Meeting Record

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10 DOWNING STREET

LONDON SW1A 2AA

22 March 1989

From the Private Secretary

Dear Andy,

COMMUNITY CARE

The Prime Minister yesterday held a meeting to discuss policy on community care. Those present were the Secretaries of State for Wales, the Environment, Scotland, Health, and Social Security, the Chief Secretary to the Treasury, the Minister for Health, Sir Robin Butler, Mr. Wilson and Mr. Monger (Cabinet Office) and Mr. Whitehead (Policy Unit). The meeting had before it minutes dated 17 March by the Secretary of State for Health, 20 March by the Secretary of State for Social Security and 20 March by Sir Roy Griffiths.

Your Secretary of State said that the Government's objective must be that people in community care should continue to live in their own homes for as long as possible. The question was how this could best be achieved. It was wrong to start, as some previous work had done, by considering questions of organisation. Instead, the Government must start by addressing the underlying policy questions. The most important of these were: what was the right balance between support for residential care and support for care in the home? Should support for care in the home take the form of providing services or providing cash? How far should services be provided by the public sector and how far by the private sector? Should the support be provided by an agency of central government or by local government? In considering these questions it was necessary to distinguish between the elderly and the mentally ill. For the mentally ill there was a long-standing policy of moving them out of long-stay hospitals. Some issues arose on the implementation of that policy, which he had discussed in a separate note. But they could be considered separately from the treatment of the elderly, who accounted for the great majority of those in residential care.

The subject had, with the publication of Sir Roy Griffiths' report, aroused intense interest in Parliament and among the public at large. Considerable expectations

had been raised, and it was not possible simply to do nothing.

In discussion of the treatment of the mentally ill the following were the main points made in discussion:

a. There were grounds for thinking that the policy of transferring the mentally ill out of long-stay hospitals into the community had been taken too far. Some people who had become institutionalised, and who could not cope in the community, had been moved out of hospital to the distress of themselves and their families. The condition of schizophrenics, which could be controlled by medication while they were in hospital, had deteriorated when they were no longer under continuous supervision to ensure that they took the medication. In many cases, moreover, treatment in the community was likely to be more expensive than treatment in long-stay hospitals.

b. The picture however varied according to the type of condition in question and according to locality. For example, the policy of moving patients into the community worked much better for the mentally handicapped than for the mentally ill such as schizophrenics. And there were substantial differences between the facilities provided for community care by different local authorities. In Wales for example, the policy had worked well and had been popular.

c. The problem was greatest in the case of patients who might have been in institutional care for many years and were then discharged into the community. The number of such cases was diminishing as time passed, and to that extent the problem was becoming less.

d. The paper circulated by the Secretary of State for Health under his minute of 17 March described a number of possible initiatives designed to mitigate any undesirable effects from the way policy had been applied. In particular, some possible initiatives had been identified which could help to ensure that there was proper assessment of the needs of patients in hospital, and proper arrangements for caring for them in the community if they were discharged.

The Prime Minister, summing up this part of the discussion, said that the group had considerable doubts about the application of the policy of transferring mentally ill people to the community, and in particular about whether it had been taken too far. The Secretary of State for Health should bring a paper before the next meeting of the group, after consultation with the Treasury and other interested Departments, re-examining the implementation of the policy in the light of the points made in discussion. The Secretary of State for Wales had offered to circulate a factual note on how the policy had been applied in Wales.

In discussion of the elderly the following were the main points made:

a. The principal objective of policy must be to ensure that wherever possible elderly people could stay in their own homes, cared for by their families or by others in the community. This was what most elderly people themselves would want. It became more practical as families, and the elderly themselves, became better off. Any suggestion that the Government had the primary responsibility in the matter would undermine the role of the family and lead to iresistible demands for ever increasing public expenditure.

b. The Government should also encourage the voluntary agencies to expand their role in this area. This too would help to ensure that the State did not come to be thought of as having the main responsibility. Moreover, action by the voluntary agencies was also likely to be the most effective in practice. The needs of the people concerned were so various that they could not readily be met by a single organisation. It was unfortunate that the churches had generally been so inactive in this area.

c. Greater emphasis on looking after the elderly at home necessarily raised the issue of whether extra resources should be made available to them or their carers. These might take the form either of more services or of more financial help. But it was important not to generate pressures for increasing public expenditure. It was essential that any help which was given must not be - or come to be regarded as - an entitlement. There was a good deal to be said for providing help through tax relief rather than benefits.

