



FILE cc Beggs PM

Mtg Record

cc Ian Whitehead, PU

SUBJECT CC MASTER

10 DOWNING STREET

LONDON SW1A 2AA

10 April 1989

From the Private Secretary

Dear Andy,

COMMUNITY CARE

Sir Roy Griffiths came to see the Prime Minister this afternoon to discuss the follow-up to his report on Community Care.

I should be grateful if you and copy recipients would restrict circulation of this letter to those with a clear need to know.

Sir Roy said that reactions to his report had involved a substantial misrepresentation of his proposals for the role of local authorities. He had identified three key problems in the present arrangements. First, there was no obvious person or group within the public sector to whom those in need of care in the community could turn; this role could not be fully met by voluntary agencies. Second, there was no control whatsoever over local authorities' actions; this was unacceptable and their responsibilities had to be clarified. Third, there was no control over social security expenditure on residential care, which had rocketed in recent years and was set to grow substantially further.

In response Sir Roy said he had prepared a carefully designed package, which he strongly believed provided the best way forward. The aim was to introduce greater central control over local authorities, with the size of financial allocations to them giving central government the necessary levers. He thought that this approach should be sweetened for local authorities by transferring to them responsibility for the residential care element of the social security budget. But that apart he was not proposing extending local authorities' present responsibilities.

The Prime Minister expressed concern about who would take decisions about people being taken into residential care in future. She was concerned to avoid giving any impression of the state accepting - or being seen to accept - responsibility for people once they moved into old age. On the contrary the objective should be to maximise the responsibility of the family, and to keep the elderly at

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home for as long as possible. This might involve for example the introduction of modest grants towards costs such as laundry bills and bus fares for carers. But if responsibility for assessing whether or not people should move into residential care rested with local authorities she was concerned that some of them would wish to maximise rather than control expenditure.

Sir Roy responded that his proposal did provide the necessary degree of control. It would not be appropriate for the centre to seek to retain control over individual residential care decisions; that would weaken the incentive for local authorities to manage their budgets responsibly. The key was close control over total budgets for each local authority, with the possibility that the centre could exercise particularly tight control over the funds made available to the less responsible authorities. The Prime Minister expressed concern that, once local authorities assumed responsibility for residential care costs, they would simply become a lobbying point for extra resources. Could the idea of cash-limited budgets be sold to local authorities and effectively enforced? Sir Roy said he felt confident that his proposals would not create a new lobbying force; on the contrary they would provide more effective budgetary control than if responsibility was given to a new "gate-keeping" bureaucracy, the Family Practitioner Committees or Health Authorities. It would be difficult for example for means testing to be operated within the NHS; and all parts of the NHS had more than enough on their plate in the foreseeable future in implementing the NHS reforms. His proposals could be delivered without an increase in total public expenditure, with the rate of increase in total provision for community care being an issue that remained within Ministerial control.

Discussion then turned to the mentally ill and mentally handicapped. The Prime Minister expressed concern that the policy of returning these groups to the community had gone too far too fast. Sir Roy sympathised with this view, but said he saw no need for any major change of policy. The requirement was to stress the need to make specific provision for care in the community for each individual before a decision was taken to discharge them from institutional care into the community. The costs of care in the community were often very high, and once these consequences were recognised this would itself slow down the process of people being discharged from institutions.

Sir Roy said that an important measure to contain costs was to ensure a move towards carers in the community who were much less professionally qualified than nurses and others involved in the present regime. The requirements to keep people in their own homes were often very simple, and could be effectively carried out by those without qualifications. The vested interests in the medical profession would however press strongly for the opposite course and for a major extension of community nursing. That should be resisted.

Discussion then turned back to the management of residential care. The Prime Minister asked whether local authorities might be debarred from running their own facilities and obliged to contract out to the private sector. Sir Roy said he had considered this possibility, but saw a number of difficulties, in particular that there were certain areas in which the private sector would not be prepared to offer facilities. He therefore thought that local authorities should be obliged to obtain bids from the private sector for the provision of residential care, but could retain the right to make provision themselves as long as there was an onus on them to explain why they had decided to go for in-house facilities.

The Prime Minister thanked Sir Roy for his clear exposition of his proposals. This was a very difficult area and whatever solution was adopted carried the risk of multiplying the problems being tackled. She was sure Sir Roy understood why it had not been appropriate for him to join in the first Ministerial discussion of the subject. She now wanted to consider further the points that he had made, and would also consider how he personally might be involved in the subsequent discussions.

I am copying this letter to Stephen Williams (Welsh Office), Roger Bright (Department of the Environment), David Crawley (Scottish Office), Gill Littlehales (Department of Social Security), Carys Evans (Chief Secretary's Office) and Trevor Woolley (Cabinet Office).

Yan.
Paul

(PAUL GRAY)

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