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PRIME MINISTER

16 June 1989

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COMMUNITY CARE
A Personal View

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The new arrangements we are proposing are highly complex. There is much scope for confusion. I am extremely concerned that we may reach implementation date (April 1991) with the changes on the ground not fully in place and much confusion remaining - about the allocation of funds, and elderly people's rights.

In particular the removal of automatic entitlement for income support for those in residential care in April 1991 could, if the overall package was still less than satisfactory, create enormous potential for the Government to be criticised for reducing pensioners' rights. This would be an almighty 'own goal'.

It seems essential to avoid any chance of this happening in 1991. We should thus retain total flexibility on the implementation date and not commit ourselves to any date. We could say that the change would be brought into effect when we were fully satisfied that all the other arrangements - eg better domiciliary care - were in place.

This could also have a spin-off by reducing the likelihood of a surge in applicants for residential care if a cut-off date is announced at the outset.

RECOMMENDATIONS

An evolutionary strategy could be adopted.

- Retain income support entitlement for the time being.

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- Most of the recommendations in the Griffiths' Report could still be adopted. Targeted specific grants would be paid to local authorities if certain objectives are achieved. For example, if a local authority manages to restrain the growth of applicants for income support through better provision of domiciliary services (public or private), the grant would be increased.
- In effect, part of the saving in the growth of income support would be passed on to local authorities in the following year. This applies a simple principle disliked by some officials: spend a pound now to save ten pounds later!
- This model would give a positive choice to the individual and the supporting family.
- Value for money would be achieved.
- This proposal would be well received.
- The Griffiths' Report remains largely intact. Yet it removes many of the political pitfalls.

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