d. The worst aspect of present arrangements was that income support was provided for residential care without any attempt at assessing whether such care was needed. This meant that providers of all other care had a direct financial interest in moving the elderly into residential care, whether it was appropriate for them or not. The result had been a huge uncrease in the cost of income support for residential care and without a change of policy this increase was likely to continue, and indeed to be accentuated by demographic trends.

e. It was therefore important to find some means of assessing the need of the elderly for residential care. Assessment by GPs alone was unlikely to be effective. Experience with the system of certification for sick leave showed that they might take the course of giving the answer that was expected of them. In any case, the assessment was not just a matter of medical judgment but required knowledge of the other facilities available. In practice, a number of people with different types of expertise needed to cooperate in making the assessment: the nucleus of experts already

existed in the NHS, in local authority services and in voluntary agencies. Moreover, it could be argued that the assessment would never be a proper one unless the assessor had a direct financial interest in ensuring that the care was cost effective.

f. As to the role of local authorities, the Government could have no confidence in their ability to undertake a greatly expanded role. If, as had been suggested, they were given the funds now spent on income support for residential care, they would assume responsibility for a further large tranche of public expenditure, and this was not an outcome to be welcomed. There would also be considerable political opposition to any extension of local authorities' responsibilities. On the other hand, it was argued that the right role for the local authorities in this area was as enablers rather than as providers of services themselves. Indeed, they could be prevented from acting as providers, except as a last resort, and required to arrange all services on a competitive basis. Such a solution would represent privatisation of a major part of their existing activities.

g. Other options were not free of difficulty. The creation of a new body was not at all attractive. Nor was it desirable for central Government to take on greater direct responsibilities than it had at present. An extended role for the NHS, in particular perhaps for Family Practitioner Committees, might have some advantages, but the NHS was likely for some time to come to be preoccupied with the reforms recently announced. But it might well be that the present system, with a number of agencies each contributing its own expertise, better reflected the diversity of the requirements of the elderly, and that in practice what was needed was not a major reorganisation but better coordination between the agencies that already existed, encouraging those trends which were good and discouraging those which were bad.

The Prime Minister, summing up this part of the discussion, said that the group believed that the main aims of policy must be to help the elderly stay in their own homes for as long as possible, and to strengthen the role of the family and voluntary agencies in enabling them to do so. This led to the question whether further assistance should be provided, in the form of services or financial help, to the carers or the elderly in their own home. This question needed further discussion but there was a very strong case against benefits which would create an entitlement and imply that the main responsibility lay with the Government. A better solution might instead be to provide help which was not available as a right and which took the form of a contribution to costs, with private effort meeting the rest, rather than of payment in full. A system of grants to voluntary agencies, whose size was related to the sums they were able to raise for themselves, might be an attractive option.

In considering its response to the Griffiths report, the Government should, especially given the difficulty of finding time for legislation, concentrate on measures which could be taken quickly to deal with the main defects of the present system. The group had agreed that the biggest defect was the payment of income support for residential care without any assessment of whether such care was needed. This must be put right. The group would therefore want in the next stage of its work to consider how such an assessment might best be made. It seemed likely that a proper assessment would require the cooperation of a number of people with different types of expertise such as doctors, nurses and social workers. It had also been argued that the assessor should have a financial incentive to choose the most cost-effective form of care and this point too should be taken into account in the further work.

As to the organisation of the care itself, considerable doubt had been expressed about any extension of the role of the local authorities. But equally there could be no question of excluding them from this area and there could be ways, for example through enforcing more competition, of making their role a more useful one. The group were also generally averse to the creation of a new body. Indeed, they saw some advantage in the present system with a number of agencies each contributing its own expertise. It might well be that a system of this sort best recognised the diversity of the needs of the elderly themselves. On this view, the need as far as the organisation of the care was concerned was not to create new agencies but to ensure better coordination between existing agencies, and to build on the merits of the present system while overcoming its weaknesses.

The Secretary of State for Health should now prepare a further paper for the group setting out in the light of discussion costed options for providing further help towards care of the elderly at home, without introducing new entitlements; examining the best way of introducing an assessment of the need for residential care before income support was paid; and discussing how to ensure better coordination between the existing agencies active in community care. The paper should be written in consultation with the Treasury and other interested Departments, and discussed in the official group chaired by the Cabinet Office. It should be ready for a further meeting of the Ministerial group in about a month's time.

Yours,
Paul

PAUL GRAY

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Department of Health

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