

30 NOVEMBER 2009

**PAYING FOR CARE IN WALES: GREEN PAPER
CONSULTATION ON OPTIONS FOR REFORM**

STAKEHOLDER CONSULTATION EVENT

Venue Cymru, Llandudno

Transcript

Note: this transcript was prepared by the palantypists, and has been edited minimally by the Paying for Care team for intelligibility.

Introduction and scene setting: 'The context of the Paying for Care debate in Wales'

Chair: Rob Pickford, Director of Social Services Wales

ROB PICKFORD: Good morning. Thank you for making it on what's not an easy day, and to welcome you to what are is first of three events for key stakeholders across Wales.

My name is Rob Pickford and I am since August the Director of Social Services Wales and it's my pleasure to chair today's event and to help facilitate what I think is one of the most important discussions that we've got on at present, something that's very much going to affect all our lives and people across Wales lives for the next couple of decades to come. This is one of those discussions that isn't just about a strategic view over the next 3 to 5 years. This is a much longer term issue than that.

In terms of the Green Paper, as you know this paper was published a fortnight ago on 16 November and the consultation process is open for 15 weeks until 28 February. During that time what we want is to stimulate a lively debate around these issues - amongst stakeholders but also among the general public as well because these are issues that are not matters to be debated in closed rooms between professionals. These are matters of important public concern and the more we can do to stimulate that public debate the better. We also know that this issue, quite rightly, is an issue people have very strong views and opinions on, and one that touches, I suspect, every family and certainly most of us at some point in our lives in this room, and we very much welcome your support in working through how we take this forward.

It might be worth mentioning briefly what a Green Paper is. A Green Paper is designed to facilitate a more open-ended sort of discussion, usually in government circles – usually followed by a White Paper with more detailed legislative proposals, and that leads to draft legislation. So, the purpose of a Green Paper is to stimulate discussion. Usually, by the White Paper stage, matters have been narrowed down to specific proposals, so in that sense a Green Paper is more open stage of that discussion, laying out some of the options before decisions are made.

The paying for care consultation has gone a little further than that and is a little unusual in that we decided in Wales to hold an initial consultation last year prior to producing the Green Paper, and many of you will have contributed to that discussion and I know some of you will have been here in January for the stakeholder events similar to this one to explore that.

The initial consultation sought to open up that debate by looking at issues of principle, including expectations of care, where we think the balance of responsibility should lie between the individual families and the state, what we're prepared to pay and what we expect in return. What the Green Paper does is to take those general principles and issues and look at some specific range of options to take that debate further.

Clearly, this is not a question that is confined to Wales. Certainly we know in the Welsh Assembly Government that this is a matter that we'll have to take forward with the UK government to achieve the sorts of changes that will be necessary, especially as primary legislation covering social care is set in statute often on an England and Wales basis, and some of the key issues we want to look at, such as the link with welfare benefits, are nondevolved issues - so this is an issue where we have to work closely with the UK government. As you know, the UK government published its own Green Paper back in July shaping the future of care together - that set out the UK Government's plans for England, although some of those proposals clearly have implications for the rest of the UK.

Those of you who've looked at it will know that it [the UK Government's Green Paper] is wider than the Green Paper we're considering today in that it looked also at the way in which social care should be organised and provided as well as how it's paid for, where as what the Green Paper in Wales does is to focus primarily on paying for care.

The reason for that is because we have already got in Wales a broad strategy for the future of social services and social care in Wales. The 10 year strategy 'Fulfilled Lives, Supportive Communities' was published back in early 2007 and sets out a vision for social services, expectations on local authorities and the challenges ahead and how those challenges should be met. What we've also done is to establish an independent Commission on the future of social services. The Deputy Minister announced the shape of that two weeks ago on 17 November, and I think she will want to say a little more about that Commission in her speech later on today.

What's important, however, is that we recognise that in Wales we have developed a distinctive approach to transforming social services and there are some important differences between the shape of that direction of travel for Wales as opposed to England, and the debate for paying for care needs to be seen within that wider context.

So, the Green Paper that you have before you today describes the Welsh approach to transforming social care and poses some general questions about direction of travel. Really I think what we want to focus on particularly today are the paying for care issues, but I think we're very conscious that when you are looking to pay for anything you do want to see the shape of what it is you're wanting to buy, so there clearly is an important link between those two. This will form an important part over the next number of months around the future change of social care services, and it will be important that as the independent Commission gets its work off the ground that you very much feed into that discussion as well because it is there that there will be the opportunity to have a debate about the shape of services over the next decade. The Commission has been specifically asked to consider the results of the Green Paper consultation as part of its remit to ensure that that reform goes hand in hand with the paying for care issue and the transformation of services.

So, what we want to do today in particular is to focus on Chapter 3 of the Green Paper. You know the options that were put forward in the UK Government paper in July; and the fact that we need to have that relationship reflects the reality that many of the levers for change remain with the UK government and therefore will require Westminster-based legislation. I'll say a bit more about the five options later on when I introduce the workshop sessions, but to summarise for now:

Two of those options (leaving it to the individual to meet their own care costs or funding care entirely through taxation) have been ruled out in the green paper. The other three are all based on a form of partnership approach, and what that means I suppose is the state guarantees to meet a proportion of the care cost and the individual has to meet the rest. Option 3 in the green paper is about the partnership option on its own, individuals then make up the balance, deal with the rest themselves. Option 4 combines this with voluntary insurance scheme. There are 2 sub options in that of a private or state backed model. And option 5 which we called the comprehensive option would require individuals to contribute to a state backed scheme.

