



**CABINET – 14 SEPTEMBER 2018**

**‘THE LIVES WE WANT TO LEAD’ THE LOCAL GOVERNMENT  
ASSOCIATION GREEN PAPER FOR ADULT SOCIAL CARE AND  
WELLBEING**

**REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES AND  
DIRECTOR OF CORPORATE RESOURCES**

**PART A**

**Purpose of the Report**

- 1 The purpose of this report is to advise the Cabinet of ‘The Lives We Want to Lead’, the Local Government Association Green Paper for adult social care and wellbeing, and to seek approval for the Director of Adults and Communities to submit the County Council’s response to the consultation. The LGA Green Paper is appended to this report.
- 2 The Government has stated its intention to publish a Green Paper on adult social care. The publication of the Green Paper has been delayed several times. In June 2018, the Health and Social Care Secretary announced a further delay to the autumn of 2018 following the announcement that a 10 year plan for the NHS would be developed.

**Recommendations**

- 3 It is recommended that:
  - a) The Local Government Association Green Paper ‘The Lives We Want to Lead’ be noted;
  - b) The Director of Adults and Communities, together with the Director of Corporate Resources, following consultation with the Cabinet Lead Members for Adult Social Care and Corporate Resources, be authorised to respond to the consultation on behalf of the County Council.

**Reasons for Recommendations**

- 4 In response to the delay of the Government’s publication of a Green Paper on adult social care, and in recognition of the increasing demands on these services and the escalating cost to councils, the Local Government Association (LGA) has published its own consultation on adult social care and wellbeing. The LGA will respond to the findings in the autumn to inform and influence the Government’s Green Paper and spending plans.
- 5 The Green Paper was issued on 31 July and responses are required by 26 September. It is therefore recommended that the Director of Adults and

Communities, together with the Director of Corporate Resources following consultation with the Cabinet Lead Members for Adult Social Care and Corporate Resources, be authorised to submit the County Council's response , which will be based on its assessment of the issues as set out in Part B of this report.

### **Timetable for Decisions (including Scrutiny)**

- 6 The Adults and Communities Overview and Scrutiny Committee will consider the report on 11 September 2018 and its comments will be reported to the Cabinet.
- 7 The Council's response to the consultation will be presented to the Health and Wellbeing Board (HWB), for information, at its meeting on 27 September 2018.

### **Policy Framework and Previous Decisions**

- 8 The aims outlined in the Green Paper are consistent with a number of County Council strategies including the Strategic Plan, "Working together for the benefit of everyone: Leicestershire County Council's Strategic Plan 2018-22", the Adult Social Care Strategy, Promoting Independence, Supporting Communities, the Early Help and Prevention Strategy, and the Leicestershire *Communities* Strategy ('Working Together to Build Great Communities'.

### **Resources Implications**

- 9 There are no resource implications in responding to the consultation, however, the report does detail the potential impact of further reductions in funding by central Government, the projected costs of care to local authorities and people who use services and suggestions of how these care costs could be funded through reallocation of resources and changes to the welfare system and taxation.
- 10 The LGA Green Paper states that Councils in the UK spend over £15bn on social care each year and will require an additional £3.6bn by 2025 just to continue to meet current demand. This equates to 38% of total council spend. It also outlines the sums required to further resource full payment of all care costs to all people who may have social care needs together with the introduction of either a cap on personal care costs, an increase in thresholds and the provision of free personal care (in line with free NHS care) of between a further £13-15bn per annum nationally.
- 11 The County Council currently has a net spend of £137m per annum on adult social care, equating to 38.6% of total net spend. The 2018-22 Medium Term Financial Strategy (MTFS) identifies a growth requirement of £9m over the next four years, which will be increased further by rising prices and inflation costs. If the cost predictions in the Green Paper transpire it would increase the Council's spend on adult social care by a further £90m to £112m per annum.
- 12 The Director of Law and Governance has been consulted on the content of this report.

### **Circulation under the Local Issues Alert Procedure**

- 13 None.

