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PRIME MINISTER

17 May 1989

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COMMUNITY CARE

A critique of the papers

Fig A Richard Wilson's note provides a very clear summary of the status of the debate and the main decisions to be taken in the meeting.

Ministerial views are mixed.

- Kenneth Clarke is against the local authority proposal, but wants to make progress. He is particularly concerned that many local authorities will not encourage the development of a mixed economy of care in the voluntary and private sectors. And he believes that this model will discourage any collaboration between medical professionals (eg community nurses and GPs) and social services departments.

- John Major is also dubious. He believes that a sudden change will lead to a substantial increase in public expenditure.

- In general John Moore is supportive. The growth in social security expenditure may be constrained. But he believes the proposals look far more complicated than they should be.

In our search for the best solution, the local authority model may seem to be the least worrisome on the surface.

But I believe the DOE's proposal is extremely risky, both politically and managerially. There is a significant danger

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that local authorities will be incapable of delivering better services to compensate individuals for the loss of an entitlement.

SIGNIFICANT PROBLEMS

First, community nursing could stagnate

The care element of income support would be controlled by local authorities (**Para 4**). But will any of these funds be redirected towards community nursing as well as home helps? How can we be sure that local authorities will collaborate with health authorities?

Second, individuals could lose out.

In each of the options in **Para 5** of the covering note, we would be reducing an income support benefit in the hope that local authorities will manage the resources more efficiently, directing services to those most in need in the most appropriate way. Is there any evidence to show that this type of strategy has ever worked before?

Many local authorities fail to run lean operations. The cost of administering social services departments is often astounding. Brent and Camden both cost £8 million - excluding fieldwork and service provision (**Appendix**).

Social security payments are crude but are far cheaper to manage. The direct labour costs of distributing £1 billion in income support payments is only £5 million. Inevitably, social services departments will grow inexorably, by absorbing a sizeable percentage of their increased funding. How much money will filter down to better services for individuals?

Even more crucially, will individuals and their families have any say in the care management process? In a recent letter from Lord Butterfield, he commented that some local authorities would be ill equipped to deal with community care. They have a tendency to ponder to special interest groups.

Para 5 (ii) is particularly worrying. The transfer of income support into three separate elements could be an administrative nightmare. Can we really expect them to deal with three offices: social services, housing benefit and social security? DOE will say that the elderly living in their own homes are already faced with a plethara of funding sources. But the elderly in nursing homes are much more vulnerable and would be less able to cope.

Third, local authorities will continue to provide the bulk of services

In Para 15, four measures are proposed to encourage a mixed economy of care. But will these measures bite? Is it realistic to expect a chinese wall to operate effectively within local authorities (para 15(i))?

The Guardian recently reported that Council staff have won nearly 75 per cent of all contracts put out compulsorily to tender. This would be most welcome if the quality of in-house services improve. Yet in many cases, attitudes and quality are unchanged.

Fourth, most social services departments are not equipped to take on the new responsibilities.

Implementation by April 1991 (Para 17) is far too ambitious. Health professionals make decisions quickly. Social workers

resolve issues in lengthy case conference. Why? In general, social workers do not have the ability or confidence to justify the same level of delegation. Perhaps this is the nub of the problem. They are simply not equipped to take on enhanced care management responsibilities at the drop of a hat. An experienced social worker recently told me 'the Griffiths' proposal is about right in theory but immediate implementation would be impossible. Training would have to be strengthened and lengthened'.

In **Para 9**, a case is made for treating residents in local authority homes in the same way as those in private homes for the purposes of claiming income support or housing benefit. Surely, local authorities would expand their own residential housing stock if this option is accepted.

Recommendations

I suggest:

(1) A more evolutionary proposal should be considered in the form of Community Care Trusts (see separate note).

(2) Entitlement for income support should be preserved in the short-term.

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APPENDIX

EXAMPLES OF SOCIAL SERVICES EXPENDITURE

	Population	Total Expenditure £m	Distribution of Expenditure: Children %	Elderly %	Handicapped and Mentally Ill %	Central Services and Management %	Fieldwork %
Inner London							
Camden	185,000	£41m	20	33	17	19	11
Greenwich	215,000	£35m	28	28	17	14	13
Kensington & Chelsea	137,000	£24m	24	23	10	28	15
Wandsworth	257,000	£44m	27	28	11	19	15
Outer London							
Barnet	300,000	£23m	16	45	18	11	10
Brent	255,000	£40m	22	25	19	20	14
Merton	168,000	£16m	19	39	14	8	20
Metropolitan Districts							
Bolton	259,000	£21m	14	40	24	11	11
Stockport	292,000	£19m	20	42	14	8	16

(Personal Social Service Statistics - 1988/89 Estimates by CIPFA)