So, there are 3 versions of that partnership.

Obviously, there is a lot more detail than in the Green Paper than that very brief summary and it does allow for a number of permutations of how we approach that.

The consultation itself will need to consider how these funding options might work for Wales and how they would work within a Welsh context, and those are the two questions that I think it's important that we do focus on as we go

through the day. What do these funding options mean for Wales and how might they work in a Welsh context? I think keeping those two questions in the forefront of our mind is critical.

So the aims for today are as follows: firstly, and I suppose the obvious aim is to give you as stakeholders in this an opportunity to hear at first hand the proposals put forward by the UK government and the Assembly Government's views on that so there is an information, a sharing, a learning part of that.

Secondly, to give you an opportunity to begin to give your views on the various funding options and to talk with each other around that, to network and share those experiences and thoughts with each other.

What we hope we come away with from today is with a list of observations, evidence, ideas, thoughts about how this might work in a Welsh context, including the pros and cons of individual options.

Perhaps the most critical in all of this is that we hope to encourage and equip you to continue the debate within your organisations and within your communities, so that you can lead an informed debate about these important issues, because I think unless we can get the people of Wales talking about these issues then it will not move this forward.

What we're putting together a variety of tools to assist you in that. There is the web-site, which contains a lot of background information and also an on-line response facility.

There is an Easy Read version and it's important that you have that as well. That Easy Read version is there for all of us, but also we're particularly conscious people with learning disabilities need an opportunity to contribute to this debate. And there is a summary version that you'll find in your delegate pack.

We're hoping to upload over the next couple of weeks a stakeholder toolkit so to give you some raw material that you can use in discussion with people, with slides and other materials that you can use in discussion, so you are not having to reinvent those wheels.

We'll advertise it through leaflets, local libraries, citizens advice bureaus, and there are plenty of spares so do leave today loaded down with as much as you can manage and distribute and talk about this as wide as possible.

Panel Discussion

CHAIR: So, that hopefully sets something of a context for today's discussion, But what we wanted to do was to give you an opportunity to hear about this from a number of different perspectives, so I have on my left four colleagues who are prepared to put themselves in that particular firing line. We have

given them an unusual time slot: 4 minutes, just to share their thoughts about paying for care in Wales.

What we've tried to do in putting the panel together is to get a range of stakeholder perspectives. Rhian Davies, who a lot of people will know is Chief Executive of Disability Wales as well as being a member of the Equality and Human Rights Commission, brings a whole range of experiences on equality and disability issues to this. Then we'll hear from Yvonne Apsitis who is vice-president of the United Kingdom Home Care Association, and again numbers in the room will know that Yvonne has been and is particularly concerned about the development of professional standards in domiciliary care; but also I think it's fair to say Yvonne brings a range of wider experiences about carer issues as well as work with older people.

Wendy Bourton is here I suppose informally as Chief Executive of Care and Repair, but primarily as chair of Assembly Government's National Partnership Forum for Older People in Wales - a post she was appointed to earlier this year; and it's fair to say she has already begun to make a significant impact in that role.

Last but not least, at the end of the table is Mario Kreft, who is known to a lot of you in North Wales as the founder proprietor of Pendine Park care organisation, but he is here very much as well as the honorary Chief Executive of Care Forum Wales. He has been, over many years an able spokesman for the care sector in Wales as a whole.

It is also worth adding that 3 members of the panel, Rhian, Yvonne and Wendy were members of the Wales Stakeholder Advisory Group set up by Ministers last year to look at paying for care in Wales as a whole, and I hope you've had a chance to look and read their report which was published in July. If not, that is on the website and again it's a very important source of knowledge, information, thoughts and perspectives on this issue. And sitting shyly at the table at the back is David Burke who is here from the Department of Work and Pensions - whilst David is not a member of the panel, I know he would be happy to answer questions as we go through this.

I'm sure that the panel members are bursting with enthusiasm to begin. What I'll do is to turn firstly to you, Rhian, to speak for about five minutes on your perspective.

RHIAN DAVIES: Bore da, good morning, it's lovely to be here, blown along the sea front this morning, but I am not sure it's going to be more stormy outside than inside. It will be interesting to see how the day works out.

I very much welcome this debate. I think this is one of the big debates of the 21st century, how we approach people's support and care needs, and also how we should pay for it. I think it's a debate that's been long overdue, it's one of the key areas in social policy where there has perhaps been least

attention over the years.

Although our focus here today is on how we pay for care, it is never the less is critical that we do look at the system and how it operates. We do have the Assembly Government's strategy 'Fulfilled Lives, Supportive Communities'. But certainly from Disability Wales' perspectives we want to see greater emphasis on an approach that comes from the social model of disability, recognising that it's barriers in society that exclude people and prevents them from getting the support they need and fully participating. We'd like to see much more - people having much more choice and control over the kinds of services that they need and how it should be delivered. So, it's really vital that this debate is put - because if we're talking about how we're going to pay, and people having to pay themselves much more in terms of contributions, it's only right we should look at what kind of service are we paying for and if it is of them right quality and the range, and if it is going to ensure equality and inclusion throughout people's lives.

