DEPARTMENT OF SOCIAL SECURITY Richmond House, 79 Whitehall, London SWIA 2NS Telephone 01 - 210 3000 From the Secretary of State for Social Security NBPM blindere. CONFIDENTIAL The Rt Hon Geoffrey Howe QC MP Lord President of the Council and Leader of the House of Commons Privy Council Office Whitehall LONDON SWIA 2AT 26 October 1989 COMMUNITY CARE WHITE PAPER Kenneth Clarke sent me a copy of his letter of 20 October to you seeking urgent views on the draft White Paper on Community Care. have a number of comments, some of which arise from the annex to his letter rather than the draft itself. Topping-up by local authorities You will know from my letter of 26 October commenting on the associated legislative changes that I have considerable difficulty with one of Ken's proposals, namely that local authorities should be prevented from making additional payments ("topping up") to help people on preserved Income Support where the home's fees are higher than the Income Support limits. Contrary to the assumption in the second paragraph of the annex to his letter, I do not agree that the

arguments against topping-up are overwhelming: far from it. However, Ken and I are meeting next week to try and resolve this. Since the draft White Paper itself is now silent on the issue, it is not a problem here.

Access to preserved entitlements

The final paragraph of the annex to the letter states that I propose to limit access to preserved Income Support for people in residential homes on 1 April 1991 to five years. This might be misunderstood, and the relevant part of the draft (paragraph 9.3) is also a little unclear. What, I am proposing is that access to the preserved scheme will be available:

- to all existing claimants normally resident in a home on 31 March 1991, for an indefinite period (we are still considering whether they may need to be some small limitations: for example, where a break in residence is more than about 2 years).
- to all existing residents on exactly the same terms as existing claimants, but with the caveat that we may at a later date but not less than five years from April 1991 decide to end the arrangement under which existing residents can seek help from public funds under the preserved Income Support scheme rather than approach the local authority.

The reason for proposing a cut-off point at all is to minimise the scope for fraudulent claims which could not be checked without extensive record-keeping or detective work by my Department's local office staff. Indeed a period as long as five years may cause us some difficulty. But I do not want to present this as the last word, and the White Paper should suggest some flexibility on our part, leaving open the possibility of an extension. I attach a redraft of paragraph 9.3.

Resources

Paragraph 8.24 of the draft suggests that one-fifth of the total amount available for transfer from social security to local authorities will be available in the first year. This proposition has not been agreed by my officials, and I would ask for the sentence to be deleted. In any case it simply encourages those who are pressing us for details of the transfer to believe that we are further advanced than we really are.

My officials are in touch with Ken's about a number of more detailed drafting points.

Copies of this letter go to the Prime Minister, other members of ${\tt H}$ and ${\tt E}({\tt A})$ Committees and to Sir Robin Butler.

TONY NEWTON

M / Mayo

REVISED PARAGRAPH 9.3

9.3 Access to the preserved scheme will be given if, on 31 March 1991 (the day before the change to the benefit arrangements), a resident or claimant is, or would normally be, living in a residential care or nursing home where the Income Support limits apply. Income Support will continue indefinitely for claimants, including existing residents who subsequently become claimants, whose entitlement in a home is not interrupted. Entitlement will not be affected by a claimant or resident moving home or, in most circumstances, leaving a home altogether for long periods: to go into hospital, for example. The Government will wish to keep under review the length of time for which the rule allowing existing residents to claim assistance under the preserved scheme should continue to operate; but it will be for not less than five years from April 1991 in the first instance, and no changes would be made without ensuring that adequate financial support would be provided in some other way.