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**PART B****Background**Government Green Paper

- 14 In the March 2017 Budget, the Conservative Government announced 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.
- 15 The Government has said that the proposals in the Green Paper will “ensure that the care and support system is sustainable in the long term” and 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 Health and Social Care Secretary has since confirmed that a cap on lifetime social care charges would be introduced.
- 16 The Green Paper was originally due to be published in Summer 2017. Following the General Election that year, the Conservative Government then indicated it would be published by the end of 2017. In November that year, a revised publication date ‘by the summer recess’ [2018] was given. In June 2018, the Government advised that this had now been put back to Autumn 2018. Responsibility for producing a Green Paper has also been changed from Health, to the Cabinet Office, to the Department for Health and Social Care.

Government Position

- 17 In a speech on 20 March 2018, the then Health and Social Care Secretary, the Rt. Hon. Jeremy Hunt MP, 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.
- 18 In June 2018, the Housing, Communities and Local Government, and the Health and Social Care Select Committees published a 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”. The report set out six principles “which we recommend should underpin future decisions about funding social care”, namely:
- Good quality care;

- Considering working age adults as well as older people;
- Ensuring fairness between the generations;
- Aspiring over time towards universal access to personal care free at the point of delivery;
- Risk pooling -protecting people from catastrophic costs, and protecting a greater portion of their savings and assets;
- Earmarked' payments.

### **'The Lives We Want to Lead', LGA Green Paper**

- 19 The LGA states that the Green Paper is intended as a starting point to build momentum for a debate across the UK as to how care is funded and how the wider care and health system can be better geared towards supporting and improving people's wellbeing. Throughout the document a series of consultation questions is posed. The LGA has said that it will respond to the findings in Autumn 2018, to seek to inform and influence the Government's Green Paper and future spending plans.
- 20 The Green Paper, whilst focussing on adult social care, and specifically on the funding challenges facing local Government, also raises questions about the wider role of local authorities, in respect to promoting individual and community wellbeing alongside systemic changes to the care and health system so that it focuses far more on preventative, community-based personalised care, which helps maximise people's health, wellbeing and independence and alleviates pressure on the NHS.
- 21 It recognises that adult social care reform cannot happen in isolation and looks beyond social care to housing, public health, and other local authority services in supporting wellbeing and prevention.
- 22 A summary of the issues raised and the County Council's perspective and initial assessment is set out below.

### **Chapter 1 - The voice of people who use services and Chapter 2 - Delivering and improving wellbeing**

- 23 Chapter 1 provides context to the challenges faced by people who rely on adult social care, and the impact that inadequate care provision can have on the way people live their lives, together with examples of how care services are changing and meeting those challenges, delivering services which can enable people to live more fulfilling lives.
- 24 The paper then discusses how people can have their independence, wellbeing and health maximised through a partnership of local political, clinical, professional, and community leadership. It asks "*What role if any should local government have in helping to improve health and wellbeing in local areas?*"
- 25 In discussing this question, the paper outlines the ways in which local government acts to support its communities and individual residents through a general responsibility to promote wellbeing as well as specific duties as detailed in the Care Act 2014. The role of councils as democratically accountable local leaders is highlighted as a means to bring together the various services and contributions of organisations (public, private and voluntary), to deliver population and place-based wellbeing.

- 26 Leicestershire has a well-established track record of promoting and delivering economic and community development, individual protection, community cohesion, public health, housing and cultural enrichment, which all contribute to individual and community wellbeing. The County Council provides both universal and targeted services, bringing these together to provide tailored service offers and delivery. The Council's role as a democratically elected body provides accountability to local residents. It is the only body which can deliver both place-based and population-based leadership across Leicestershire.