In terms of the specific debate about paying for care, Disability Wales' principle on this is that, like health and education, social care should be free at the point of delivery. We're completely unwavering from that. As many of you may know, we've played a key role in the Coalition on Charging Cymru which has been a focus particularly on non-residential care charging. And certainly I'm a veteran of many an Assembly Government Task and Finish group – I keep waiting for them to finish, but at the moment the task carries on. But we do acknowledge the steps the Assembly Government has taken to address non-residential charging through increasing the buffer from 25 per cent to 35 per cent, introducing the 10 per cent allowance for disability related expenditure; and more recently the introduction of the social care charging Measure which will look at addressing the post code lottery around Wales where you can pay in one local authority £16.20 a week and in another local authority not so far down the road more like £200 per week. The proposals are likely to mean that in a year or so's time no one anywhere should pay more than 50 pound a week wherever they live.

From our point of view this is very much a step in the right direction but still falls short of our goals of no charging, people getting support they need and recognising that it's a valid need for people to have services that are about getting out of bed, having breakfast, getting out and about; and these should be services that are free. As Rob said, as a member of the Advisory Group, this wasn't just my own view or Disability Wales' own view, it was the view of the stakeholder group, which is a range of interests. It was also the view that came out of the many consultation events that happened earlier in the year.

Certainly in Wales, we believe that these services should be part of the Welfare State and should be paid for out of taxation

So, of course, it was disappointing, but may be perhaps not unsurprising, that when the UK Government announced their proposals they completely ruled out any discussion that social care should be paid for from taxation, and that's closed down the debate completely. I know organisations like Disability

Wales still commented on that in our response, but it closed down the debate and the reasons that were given was that it would be too much of a burden on working people to be paying for increased numbers of older people who needed social care.

For me, that sends out an unfortunate message in terms of intergenerational relationships, and also I think it is a key issue for all of us that at any time in our lives we may need support, and it shouldn't just be about how old you are, what gender you are or what background you come from, we need those services.

So, the UK Government has ruled out paying out of taxation as an option, and the Assembly Government has followed this lead. My concern with the other options that they've given, including different forms of insurance schemes or partnership models and the comprehensive model, is that they all rely on individuals making contributions, and we know that we all like to think: 'Oh yes we're going to live forever, we're not going to have these kind of needs.' We know people don't pay adequately already into their pension schemes, and this is yet another scheme that people could not take note of.

So, I have major concerns around these other models. They can potentially be very complicated - having been involved in these various charging Task Groups, you get into all sorts of debates about technicalities and definitions, and who's eligible and who isn't eligible, and what people should pay and what people shouldn't pay, and it just becomes so much more complicated; and if people are going to have to pay out of their own pockets in any way surely it's more honest and upfront to actually tackle this through our tax system which means everybody then pays according to their ability to contribute and everybody's protected and everybody is covered and we're not just left with those people who are able to or prepared to make those contributions for services they might need later in life.

A couple of quick points. I know there has been a great controversy around the UK Government proposals to integrate attendance allowance into social care funding. I think that would be a huge mistake. The strengths of Attendance Allowance are the personal benefits that enable people to spend money and pay for whatever support they need, and the fact that they're in control of that. To actually incorporate that into the social care budget would deny people that choice and control. And I think the other point is that you could have this sword of Damocles hanging over you when you reach the age of 65 - some of these models are about having to find £20,000 when you reach your 65th birthday, and you know you've got that hanging over you.

I guess, finally, there is a challenge for us in Wales. Although we've kind of staked our colours to the mast in many ways by saying we feel social care should be free at point of delivery, we're in a situation where the UK Government has ruled that out. The Assembly doesn't at the moment have control over taxation or the benefits system, so the challenge for us is: do we continue, do we stick to our guns, do we continue to say 'free at the point of delivery'? This is what's critical for us. Or do we cut our losses and look at

what is the least worst option? I guess that, in today's debate and the other 2 consultation events in the New Year, that's really what we need to be looking at: what do we want? We've got elections coming up. What do we want to be saying to the politicians and policy makers both in Wales and in Westminster? Because this is the debate of the 21st century. We need to be in there staking our claim, and what we feel and what we want to see is the services that will take us through all our lives for many years to come. Diolch yn fawr.

CHAIR: On to you, Yvonne.

YVONNE APSITIS: I want to begin by saying that the choice of the general public and the policy of the Government both here in Wales and at UK level is for care to be in the community, by which I mean care in own people's homes. Therefore most of the care that we need to pay for in the future will be domiciliary care. Historically the focus has been paying for residential care. In this debate we need to focus more on paying for domiciliary care. We like Government know little about what the cost of domiciliary care may be, but it is increasingly the case that when we are caring for some of the most heavily dependent people in society we cannot continue to rely on low paid in secure work force. Nor are we clear from the consultation about who will be able to access the publicly funded services. We cannot therefore estimate the percentage of the general public that may need to secure and possibly fund their own services. Here I refer to the growing number of people whose needs, although very real in terms of cleaning, laundry, home and garden maintenance, no longer trigger access to publicly funded services in most authorities and have to make their own arrangements already.

The lack of detail and the lack of costing models compounds the challenge of who should pay in future and for what. UKHCA has seen the question of funding as a political issue and outside our role as a professional association. But on behalf of the sector I must be concerned about the security of funded demand, and attempt to ensure that availability of supply will be there to meet future needs.

