H

cc P.U.
R Wilson

cc Backup

CONFIDENTIAL

PRIME MINISTER

I understand that a meeting is to be held tomorrow, Tuesday, to discuss two papers - one on community care and the other on the mentally ill. I have seen these papers under cover of a note from Kenneth Clarke only since coming back from the U.S.A. at the week-end. Accordingly I apologise for this late paper but hope even at this stage to be allowed to make some brief comment.

The paper on community care should be considered only against a serious reading of the Audit Commission Report, my own Report on Community Care - Agenda For Action and, importantly, the Report of the Inter-Departmental Group on Community Care set up to consider my own report. If on the other hand the paper is self standing, then it has a problem in that the advantages and disadvantages of the various possible courses of action are not fully set out.

We badly need a comprehensive solution to the serious problems highlighted in the Audit Commission Report. Of the inevitably limited money being spent on community care, a rapidly increasing amount is going into residential accommodation and too little is going in support of people in their own homes. In short a minority are being given reasonably expensive care in residential homes and the majority needing limited amounts of support in their own homes, which may make residential care unnecessary, are simply not getting it.

The arguments for and against the various agencies are well rehearsed in the Inter-Departmental Group papers. I had earlier considered all these and decided that the best option was that local authorities should continue to be the agency for social care and as such should hold the budget for all forms of social care, including as an extra the care component of the residential allowances. There is inherently nothing new in proposals to give the local authorities a major role - they already have responsibilities, but they are badly structured, badly funded and have no clear accountability.

Cont.....

In three White Papers (Better Services for the Mentally Handicapped 1971, Better Services for the Mentally Ill 1975 based on Sir Keith Joseph's proposals, and Growing Older 1981) clear targets were set for major shifts in expenditure from the Health Service to the local authorities. These recommendations were blown off course by the extensive use of the Supplementary Benefit for residential care and by the inability in the public sector to manage the implementation of the changes. That is:

1. why we need to tackle the availability of the Supplementary Benefit. The Inter-Departmental Group concluded that no one has found any satisfactory alternatives to the solution I put forward of divorcing the care element of Supplementary Benefit from the living needs. And:

2. why we need to spell out responsibilities and hold authorities clearly accountable. For the first time under the L.A. model with central control local authorities would be made clearly responsible and accountable for implementing national policy. It is envisaged that this could contain such constraints on the provision of care by the local authority itself as were thought necessary.

I simply ask that the local authority option should not be too readily dismissed. Most of the other options such as a new agency or translating the responsibilities to the Health Service or the FPCs, have major disadvantages without compensating advantage. The arguments are again well set out in the Inter-Departmental Group report. A new agency would be enormously disruptive. To transfer substantial powers away from the Local Authorities to the Health Authorities or the FPCs would blur the need to distinguish Health Care from Social Care and would result in an over-professionalised medical model of social care quite inappropriate to the comparatively simple forms of social care needed by people in their own homes. I shall be happy if the Health Authorities and the FPCs handle well the new responsibilities put on them in the White Paper; to give FPCs budgets for social care is quite anomalous when they are having very limited budgeting roles in the White Paper and when we expect a minority of GP's only to be budget holders.

Cont.....

Fly B 1

The other, minimalist propositions (D & E at page 40 of the Community Care paper) relating to an increased gatekeeping function or a limited new agency, have two defects. First that they will not achieve even their limited objectives and secondly that they do not attempt to tackle the major problems highlighted by the Audit Commission. The gatekeeping option will not reduce the numbers going into residential accommodation - such an option has been tried in both Australia and the Netherlands and clearly does not work. To have a split between people making assessments and the budget holders will almost inevitably increase the financial demand and will not put the money where it is most needed, i.e. into care of people in their homes. Option E is not wholly clear but to the extent that it may have a gatekeeping function divorced from budget holding, will suffer the defects just described. To give it a budgetary function limited to the unblocking of beds and those applying for residential accommodation tackles very few of the Audit Commission problems and would leave local authority responsibilities even more confused than at present. I do not think equally that there is any possibility of padding out limited options with a variety of initiatives in the hope that they will be seen as a coherent overall policy.

As to the paper on the mentally ill, I believe that categorisation into care groups and the talk of 'Lead Authorities' for both health and social care runs into all kinds of problems, e.g. we have elderly mentally ill, elderly disabled and other possible permutations. The essential distinction is not between care groups, but between responsibilities for health care and responsibilities for social care - Health Service for the former, local authority preferably for the latter. This is clear and readily intelligible. Equally we should not come up with a solution for the mentally ill which does not observe this distinction. The solution set out in the separate paper is inconsistent with a preferred overall and comprehensive solution.

We should not confuse the problems set out by the Audit Commission, which are essentially ones of organisation and funding, with the overall policy as to whether the trend towards the closure of the large mental institution is correct. It is beguilingly irrelevant to start questioning the policies however important these policies are. We should establish solutions which are capable of

Cont.....

dealing with the existing policy of closure or with any alternative policy which may be decided. I believe my own recommendations do that. The solutions have to concentrate on funding mechanisms and systems of accountability and responsibility which will for the first time allow policies to be put into practice.

I would, of course, be happy to speak to my own report at a meeting of Ministers, but in the absence of that opportunity, I simply ask that at this stage the advantages of a comprehensive solution on the lines set out should be not too immediately dismissed.

I am copying this memorandum to Kenneth Clarke, John Moore, Nicholas Ridley, Malcolm Rifkind, Peter Walker, John Major, David Mellor, Sir Robin Butler and Professor Brian Griffiths.

Ian Gilmour.

4269j
20th March, 1989