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PRIME MINISTER

P 03504

## COMMUNITY CARE

[E(A) (89) 20]

## DECISIONS

This joint paper by Mr Clarke and Mr Moore reports to E(A) the outcome of the discussions about community care in the group of Ministers which you chaired. It also reflects further work done since your last meeting, particularly on the mentally ill. Drafts of an oral statement by Mr Clarke and a written Parliamentary Answer by Mr Moore are attached to the paper.

## 2. The main points for the meeting are:

i. general policy on community care. You will wish to record the Sub-Committee's formal endorsement of the Ministerial group's conclusions.

ii. services for the mentally ill. This reflects the agreement between Mr Clarke and Mr Major which you have already seen.

iii. the draft statements. You will want to check that you are content with the drafts and invite detailed comments in writing. You may also want to check that the arrangements for the announcements are properly coordinated.

## MAIN ISSUES

## General policy on community care

3. The paper and statement reflect the policy agreed in your group of Ministers for the social aspects of community care.



i. Responsibility for arranging care and for budgets would be brought together under the local social services authority. This would apply to residential care as well as domiciliary care.

ii. Income support claimants in private residential homes would in future be treated in the same way as claimants in their own homes. They would receive income support to meet their living costs and housing benefit to meet their accommodation costs. They would look to the local social services authority only for help with care costs. The authority would assess their need for such care and decide whether to assist them.

iii. There would be transitional arrangements to protect people in private homes when the new system was implemented in April 1991. They would continue to be eligible for income support to meet the homes' charges, whether or not they were actually claiming benefit before April 1991.

v. There would be no change in the arrangements for people in local authority homes. The local authority would continue to meet their costs in full, subject to charges. This would give authorities a strong incentive to move out of direct provision into an enabling role.

vi. These arrangements would require a transfer of resources from the income support budget to local authorities. Exchequer support for the authorities' new role would be provided through the general Revenue Support Grant, and through a new specific grant for the mentally ill. (Mr Clarke and Mr Major have agreed not to proceed with any of the other candidates for targeted specific grants.)

4. You will wish to record E(A)'s agreement to these conclusions.





### Services for the mentally ill

5. At your last meeting Mr Clarke favoured giving district health authorities responsibility for the provision of social services as well as health services for the most severely mentally ill people (those who had been in hospital for 3 months or more). But the Ministerial group saw attractions in leaving this responsibility with social services authorities, as in Scotland and Wales, perhaps backed by a new specific grant.

6. Mr Clarke and Mr Major have now agreed arrangements along the following lines.

i. Local social services authorities would be responsible for providing social community care services for all mentally ill people in the community.

ii. This responsibility would be backed by a new specific grant for local authorities. It would be payable through health authorities acting as the Government's agents. This is a novel proposal, and the details have yet to be worked out. But it would give health authorities leverage over the provision of social services for the mentally ill, a point which has weighed with Mr Clarke. You will want to be sure that other Ministers, particularly Mr Ridley, are content.

iii. There would be a new assurance that mentally ill people would not be discharged from hospital unless and until adequate medical and social care was available in the community.

Mr Clarke and Mr Major do not seem to have reached any agreement on the amount of the new specific grant, a point on which the Government may be pressed when the announcement is made.

7. You will wish to confirm that E(A) are content with these





proposals on the mentally ill.

Draft statements

8. The draft statements reflect the policy agreed in your group and in subsequent discussions. You will want to consider whether the tone and presentation are right. You may also wish to raise some of the following points:

*Query = para 1  
sentence*

i. financial implications. Paragraphs 18 and 19 of the oral statement contain the wording, agreed by Mr Clarke and Mr Major, which you have already seen. Detailed figures would not be produced until next year's Public Expenditure Round. You may want to check that all the Ministers with an interest are content with this part of the draft statement. There may be particular pressure for the Government to say how much money will be made available through the new grant for services for the mentally ill.

ii. Community Care Grants from the Social Fund. Mr Moore's draft written answer says that these grants will continue to be available after April 1991 although this will be kept under review. This has not been discussed by Ministers collectively. I understand that Mr Moore feels it would be wrong to abolish these grants and transfer the money to local authorities for three reasons: the grants were introduced as an alternative to the previous statutory right to "special payments" under supplementary benefit; a high proportion are paid to vulnerable families with children rather than the groups covered by the Griffiths Report; and the £60m involved would be lost in local authority budgets. I gather other Departments are content. You may wish to ensure that E(A) endorses this proposal.

iii. control of housing benefit expenditure. There is no explicit reference in Mr Moore's draft answer to the proposal to ensure proper control of housing benefit





expenditure for people in residential care by specifying notional rents which will be supported. There is however a general reference to further proposals in this area at the end of the draft. Since more work is in hand this may be the right approach. But you will wish to ensure that you are content.

iv. inspection of local authority homes. Mr Clarke's oral statement says that there will be no change at present in the arrangements for registering and inspecting private residential care and nursing homes. But there is no mention of the proposal to put inspection of local authority homes on the same footing as far as possible. Ministers noted earlier that this was a point of particular concern to the owners of private homes, and also to residents in council homes. You may wish to ask Mr Clarke whether it should feature in the oral statement.

9. Other Ministers may wish to make general points on the draft statement. You could ask them to write to Mr Clarke and/or Mr Moore with any detailed points as soon as possible.

#### Arrangements for the announcement

10. Mr Clarke proposes to make the statement before the summer Recess. He will need to liaise with the Lord President over timing. Mr Moore and the territorial Secretaries of State would answer written PQ's on the same day. I understand that Mr Clarke also intends to hold a major Press Conference on the day of the announcement. Other Ministers would not be present, but could of course make their own Press arrangements. You may wish to ask the Ministers concerned to ensure that their announcements are properly cleared and coordinated beforehand in the normal way.

#### HANDLING

11. You will wish to ask the Secretary of State for Health to



introduce the paper, followed by the Secretary of State for Social Security. The Secretary of State for the Environment and the Chief Secretary, Treasury and the Secretaries of State for Wales, Scotland and Northern Ireland may also wish to comment, as may other members of the Sub-Committee.

RJW.

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Cabinet Office  
7 July 1989