Having explored all the Government options we do not believe that any of the three preferred options will provide security of demand or ensure viability of provision. Those are serious issues that need to be taken on board. We therefore fully support the national scheme but with Government setting the funding levels. This would provide home care providers with a sufficiency of demand which is recognisable, rather than leaving it to each local authority to decide on an individual basis.

Many older people's charities and the liberal think tanks have already thrown their weight behind the tax model. Moreover the Prime Minister's announcement on free personal care for those living in their homes [in England] seems to us to be totally undermining the Government's argument against a tax funded scheme.

To be frank, it would be very difficult to fund free personal care because of the

rising costs - the problem is that we want a Swedish-style welfare state but only to pay American levels of taxation. The domiciliary care sector wants to deliver services fit for the future, whether that is a lower level of maintenance services, a rapid response or an ablement service, or continuing care for highly dependent people - but it comes with a health warning that the costs will need to be fully recognised and the sector fully and securely funded by whoever ultimately will be required to pay the price for the care.

CHAIR: Thank you, Yvonne. Shall we move on. It's help helpful to get a range of views.

WENDY BOURTON: I very much welcome the debate. We're in a world of changing attitude and expectations, and it is really critical that we examine these issues. I welcome the approach of the consultation. I am, as I mentioned earlier, slightly concerned how we engage with all parts of society and all citizens. I, like Rhian, recognise that sometimes younger people cannot see any point in buying into pensions at the moment. How much will they feel part of this debate? How do we get that debate to all parts of the communities to ensure that there is an inclusive debate? That is a challenge for us. It feels a long way away; but actually we need to be part of it. I am very pleased it's such a wide ranging consultation, but I do think we have all got a task to reach the people who will not feel part of this. It's a very complex debate. Its does require new thinking, particularly in the light of the fiscal situation across the UK.

I want to draw everybody's attention to the principles which the Advisory Group brought forward, which were important to us and helped us frame some of the statements and some of our recommendations in our report. Rhian referred to them earlier, and they are important within this debate: Human Rights, citizenship, timely service, fair treatment, service based on need and helping people to fit communities. We need to think about the relevance of those principles to this document. Clearly, the welfare benefits issue is always going to be challenging and so it should be. I think again, it is very, very important that all of us, at all levels of society, listen carefully to the reality and go beyond the fiscal situation and arguments. It is very, very important that we listen to the experiences of citizens if there are going to be any changes, so that we do not perhaps miss some of the advantages and some of the benefits as a consequence of thinking perhaps in a rational way. I worry a lot and I know that many members within the National Partnership Forum worry a lot about that recommendation.

I am also concerned about inclusivity and localism. How well are we reflecting the diversity of Wales? How well will the proposals reflect people's lives across Wales and changing lives across Wales? It is very, very important that we have models and funding models that reflect that diversity - which may not fit so well or suit so well in terms of what's being proposed. Localism is very, very important in making sure we reflect morally. How does that look? How do we sort those issues out and how do we make sure that is overt rather than in applied?

The biggest issue is definition of care. I think the thinking could be wider. I leave you with 2 points to think about. One you would expect me to say: housing - absolutely vital within the debate. Often we think about other aspects other than housing. It is very, very important that we mainstream housing within this debate; that we provide age-friendly societies and lifetime communities and lifetime homes. If we don't get that right the whole debate becomes much more costly. The other point is education: the role of education, providing support to people in a way that is not often seen. I pick education but you could pick leisure as well. When we think about paying for care perhaps we think too narrowly. What is it that provides people with the support to have new skills, to adapt their lives, to fulfill their ambitions as they need care? What role does that play and what place have the wider developments got in terms of when we have this debate? I think that is important. Thank you.

CHAIR: The last panel member. Mario.

MARIO KREFT: Thank you. I would like to take a slight different slant to freshen up the ideas. Obviously I think everybody in this room welcomes this because it is, as Rhian said, a debate of this century. It is overdue; and, just touching on what Wendy was saying about the definition of care, I think that really should be at the centre of this. I came into the care sector a long time ago, as Rob mentioned earlier, because we had someone at home - it was my grandmother, we were caring for somebody. It was some 28 years ago. She had something called dementia or Alzheimer's - I do not think anybody knew what it was in those days. A generation later we are now looking at how we're going to fund care in the future.

I just say this - the world changed 14 or 15 months ago with all of the financial issues and global meltdown, and you do just wonder whether in fact it is the case that we cannot pay for care; and maybe if we can get that definition of what care should be then maybe more of it should be free at point of delivery. I am very minded of the support that the banks have had in recent times. I am particularly minded about the word I had not about called 'quantitative easing'. As I understand it, it's something they tried in Japan and it did not work very well. Some people say it's now working very well. Social care is in essence a form of quantitative easing for our communities. I throw this out as a provider - I am representing 550 providers right across the spectrum: care homes, dementia care, some almost cottage hospitals, residential homes, domiciliary services, and even more recently children's services. But when you look at a group of people like that, the evidence we have is that most of the cost associated with care is wages. Its people.

And if we're going to be really serious about promoting well-being, we do need to look at the appropriateness of some homes. Everyone knows what first time buying is, but people have not got their heads round last time buying. I'm really not sure, with some of the worse housing stock in Europe, whether it is that sensible to keep people in that home because they have been there for 40 years. I am trying to get my mother-in-law to consider something a bit

different because of the steepness of the stairs - so there is issues round that and sustainability.