### Chapter 3 - Setting the scene – the case for change

- 27 The paper sets out why social care matters, for example in enriching individuals' lives, connecting people to communities, and enabling people to contribute to their communities. Social care helps support the NHS, it supports a thriving economy, and it matters to local people to know that they can have confidence and trust in their local services.
- 28 The economic case for investment in sustainable social care is noted - there are over 1.5m people working in over 200,000 social care organisations across the UK and the sector contributes £46bn annually to the economy. Local government spends over £15bn per annum to deliver social care. The cost to the economy of lost productivity, lost tax income, and rising welfare payments through ill health and disability is many times greater; estimated at over £74bn in relation to mental ill health alone.
- 29 The paper recognises the £6bn of savings and efficiencies adult social care services have made to the local Government efficiency requirement over the last decade, but also the way that social care has innovated, transformed and improved service delivery. The LGA argues that further innovation is required, particularly in respect to information technology and digital solutions to ensure continuous improvement. As councils deliver local services for local people there is natural variation in how service is delivered and how services perform, often because of positive decisions that have been taken at a local level. However, there can also be unwarranted variation in the outcomes that individuals receive. Tackling variation is best achieved through sharing best practice and sector led improvement rather than top down audit and inspection, and by taking a system-wide approach, working with other local leaders.
- 30 In Leicestershire, social care services have undergone significant transformation and improvement over recent years, both in response to financial challenges and to enhance services for local people. Since 2010, the Adults and Communities Department has delivered savings and efficiencies of over £70m, whilst developing and delivering reablement and enablement services, reductions in long-term care through delivery of alternative care models and housing solutions, asset-based and strengths-based approaches to support planning and increasing choice and control through personalisation and direct payments. The Council has contributed to the sustainability of local NHS services through reducing delayed transfers of care, and developing integrated commissioning approaches, whilst providing protection for individuals and communities through making safeguarding personal and deprivation of liberty processes.

- 31 The paper addresses the funding challenges facing local Government and the wider system. It recognises that local government has experienced disproportionately high reductions in Government funding and that, whilst councils have sought to protect social care services, this has affected its other functions. Therefore, resolving the social care funding is as much about finding solutions to the wider local government finance settlement as it is about addressing NHS funding.
- 32 The LGA quotes a national funding gap for local government of £7.8bn by 2025, including an immediate £1.4bn gap in social care funding just to meet current costs of care which rises to £3.6bn taking into account demographic and cost pressures by 2025. In recent years the Government has sought to bridge this gap with short term, non-recurrent funding and increases to local taxation, all of which come to an end in 2020. The LGA considers this approach is unsustainable and is preventing medium to longer term planning.
- 33 Whilst over 80% of social care services nationally are rated as good or excellent by the Care Quality Commission, there are an increasing number who are seeing their ratings drop on re-inspection. In addition, the number of providers of social care services who have ceased trading or handed contracts back to local authorities is increasing and there is a growing concern that numbers of people are either not having their needs met or have needs which are only partially being met (so called under-met needs). The LGA estimates that if councils were to meet all the assumed unmet and under-met needs they would require an additional £3.6bn.
- 34 Workforce pressures are also cited within the Green Paper, which notes that nationally 1.5m people work in social care, although the turnover rate is 27.8% compared to 15% in the wider workforce. The Audit Office has commented that jobs growth in the care sector is not keeping up with demand for care, whilst Skills for Care has forecasted that to meet demographic growth an additional 700,000 jobs will be needed.
- 35 As Leicestershire's overall funding settlement results in the lowest spend per head so funding for social care in Leicestershire is also the lowest per head, and recent evaluations have shown that Leicestershire's adult social care has been deemed one of the most efficient in the country. However this has resulted in reduced numbers of people receiving social care services, and until recently, reductions in average care packages with an increased proportion of funding spent on personal care with reductions to meet wider social needs.
- 36 This has been coupled with reductions in funding of prevention services, and of the voluntary and community sectors and has impacted on the Council's wider service offer and discretionary provision. However, the most significant risk to social care services in the County is the ability to recruit and retain social care staff, both in the statutory and independent/private sectors, leading to workforce capability and capacity deficits. Thus far the Council has managed to ensure a stable care market and quality ratings in Leicestershire are above regional and national averages.

#### Chapter 4 – The options for change

- 37 The LGA notes that the current system of social care (and the funding of social care) is confusing and complex, lacking transparency and is often viewed as lacking fairness. The LGA proposes to make the system better through a two-phase

approach; firstly to ensure that the current system operates as intended and consequences of underfunding are addressed (by fully meeting demand and costs), and secondly through addressing the perceived unfairness and transparency in social care (through a reformed funding mechanism).

