providing a lasting solution to the problem and did not trust them to do so”.

In terms of the options for the future funding of social care, it was noted that:

Most people in our deliberative events favoured the idea of the state having most responsibility for funding social care. The National Centre for Social Research's British Social Attitudes survey found that most people (55%) favoured options where responsibility was shared, namely ‘means tested’ (30%) and ‘means tested and capped’ (25%), whereas 41% favoured ‘the government (paid for by taxes)’.<sup>98</sup>

Under the heading “pulling it all together: policy implications for social care reform”, the report stated that:

The combined strands of this work represent some of the most comprehensive recent work to identify, analyse and quantify options to reform social care funding, and to understand the wide range of public attitudes to them.

Together, they confirm a widely held belief in public policy circles: while the case for change is overwhelming, reforming social care will not be easy. Our key lessons for policymaking are set out below.

The “headlines” from the section included:

- “revision or full reform? There is a need for more consensus on the problem(s) we most need to solve to decide on the type and scale of response required”;
- “sustaining the current social care system will be expensive. While wider reform would cost even more, it may be better value than continuing with a flawed approach”;
- “while most people favour a balance of funding between the state and individual, many believe social care should be wholly tax-funded”;
- “identifying the best source of any additional money will be a major challenge, whether for the individual or government”;
- “the public wants to be able to ‘follow the money’. While hypothecation is problematic in policy terms, its popularity might be an enabler of reform”;
- “there is now a clear fork in the road for policy reform”;
- “‘doing nothing’ or ‘doing as little as possible’ is not safe, and is no longer an easy option”;
- “to support solutions, people need much better understanding of the problems and solutions. But politicians are not the best people to provide it”.<sup>99</sup>

While in conclusion the report’s authors repeated that they had not sought to set out the answer to social care funding, they argued that “consensus must be quickly sought about whether to address concerns on current access and quality, equity and complexity, or protection against major costs and encouraging an insurance market”, adding that “it is unlikely that all these issues can be addressed immediately, so prioritising them is the

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<sup>98</sup> Health Foundation and King’s Fund, [A fork in the road: Next steps for social care funding reform](#), May 2018, pp5 and 27–39

<sup>99</sup> As above, pp40–49

essential first step to producing a lasting solution”, and said that the Green Paper process “must lead to major improvement”.<sup>100</sup>

## 10.5 Joint Select Committee’s report (June 2018)

In June 2018, the Housing, Communities and Local Government, and the Health and Social Care select committees published their joint report, “Long-term funding of adult social care”.

Describing the social care system as “not fit to respond to current needs, let alone predicted future needs”, the report called for the Green Paper to be the “catalyst for achieving a fair, long-term and sustainable settlement”.<sup>101</sup>

The committees said that they “support the provision of social care free at the point of delivery as a long-term aspiration. In principle, we believe that the personal care element of social care should be delivered free to everyone who has the need for it, but that accommodation costs [for care home residents] should continue to be paid on a means-tested basis”.<sup>102</sup>

The report set out six principles “which we recommend should underpin future decisions about funding social care”, namely:

- “good quality care” – “Funding should be sufficient to achieve the aims of social care ... This will require universal provision of high quality, personalised care delivered by a stable well-paid and well-trained workforce alongside well-supported carers to a wider group of people than currently receives care, all within a navigable and accessible system. It should also aim to address the current levels of unmet and under-met need”;<sup>103</sup>
- “considering working age adults as well as older people” – “The Green Paper will focus solely on social care for older adults ... At the very least, the Green Paper should be closely linked with the parallel programme for working age adults, clearly setting out how its proposals impact on funding for that age group. The Green Paper should consider both”.<sup>104</sup> [the Government has stated that the Green Paper will “inevitably cover a range of issues that are common to all adults with care and support needs”,<sup>105</sup> see section 3 of this briefing paper];
- “ensuring fairness between the generations” – “Contributions towards the cost of care should be fairly distributed between generations ... Older people could be expected to continue [*sic*], while taking into account the fact that they have contributed throughout their working lives via taxation. However, over the longer term, the distribution of wealth between the different age groups may change, with corresponding implications for fairness, suggesting that a flexible solution is required”;<sup>106</sup>
- “aspiring over time towards universal access to personal care free at the point of delivery” – “Currently, the burden of the cost falls on individuals in an unfair distribution depending on diagnoses ... The balance needs to be redressed,