But going back to the numbers of people that we're involved in and representing, what is coming back is how we have got to do so much more to make sure that services are not just affordable but are actually fit for purpose. When you are going through your workshops today, just a little plea that you talk about how we're going to sustain what ever it is we're going to buy if we do not have a workforce that is professionally geared up, that is supported. Many of us would be pleased to say that little Jane at the cocktail party, she's doing IT or something. But how many people are proud to say my daughter, my son is going into the care professions?

You have this tension and it is between the free health service and the social care. It was there with my grandmother 28 years ago - the social care bath, the health bath. We have to be sure that we recognise that social care is the glue that sustains communities. It does enable people to remain economically active. Key family members will themselves take a major part of the care.

I returned last night from Italy. There you expect a society where the family is strong. They have got all of these problems. In Italy there are nearly 480 thousand registered immigrants caring for their families - mostly from Eastern Europe. To bring in another half million people, they are failing on their own health system and education system and everything else that goes with infrastructure. I feel that we must have a fair and sustainable system. We must think outside of the box. There should be a continuum that is not just looking at how we're going to pay for it. People who can afford it will and should pay something. That is what happens now. But equally at the moment 80 per cent of people who are provided with services in Wales are receiving those services from the state. That is the position. So the higher level you go in terms of support the more likely the state is paying anyway. And I think that we need a re-examination of this idea of community quantitative. Let's not just be given what we're told.

CHAIR: As we hoped there are a range of different views some challenges, some thoughts from across the Panel. But what we want to do now is to give you an opportunity to contribute to that discussion via some questions to the Panel, teasing out issues that you think they may have raised or simply making your own comments or observation as well. What we do not want to do at this stage is to go into the detail of the particular options and proposals because that's something that we will be able to do within the workshops. This is an opportunity to pick up some of the big issues, some of the big themes from that. So if you want to explore with Panel members some particular issues, then there is that opportunity as well. Anybody want to kick off?

NEW SPEAKER: Could anybody explain the rationale for continuing the distinction between care for people over 65 and care for people under 65?

CHAIR: Does anybody want to pick that issue up or express a view. It's one

that we want to explore within the workshop. Does any Panel member want to make any thoughts, observation or indeed anybody else from the floor want to contribute to that?

NEW SPEAKER: The World Health Organisation says the age of old people starts at 50. I think that is quite an affront these days when people work a lot longer and have much more life. Is there any way we can alter that idea that we start being old at 50?

CHAIR: Okay. Any Panel member want to come back?

MARIO KREFT: On the last point, I think a lot of people are saying that 70 is the new 50. So maybe we need to look at in that context. On the very interesting point about younger people and older people, as a provider I find it an awful lot easier to secure services for people who are under retirement age in the main, and levels of support that are more appropriate. I think there is an issue about ageism, so personally I would like this to be just about people and what their needs, and think we should get away from the idea of older and younger.

RHIAN DAVIES: This is why it's so important we're having this debate. Usually so much of the provision of care steps back to post-World War 2, the 1940s, supporting people returning from the war with long-term injuries. But it also reflects society and life expectancy at that time, when people retired at 65 and certainly males retiring actually were not expected to live much beyond their retirement age. As has been said, we live in a very different society, with people living into their hundreds. Many people live full lives and for a lot longer and that is why we do need this change. So far as I can see, there is only one key paragraph relating to younger people [in the Green Paper], and what I'm not sure about is, what happens to people who are disabled at a younger age (through childhood or as younger adults) if we're still talking about having to pay into a health insurance scheme beyond age 65? Does that still affect you if you have always had support services? There are issues like that where it gets complex. If we're not careful we could end up with unintended consequences and unimaginative provision, and reinforcing stereotypes instead of being more creative and inclusive.

YVONNE APSITIS: There was time when people at retirement automatically anticipated getting domiciliary care. Now, in fact what we have is a majority of people who receive services actually having turned 80, and there is a void of a sort between retirement age and 80.

WENDY BOURTON: I think it's an unhelpful distinction myself. I think from a housing point of view what we need to do is just plan for people's lives, and we really do need to make sure that we plan for lifetime homes and lifetime communities. Within that definition, and within housing, you can see how unhelpful it is when people think in narrow silos. From a housing point of view it is absolutely essential we keep planning and keep plugging for lifetime communities and lifetime homes, and make those homes that are unsuitable part of the thinking so that we do not perpetuate it. One of the dangers, I think,

is that we do extremely well perpetuating the problems in the modern day form.

CHAIR: Anybody from the floor want to pick up those points or make any others?

NEW SPEAKER: I think in Wales we have a real problem with rural communities dying. This is a wonderful opportunity to use the money that is in going to be in the pot to help reinvigorate rural communities by making pensioner pods or people pods, where the workers who are already there could perhaps have some form of tied cottages, so you are recreating the village with a need being created by the demand of the pensioners who have a disposable income because they have sold their properties to buy into the new dream. I do not think that is such a bad idea.

CHAIR: Rurality was mentioned.