- 38 The LGA estimates that funding existing requirements alone would cost an additional £8.5bn by 2025 and a further £4.7bn to £6.4bn would be required to reform the system and extend entitlements through introducing a 'cap and floor' system or providing social care free at the point of use respectively.
- 39 The LGA analysis of funding to meet existing requirements is based on local Government being able to meet the true cost of care as estimated by the provider market, ensuring there is sufficient funding to meet all demographic and cost pressures until 2025, and meeting the costs of all estimated unmet needs. However these figures are only estimates and are not based upon validated evidence, nor do they take account of regional or local variation in either costs or demand growth.
- 40 The extended entitlement modelling has been based on the cap and floor suggested by the Conservative Party during the election campaign of 2017 rather than the previous work carried out through the Dilnot Commission for the Care Act, and the free social care figures only apply to provision of personal care and would still require individuals to meet their accommodation and other costs. The option to provide free personal care may provide the most transparent and fair system of funding, whilst implementing a cap and floor would limit an individual's exposure to high costs of care.
- 41 The LGA then proposes a range of suggestions about how these care costs could be met, noting that there is a growing consensus amongst MPs, the public, NHS and councils that adult social care funding should be a priority for future funding decisions. In proposing the options, the LGA is clear that it is not suggesting a preferred option but believes that a mix of solutions may be required. It suggests testing the options against a range of criteria such as wellbeing, fairness, sufficiency, sustainability, transparency and subsidiarity.
- 42 The options put forward are:
- |   |         |
|---|---------|
| • means testing universal benefits (winter fuel, free travel etc) | £1.9bn  |
| • social care premium (national insurance premium)                | £1.0bn  |
| • 1% on income tax  | £6.4bn  |
| • 1% on national insurance  | £10.4bn |
| • as above, but extended to include pensionable income            | £2.6bn  |
| • 1% increase in council tax                                      | £0.29bn |
| • charging for accommodation on CHC packages                      | £0.20bn |
- 43 In consideration of which options for future funding would provide the preferred solution, national insurance or income tax rises may provide the fairest and most sustainable solutions, whilst removal of universal benefits may affect the wellbeing of people who do not require social care and may create demand downstream. Council tax increases have variable impact and charging for accommodation for people in receipt of healthcare may raise difficult debate about the NHS free at the point of delivery.



## Chapter 5 - Adult social care and wider wellbeing

- 44 Having considered the question of how to fund adult social care, the paper turns to the requirement for a sustainable public health system and the role of public health in supporting a sustainable health and social care system. Whilst the paper does not consider future funding options for public health services, the LGA calls for a fully funded public health service. The role of public health services in prevention and early intervention together with promoting good health and wellbeing is noted alongside the economic consequences of not investing upstream to prevent ill health together with the counterproductive nature of the current reduction of £800m of public health funding and the impact this could have on health and social care services.
- 45 In Leicestershire, public health services have provided a strategic leadership role in the development of the Health and Wellbeing Board, the Joint Strategic Needs Assessment and Health and Wellbeing Board Strategy. The public health functions of the Council undertake both population based and specific health needs assessment and deliver/commission a range of interventions which provide early intervention and prevention services through clinical and non-clinical models of care and support. Being sited within the local authority provides for a universal offer which improves overall wellbeing taking account of the wider determinants of health to develop place based interventions as well as person centred and community support.
- 46 Alongside social care and public health, the LGA considers the wider role of local Government in supporting individual and collective wellbeing. The paper notes the impact that the development and maintenance of infrastructure has on wellbeing as well as cultural services, regulatory services and housing services. The paper notes that a sustainable social care system also requires a sustainable funding solution for these wider council services many of which have experienced deeper funding reductions in order that councils can protect care services.
- 47 The County Council can point to many examples of where other council services have provided direct and indirect support to people who have care needs or who may be at risk. Examples in Leicestershire include trading standards officers working to protect people from financial abuse, culture and heritage services providing specific services for people with dementia, the Lightbulb Programme to provide housing related support, and social care transport services, all contributing to individual wellbeing.

## Chapter 6 – Adult social care and the NHS

- 48 Finally, the paper turns to the question of how adult social care and the NHS work together to provide seamless care which promotes people's independence and improves people's lives. It states that integration of health and care is not an end in itself but should be seen as a means to improving wellbeing for individuals and communities as well as gaining better value through the best use of local resources. The paper argues that the role of central Government is to support local leaders to find local solutions, rather than to direct integration through imposing targets and funding pressures. To deliver better and more effective care the LGA supports an increased focus on personalisation within health care based on the experience and evidence of improved wellbeing which local Government has delivered.