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<sup>100</sup> Health Foundation and King’s Fund, [A fork in the road: Next steps for social care funding reform](#), May 2018, p50

<sup>101</sup> Health and Social Care and Housing, Communities and Local Government Committees, [Long-term funding of adult social care](#), HC768 2017–19, 27 June 2018, p3

<sup>102</sup> As above, p3

<sup>103</sup> As above, p17, para 36

<sup>104</sup> As above, pp17 and 18, paras 37 and 38

<sup>105</sup> [PO HL7419 14 May 2018](#)

<sup>106</sup> Health and Social Care and Housing, Communities and Local Government Committees, [Long-term funding of adult social care](#), HC768 2017–19, 27 June 2018, p18, para 40



aspiring over time and moving towards, as funding permits, universal access to sustainably funded social care, free at the point of delivery";<sup>107</sup>

- "risk pooling—protecting people from catastrophic costs, and protecting a greater portion of their savings and assets" – "A cap on the amount of care costs a person paid would pool the risk, distributing the costs of very high care needs across the society. The level of protection (and therefore the costs of this policy) would depend on the level at which the cap is set, and determining this figure requires financial modelling and extensive consultation. Raising the means test threshold (the 'floor') is another way of enabling people to keep a greater proportion of their assets; again, the costs would be shared across society. Providing free at point of delivery care for those assessed as having critical or substantial care needs would be another way of protecting people from this risk";<sup>108</sup>
- "'Earmarked' payments" – "people are generally willing to contribute more to pay for social care if they can be assured that the money will be spent on this purpose. 'Earmarking' taxation<sup>109</sup> can help to give confidence and accountability over spending";<sup>110</sup>

In summary, the committees recommended:

- "raising additional funding" with additional local funding streams (e.g. business rates) together with national funding measures including:
  - "an additional earmarked contribution, described as a 'Social Care Premium', should be introduced" payable by those over 40 years of age (although possibly with a minimum income threshold);
  - the possibility of extending this approach to the funding of the NHS, and "in the long term, we believe there is a strong case for reimagining this as 'National Health and Care Insurance'";
  - "a specified additional amount of Inheritance Tax should be levied on all estates above a certain threshold and capped at a percentage of the total value";
- further integration of health and social care which "has the potential to improve outcomes and we recommend that local attempts to better integrate services continue apace";
- the establishment of a "cross-party parliamentary commission" which "offers the best way to make desperately needed progress on this issue".<sup>111</sup>

## 10.6 Local Government Association's "green paper" (July 2018)

With the Government's Green Paper delayed until the autumn of 2018, in July 2018 the Local Government Association (LGA) decided to launch their version of a green paper on social care entitled "The lives we want to lead".

The LGA argued that "too often adult social care is seen as an adjunct of the NHS, existing simply to relieve pressure on hard pressed acute services". While social care and the NHS are "inextricably linked", the LGA contended that social care "should be seen an

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<sup>107</sup> Health and Social Care and Housing, Communities and Local Government Committees, [Long-term funding of adult social care](#), HC768 2017–19, 27 June 2018, p19, para 42

<sup>108</sup> As above, p20, para 44

<sup>109</sup> As noted in the report, also referred to as hypothecated taxation.