WENDY BOURTON: I think the whole debate is interesting about how we will live in the future. You see it in the green world round transition communities, and mutuality. How do you get mutuality in the communities to support each other? How we engender that thinking varies in terms of rural areas, because they are not singular, they are not the same, they are very diverse. I know that there are parts of West Wales where that model would fit very well. I can think of other parts of the ex-industrial areas where that model would not work as well. We have to make sure we have lots and lots of models but the pre-premise has to be about how we harness new thinking, how do we encourage mutuality, and how do we make sure citizens re-engage with the state to get the future lives we want for our communities?.

CHAIR: At the front here.

NEW SPEAKER: One of the problems I have come across is that a lot of service users who gradually need support, especially physical support and housing, find it difficult to actually put the money into it - like planning for a pension, a lot of us are not in a working situation to bring our own income to it. This is one of my major concerns with the idea of how this is going to be paid for, because as the people who need support we cannot actually earn the money to contribute to it. We want to contribute and have our basic needs met, but we also want to have our ambitions met with it. Because we do not bring an actual income, you cannot actually contribute into these pensions or funding schemes. Obviously the population is getting older, and as we bring younger people in they have different expectations because education has got better and people want more out of life. They don't just want to be physically or emotionally cared for. They've got ambitions of their own they want to meet and it's got to be holistic to make this work.

RHIAN DAVIES: Thank you for that excellent point I think this is where we have to get into big picture thinking. The fact is billions of pounds gets spent every week - certainly every year - on support services, whether that's through disabled people and older people, whether that's through benefits and

community care, the Health Service, through housing, through different voluntary sector schemes - it is a multi-billion pound industry. So in a way there is not a shortage of funding, but unfortunately the way the funding is spent, because it is a very much an out-dated model which was developed in the mid twentieth-century, it's tied up in resources for things like day centres and residential homes and that sort of thing which keep people dependent, that actually don't support people to be independent, to follow their lifestyle choices and the aspirations they might have, and because it goes back to an idea that what people just need is to be kept safe at warm and tucked up in bed at eight o'clock at night. It wasn't about people who would get an education, who would have career aspirations, who would want to live independently in their own home, and be part of the community.

So I think we need to be looking at how do we translate the huge amount of money that is spent around supporting disabled people one way or another from a way that keeps people dependent to actually enable people to be independent.

And so far I think a lot of the debates we've had have only really scratched the surface of that and the danger is we're looking at this through the wrong end of the telescope. We're looking at how do we pay for something when we don't know that that something is what we want.

NEW SPEAKER: What do we do if we can't have a pension scheme?

RHIAN DAVIES: Well, people who aren't able to - I mean a lot of people have pensions through working and obviously if you're not working you don't get an occupational pension so you're reliant on the state pension -

NEW SPEAKER: But if you're not old enough to have a state pension?

RHIAN DAVIES: Pension kicks in when you are 60, 65, so younger people wouldn't necessarily have a pension because pensions are about when you stop working. Obviously there are people for one reason or another haven't been able to work, but then there are issues in terms of looking at how do we support people to work so that they've got the option, so that if there is a occupational pension they're able to contribute to it - but a lot of people don't work and sometimes that's because of lack of educational opportunities or barriers in the workplace, or lack of support to be able to get work. So, the kind of area we need to be thinking about: how can we encourage people to work?

NEW SPEAKER: If you can't work and you rely on voluntary work you don't pay pension - what happens then?

ROB PICKFORD: I think these are some of the issues we need to explore as we go through the workshops later on today, because I think it is an absolutely critical question.

NEW SPEAKER: What is the difference between social care and healthcare, because being disabled we have an awful job to get social care. If you have social care you can't have healthcare. So why have the two been linked together when it's so difficult to get either?

ROB PICKFORD: A number of books have been written about the distinction between health and social care. Mario referred to the health bath and the social care bath days. What we have to do is think about what people need and want, not where it comes from, and certainly the work of the independent Commission on the future of social services has got to look at that. The new Local Health Boards are going to have to look at this question in conjunction with their local authority partners because it's not sustainable to see it as two separate activities. We have to think about what we mean by integrated care and support services.

YVONNE APSITIS: I want to pick up the point originally made about how social care money is spent, and who has the control over that. I was a social worker at the time when children who came into the centre had a clothing allowance, but we could only take them to certain shops, and they were pretty staid shops and these youngsters wanted to go to the trendy shops where their friends from school went, and it was a big battle which was eventually won that we could actually take them shopping and they could have the trendy things they wanted and not the staid things that the state thought was adequate for children in care. And to move one step on we do give people on Income Support the money to go and decide what it is they're going to do, they have the freedom to choose, it's chocolate biscuits or porridge, the choice is there - so I think we've moved a long way with both those client populations and it strikes me that care is not hugely dissimilar.

WENDY BOURTON: Yes in a personal capacity I suppose I think it's ridiculous that we have all these different pots and increasingly I think if you are Tesco's or a blue chip company you wouldn't have a health pot funded and a social care pot funded - you'd actually do it for the business and for the people who are your customers, and I do think we have to address this. I'm also on a Local Health Board and at the moment the biggest issue exercising us is continuing care and whether or not social services are paying their contribution - and this will just Hoover up huge amounts of time, which is money, huge amount of auditors' time as well and all those things, when actually we should be working together and talking about care and definitions. I think we have to think through this and, embracing the 'One Wales' agenda for the citizen, this is a chance for us to try and get these issues on the agenda. We're in the best situation as far as I can see to have these debates because we are having one already, so it's up to us now as citizens to make sure they become the hot topics.