- 49 Within the consultation document the LGA asks the question of how the accountability of the Health Service locally could be strengthened.
- 50 In order to support local leadership of health and care services, the LGA propose that the role of Health and Wellbeing Boards (HWBs) should be developed to address the local democratic deficit in the accountability of NHS services. Specifically the LGA points to the disconnect between HWBs and Sustainability and Transformation Partnerships (STPs) and makes three suggestions of how this could be addressed:
- STPs could be required to engage with HWBs in the development of their plan;
  - HWBs could be given a statutory duty and powers to lead the integration agenda at a local level;
  - HWBs could assume responsibility for commissioning primary and community care.
- 51 The Cabinet received a report in April 2018 on the local NHS STP and resolved at that time that:
- a) the County Council's position that the Sustainability and Transformation (ST) Plan be published as an NHS document, with the County Council as a consultee, be confirmed;
  - b) the respective roles of the Cabinet, Scrutiny and the Health and Wellbeing Board be noted;
  - c) the County Council continue to work in partnership with the NHS in the delivery of services, where those services are already delivered in partnership, and in the transformation and integration of health, public health and social care in the local area;
  - d) the level of resource applied to the programme for the integration of health, public health and social care be kept under close review, in the context of the Council's Medium Term Financial Strategy, the Council's Strategic Plan, and the Leicestershire Better Care Fund Plan/pooled budget;
  - e) the local NHS be advised that it remains the County Council's strong view that an external review of the governance arrangements for the Leicester, Leicestershire and Rutland ST Partnership be undertaken to provide:
    - i) clarity of decision making and accountability;
    - ii) a clear definition of the roles of the partners;
    - iii) effective engagement with democratic processes; and
    - iv) robust oversight of the delivery of the ST Plan and associated financial savings and changes in NHS expenditure;
  - f) the County Council's position on accountable care systems/integrated care systems be considered further once the NHS provides more information on the direction of travel nationally and any emerging local response.

In regard to part a) of the resolution, the local NHS has not published a ST Plan but a document titled 'Next Steps to Better Care in Leicester, Leicestershire and Rutland'. A copy was circulated to all members on the 31 August. In the document there is an explanation from NHS why a Plan has not been published.

## **Consultation Response**

- 52 The consultation is taking place from 31 July 2018 until 26 September 2018. The County Council's response will be prepared with assistance from officers across the Authority and having regard to the comments of the Cabinet and the Adults and Communities Overview and Scrutiny Committee (which will receive a report on 11 September). As it will be necessary to respond to the consultation before the next Cabinet meeting, in October, it is recommended that the Director of Adults and Communities, following consultation with the Cabinet Lead Members for Adult Social Care and Corporate Resources, be authorised to submit the County Council's response.
- 53 The consultation response will subsequently be presented for information to the HWB on 27 September 2018 and circulated to all other members as a Members' News in Brief.

## **Equality and Human Rights Implications**

- 54 Although not the primary purpose, the Council's response to the consultation may identify equalities related issues that directly affect people with protected characteristics. If these are discovered the Adults and Communities Departmental Equalities Group (DEG) will develop an action plan to address them.

## **Background Papers**

- Strategic Plan, "Working together for the benefit of everyone: Leicestershire County Council's Strategic Plan 2018-22" - <https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan>
- The Adult Social Care Strategy, Promoting Independence, Supporting Communities - [http://corpedrmsapp:8087/Intranet%20File%20Plan/Departmental%20Intranets/Adults%20and%20Communities/2012%20-%2013/Departmental%20Administration/ASC%20Policies%20and%20Procedures/ASC\\_Strategy\\_2016-2020\\_P0358\\_12.pdf](http://corpedrmsapp:8087/Intranet%20File%20Plan/Departmental%20Intranets/Adults%20and%20Communities/2012%20-%2013/Departmental%20Administration/ASC%20Policies%20and%20Procedures/ASC_Strategy_2016-2020_P0358_12.pdf)
- The Early Help and Prevention Strategy - <http://politics.leics.gov.uk/documents/s120525/Appendix%20A%20-%20LCC%20Early%20Help%20and%20Prevention%20Strategy.pdf>
- Leicestershire *Communities* Strategy 'Working Together to Build Great Communities' - <https://www.leicestershirecommunities.org.uk/uploads/working-together-to-build-great-communities.pdf>

## **Appendix**

'The Lives We Want to Lead', the Local Government Association Green Paper

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