

Note

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Told Peter Goldhill (Dott)
that there were no signs that the
P.M. would object to these proposals,

Prime Minister

CONFIDENTIAL

PRIME MINISTER

and that Dott
should neither
now proceed
with their
E(A) paper.

Content for these proposals
to come to E(A) on Monday
together with the other points
previously agreed?

PRCCG of 1

(Mr. Clarke is planning a statement
next Wednesday if E(A)
endorses the package on Monday)

COMMUNITY CARE: OUTSTANDING ISSUES

At our meeting on 20 June I was asked to discuss three outstanding
issues with the Chief Secretary:

PRCCG
5/7

- responsibilities for social care of people suffering from mental illness;
- a passage for the statement on resources;
- specific grants.

I have done so and our agreed conclusions are as follows.

Mental Illness

2. We propose the creation of a new specific grant aimed at enabling local authorities to carry out their existing social support functions more effectively than at present. In order to ensure that local authorities set targets in line with health authority plans and priorities, and that the plans of each mesh constructively together, we propose that the grant should be payable through health authorities acting as my agent, on the basis of the plans submitted by local authorities to them. This will give health authorities the position I believe they need in relation to local authority services for this group of people. It will also help to ensure that health authorities develop their own plans alongside those of local authorities. No change in existing health or local authority responsibilities for services will therefore be necessary.



3. My department will monitor the use made of the grant, and its effectiveness. Further details, including the size of the grant and the method of distribution, will be worked out after the statement. Together with my other proposals which we have already agreed I believe that this new grant will enable us to demonstrate a positive and comprehensive response to public concern about mental illness.

Resources

4. We have agreed that the enclosed passage about resources should be included in the statement. I believe it goes as far as we reasonably can at this stage.

Specific Grant

5. I have decided not to press further the case for announcing the creation of additional specific grants. I believe that the case for an additional grant is strongest in relation to our aim of persuading local authorities to move speedily and uniformly towards a "purchasing" rather than "providing" role in home care services. Without some incentive to move in that direction, progress may prove to be patchy and slow. I may need to return to this issue later.

Next Steps

6. Our conclusions will be reflected in the paper for E(A) which John Moore and I shall be circulating for the meeting on 10 July.

7. I am copying this minute to Nicholas Ridley, Malcolm Rifkind, Peter Walker, John Moore, Tom King, John Major and Sir Robin Butler.

MINISTERIAL STATEMENT ON COMMUNITY CARE: REVISED DRAFT PASSAGE ON
RESOURCES

We shall ensure that local authorities have adequate resources for their new responsibilities. That means that we shall transfer to the local authorities the resources which the Government would otherwise have provided to finance care for those receiving social security payments in residential and nursing homes. The transferred resources will allow for the projected growth in the numbers of people needing support.

Resources will be needed by the local authorities to carry out their new tasks for assessing individuals' needs, arranging appropriate care services for people at home, and buying private residential and nursing home care.

We are confident that the proposed funding changes, by putting more emphasis on supporting people in their own homes, will provide both more suitable services closer to individuals' wishes and needs, and better value for money from public spending than under the existing arrangements. We shall be discussing the detailed financial implications with local authority representatives. The necessary decisions on the resources to be transferred will be taken in the Public Expenditure Survey next year.