MARIO KREFT: The Green Paper is called 'creating a fair and sustainable system', and I think we've got to look at that in a broad context. People know what they want, actually. People do know what they want. And the less that we sort of meddle and tell them you should have this service or you should have that - if you actually empower people, then there is far more chance that

you'll get some common sense out of that, and what we really need to do is make sure people can sustain their lives in our communities wherever they may be: large cities, of which we have several, or more likely many people living a long way from services. And a simple example of what I'm talking about: when we've got regulated services, we talk about services that are fit for purpose. On the one hand, I personally agree we're going down the personalised budgets agenda, which is absolutely where it should be going although it does bring issues about safeguarding. On the other hand, in regulated settings there are levels of safeguarding that people are questioning - are they detrimental to the system because we're losing people from that service? But it seems to me that sustainability has got to be driven by the people who want those services, and they've got to be provided by people in their communities - by people who are properly trained and supported. And just on the sustainability point once more: if we don't get this right (and I think 'Fulfilled Lives' does give us a structure for the future), the only way people are going to be sustained in their services and their own homes, in care homes, wherever, will be by going back to what they do in other countries, and bringing in many people from other countries, and that will not in my view be a Welsh solution. I think in Wales we need a solution that's fit for purpose in Wales - that actually meets the needs and aspirations of people in Wales, not something that is parachuted in from some other place saying this is what you should have. In terms of the funding of that, I think as long as it's fair it will be sustainable, but it has to be something that keeps our communities together.

ROB PICKFORD: I suggest we stop for coffee now. Clearly what this session has done is to highlight the fact that these are not technical questions about charging. They're very important issues of principle that we've got to tease out, and I would like on your behalf to thank the panel for stimulating that, but also yourselves for getting us into that area of debate which I think is the critically important part.

[Break]

'Delivering sustainable, citizen-centred social services in Wales: options for reform'

Gwenda Thomas AM, Deputy Minister for Social Services

ROB PICKFORD: This is the session with Gwenda Thomas, the Deputy Minister for Social Services, who I think it's probably fair to say has flown up this morning without the assistance of an aeroplane. The Deputy Minister's involvement in social services issues is well-known, and goes back a number of years. It's also fair to say that I'm very grateful to the advice you've given me on benefits issues and paying for care. It's a subject that I know is very dear to your heart and one that is clearly important. So, without further ado if I could hand over to you to address us.

GWENDA THOMAS: Well thank you very much for those kind remarks. In the 5 minutes I've been here it's been nice to see a lot of you that I have got the privilege to work with. I shall begin in Welsh.

[English below]

Mae'n bleser mawr gen i fod yma yn y Gogledd y bore 'ma, i roi cychwyn ar ein cyfres o dri digwyddiad ymgynghori rhanbarthol ar ein Papur Gwyrdd. Bydd rhai ohonoch, dw i'n gwybod, wedi fy nghlywed yn siarad ar yr un llwyfan yma ym mis Ionawr. Bryd hynny, roedden ni'n cychwyn ar yr ymgynghoriad ar sut y dylen ni fynd ati i ddiwygio'r system bresennol o dalu am ofal yng Nghymru. Heddiw, rydyn ni'n mynd â'r drafodaeth honno gam ymhellach, drwy ganolbwyntio ar opsiynau penodol ar gyfer diwygio'r system. Dw i'n edrych ymlaen at drafod y materion hyn gyda chi, wrth i ni geisio cael consensws ar y ffordd orau ymlaen i Gymru.

Does dim amheuaeth bod angen newid y system bresennol. Mae llawer mwy ohonom yn byw bywydau hirach, iachach a mwy actif – ond rydyn ni hefyd yn gwybod y bydd gan fwy ohonom anghenion o ran gofal a chymorth yn y dyfodol. Mae gennym ni i gyd hawl i wasanaethau gofal hygrych o ansawdd uchel pan fydd eu hangen arnon ni.

Yn y dyfodol, bydd cyfran is o bobl o oed gweithio, a chyfran uwch o bobl y bydd angen gofal a chymorth arny'n nhw, tra fo cost gofal wedi codi ac yn debygol o barhau i godi'n gyflymach na chwyddiant. Fel y gwyddoch, fydd y system bresennol ddim yn gallu ymdopi â'r pwysau hwn. Dim ond os cawn ni newid sylweddol yn y system, ac yn y ffordd rydyn ni'n talu amdani, y bydd modd bodloni ein gobeithion ar gyfer gwasanaethau.

Fe wnaeth ein hymgyngoriad cychwynnol ystyried ein disgwyliadau o ran gofal, yr hyn rydyn ni'n barod i'w dalu, a faint o gyfrifoldeb ddylai fod gan unigolion, teuluoedd a'r wladwriaeth. Roedd y rhan fwyaf o bobl o'r farn mai'r ateb tecaf fyddai system lle byddai'n rhaid i bawb mewn cymdeithas gyfrannu yn ôl ei allu, fel bod y rhai fyddai ag angen gofal yn ei gael am ddim. Daeth y Grŵp Cynghori Rhanddeiliaid, a sefydlwyd gennym i ystyried y materion hyn yn fanwl, at yr un casgliad. Yn gyffredinol, rhaid inni anelu at greu system sy'n decach ac yn fwy fforddiadwy i unigolion ac i'r gymdeithas gyfan, system sy'n gynaliadwy yn y tymor hwy.