<sup>110</sup> Health and Social Care and Housing, Communities and Local Government Committees, [Long-term funding of adult social care](#), HC768 2017–19, 27 June 2018, p20, para 46

<sup>111</sup> As above, pp4–5

essential service in its own right and the people who work hard to deliver the service should be seen as just as valuable as staff in the NHS".<sup>112</sup>

As other reports have noted,<sup>113</sup> the LGA also said that there was a social care funding gap of, in its estimation, £3.56 billion by 2025 assuming the same level of services are provided as now, and said that "this must be closed as a matter of urgency", otherwise:

we will see a worsening of the consequences of funding pressures we have seen to date. These include fewer people being able to get the high quality care they need, providers under increasing threat of financial failure, and a disinvestment in prevention driven by the requirement to meet people's higher level needs. In particular, funding pressures on social care have severe consequences for the NHS, increasing demand on hospitals and more costly acute care.<sup>114</sup>

The LGA noted that "the question of how we pay for adult social care for the long-term is therefore getting even more urgent. The fact the question has remained unanswered for at least the last two decades shows the scale of the challenge" and argued that, in contrast to the NHS, "in part, that difficulty stems from a lack of awareness amongst the public of what adult social care is, why it matters and how it is funded":

It is a far less clear cut picture in adult social care [compared to receiving treatment on the NHS]. Not all care needs count as 'eligible' for support under the legislation, and the amount you have to pay depends on the level of your own financial resource, which itself is treated differently depending on whether you receive care at home or in a care or nursing home. If you have more than what many would say is only a modest degree of savings, you pay for everything yourself becoming one of a growing population of 'self-funders' who are largely left to navigate the system themselves and make their own arrangements. Without the right information and support, wrong decisions can be made, personal savings can reduce rapidly and people fall back on publicly-funded care, compounding the pressure on local services.<sup>115</sup>

The LGA's "green paper" stated that it "deliberately steers clear of pushing particular solutions at this stage", but rather "articulates why this debate is so important, the scale of the challenge and the sorts of questions we need to tackle to drive the conversation forward".<sup>116</sup>

In the chapter "Setting the scene – the case for change", the LGA set out analysis on the key issues for social care, namely:

- why does social care matter?;
- social care innovation and improvement'
- the role of digital and technology;
- the need for continuous improvement;
- the funding challenge and its consequences;
- the Care Act: a legal foundation for care and support.

In terms of the funding of social care, the LGA's viewpoint was that "adult social care funding is at its absolute limit", and that the Government's responses to the challenge of adult social care funding in recent years had been "short-term and incremental in nature" and, while "helpful", each "mechanism has its limitations and they have not been

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<sup>112</sup> Local Government Association, [The lives we want to lead](#), July 2018, p12

<sup>113</sup> See the Library briefing paper [Adult Social Care Funding \(England\)](#) for more information.

<sup>114</sup> Local Government Association, [The lives we want to lead](#), July 2018, pp12–13

<sup>115</sup> As above, p13

<sup>116</sup> As above, p15

sufficient to deal with all short-term pressures, let alone address the issue of longer-term sustainability”.

The LGA was also concerned that “the major Government narrative and focus of attention has been on services to support older people, largely overlooking the fact that much of the growth in cost pressures comes from the increasing needs of working age adults”.<sup>117</sup>

The “green paper” also set out the LGA’s views on the consequences of adult social care, namely: quality; provider market stability; unmet and under-met need, and by association escalating problems; and the impact on carers and workforce.

The LGA set out six options for changing how social care is funded:

In thinking about how we can make the system better there are two broad categories of changes to consider. The first, shaded in the table below, are primarily about making the current system work as intended and relate to implementing statutory duties fully. These would help stabilise the ‘here and now’, help address the consequences of underfunding as described above, and create a more solid foundation from which to deliver the second, unshaded, options in the table. These are additional proposals for change, which would help address the separate set of concerns identified above that are more to do with notions of fairness, complexity and transparency. They would signal a change to current requirements (although the ‘cap and floor’ would only require implementation of current legislation, not a new Bill).<sup>118</sup>

A copy of the table setting out the six options is reproduced overleaf.<sup>119</sup>

The LGA also considered how these changes could be funded, noting that “there has been considerable helpful recent debate about the different ways additional funding could be raised. They have included taxes on income, on property wealth, and cuts to other public spending”. The document summarised these in a table on pages 58 and 59, but also noted other approaches, such as bringing the value of the home into the social care means-test for someone receiving domiciliary care, and the reform of benefits for social care recipients. In terms of its own position, the LGA said that it was:

not suggesting a preferred option. However, we are clear that a mix of solutions is likely to be required, both to reflect the scale of the funding challenge we face, which will continue to grow over time, and to reflect different individuals’ and different generations’ particular circumstances ... Potentially difficult reforms to deliver a sustainable and fully funded care system in the future stand a greater chance of success if they are built on a degree of political consensus which can deliver cross-party co-operation, particularly in a parliament with a narrow majority.<sup>120</sup>

The consultation sought views on 30 questions and the deadline for submissions is 26 September 2018, with the intention that, having analysed the responses, the LGA would publish a response in the autumn of 2018.

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<sup>117</sup> Local Government Association, [The lives we want to lead](#), July 2018, p42

<sup>118</sup> As above, p53

<sup>119</sup> As above, p54

<sup>120</sup> As above, pp57 and 60

	CHANGE	RATIONALE	COST 2017/18	COST 2024/25
Funding existing requirements	<b>1. Pay providers a fair price for care</b> (LGA and many others) <sup>1</sup>	The stability of the provider market is central to the provision of high quality care and support that meets people's needs and helps keep people independent at home. Enabling councils to pay a fair price for care (based on cautious industry estimates of what is needed) would help prevent providers ceasing trading and/or handing back contracts, and help to prevent a 'two tier' system between publicly funded care and privately funded care.	£1.44 billion	£1.44 billion
	<b>2. Make sure there is enough money to pay for inflation and the extra people who will need care</b> (LGA and many others) <sup>2</sup>	Without funding for core pressures, unmet need is likely to continue to grow, pressures will build on the provider market and its workforce, and the impact on unpaid carers will continue to increase.		£2.12 billion
	<b>3. Provide care for all older people who need it</b> (based on estimates of unmet need amongst older people by Age UK) <sup>3</sup>	Tackling unmet need amongst people with care needs, would help maintain people's independence and prevent the deterioration of people's conditions and would help allow informal carers to continue their caring role.	£2.4 billion in addition to 1 and 2 above	£3.6 billion, in addition to 1 and 2 above
	<b>4. Provide care for all people of working age who need it</b> (estimates based on broad assumptions set out below) <sup>4</sup>	As above	£1.2 billion, in addition to 1 and 2 above	£1.4 billion, in addition to 1 and 2 above
Reforms to extend entitlements	<b>5. 'Cap and floor'</b>	A cap on the maximum costs an individual could face, along with a more generous lower threshold in the financial means test, would protect people from 'catastrophic costs' and more of their asset base.  The cost depends entirely on where the cap and floor are set. The Health Foundation and King's Fund modelled costs based on a cap at £75,000 and a floor at £100,000 (as per Conservative proposals at the 2017 General Election) <sup>5</sup>		£4.7 billion <sup>6</sup> , in addition to 1 and 2 above
	<b>6. Free personal care</b> (Health Foundation/ King's Fund and Health and Social Care/ Housing, Communities and Local Government select committees) <sup>7</sup>	Free personal care would improve access to social care by removing the current means test and help people to remain independent at home. It would apply to everyone who needed care. Decisions would be required on the level at which the offer applied and what would count as 'personal care'. Accommodation costs – including in residential care – would continue to be the individual's responsibility.		£ 6.4 billion <sup>8</sup> , in addition to 1 and 2 above

### Other Library briefings on social care

- [Social care: paying for care home places and domiciliary care \(England\)](#)
- [Adult Social Care Funding \(England\)](#)
- [Health and Social Care Integration](#)
- [Social care: Government reviews and policy proposals for paying for care since 1997 \(England\)](#)
- [Social care: the Conservative Party's 2017 General Election pledges on how individuals pay for care \(England\)](#)
- [Social care: care home market – structure, issues, and cross-subsidisation \(England\)](#)
- [Social care: Announcements delaying the introduction of funding reforms \(including the cap\) \(England\)](#)
- [Social care: how the postponed changes to paying for care, including the cap, would have worked \(England\)](#)
- [Social care: Recent changes to the CQC's regulation of adult residential care \(care homes\)](#)
- [Social care: Direct Payments from a local authority \(England\)](#)

### Version control

1.0	26/1/18	Published
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