Rhaid iddi hefyd fod yn system sy'n gweithio i Gymru. Yn yr ychydig flynyddoedd diwetha, rydyn ni wedi datblygu dull unigryw o ymdrin â gofal cymdeithasol yng Nghymru. Mae ein strategaeth, 'Bywydau Bodlon, Cymunedau Cefnogol', yn amlinellu ein gweledigaeth ar gyfer gwasanaethau cymdeithasol gwell. Mae angen sicrhau bod pobl yn cael gofal mwy hygrych a phersonol, a hynny'n gynharach, er mwyn eu helpu i barhau i fyw'n annibynnol. Yn y cyd-destun hwn, rhaid i mi gydnabod y gwelliannau mawr sydd wedi'u gwneud ym maes gwasanaethau cymdeithasol yn y degawd diwetha yn ôl y dystiolaeth yn "Dysgu Gwersi o'r Siwrnai" a gyhoeddwyd gan yr Arolygiaeth Gofal a Gwasanaethau Cymdeithasol a Swyddfa Archwilio Cymru ym mis Mehefin 2009. Dw i hefyd am gadarnhau bod yn rhaid i'r

gwasanaethau cymdeithasol barhau i fod yn wasanaethau sy'n greiddiol i lywodraeth leol, yn cael eu darparu fel gwasanaethau cymdeithasol integredig sy'n canolbwyntio ar deuluoedd.

[It gives me great pleasure to be here in North Wales this morning, to initiate our series of three regional consultation events on our Green Paper. Some of you, I know, will have heard me speak on this same platform in January during our initial consultation on how we should reform the current system of paying for care in Wales. Today we are taking that debate a step further, by focusing on specific options for reform. I look forward to engaging with you over these issues, as we try to build a consensus on the best way forward for Wales.

There is no doubt that the current system of paying for care needs to change. We know that many more of us are living longer, healthier, active and engaged lives – but we also know that more of us will also live with needs for care and support in the future. We also, quite rightly, want to have accessible and high quality care services when we need them. In future there will be a lower proportion of people of working age, and a higher proportion of people will need care and support, whilst the cost of a care has been and is likely to continue to rise faster than inflation. As we know, the current system will not be able to cope with these pressures. Our ambitions for services can only be achieved if there is a radical reform of the care system and how we pay for it.

Our initial consultation considered our expectations for care, what we are prepared to pay, and where the balance of responsibility lies between individuals, families and the state. Most people thought that the fairest solution would be a system that everybody in society had to contribute to according to their means, so that those who developed social care needs would receive it free when they needed it. These were also the conclusions of the Stakeholder Advisory Group we set up to consider these issues in depth. Our overall aim must be to create a system that is fairer and more affordable for individuals and for society as a whole, and that is sustainable in the longer term.

It also has to be a system that works for Wales. We have, over the past few years, developed a distinctive approach to social care in Wales. In our strategy 'Fulfilled Lives, Supportive Communities' we set out our vision for improved social services. We need to ensure that people are provided with more accessible, personalised care at an earlier stage, helping them to maintain their independence. In our this context I must recognise the significant improvements in social services over the past decade as evidenced in "Learning from the Journey" published by the Care and Social Services Inspectorate and Wales Audit Office in June 2009. I also want to reiterate that social services must remain a core local government service, delivered as integrated family based social services.]

There is however further improvement that we all want to see. I announced in the summer our intention to establish an independent commission to consider how best social services and social care can meet the needs of the citizens of

Wales over the next decade. I have now appointed Professor Geoffrey Pearson, Emeritus Professor of Criminology, Goldsmiths College, University of London to chair the Commission. He is joined by Julie Jones OBE, Chief Executive of the Social Care Institute for Excellence and Rhian Huws Williams, Chief Executive of the Care Council for Wales. I am confident that together these individuals have the knowledge and expertise to consider how we should respond to the challenges we face.

I have asked the Commission to consider how we can:

- support the further development of professional practice;
- build inclusive social services based on the contribution of all partners who work in social care;
- effect a step change in collaboration between social services and with other key services; and
- ensure that social services are integrated and are capable of meeting the needs of all citizens, from childhood through to old age, in the most effective way.

In considering these issues the Commission will be asked to have regard to the impact of changing public expectations, demographic changes and a range of resource scenarios that ensure a sustainable service. I have asked the Commission to give all interested parties the opportunity to give their views - particularly service users and carers. And I will ensure that the Commission considers the outcomes and conclusions of this consultation on Paying for Care.

Within the framework of devolved powers under the Government of Wales Act 2006, we are developing a distinctive and innovative legislative programme to improve social services in Wales. Our Assembly Measure on non-residential social care charging will help create a fairer and more consistent system across Wales. Our Children and Families Measure will help us improve the quality of life and equality of opportunity for disadvantaged children and families across Wales. And our Carers Legislative Competence Order will enable us to bring forward legislation to assist carers.

Against this background, it needs to be acknowledged, however, that radical reform of the system of paying for care will have to be led by the UK Government. The main levers to bring about change are non-devolved, and the legislation is set in statute on an England and Wales basis. The Green Paper outlines the UK Government's proposals, and invites Welsh stakeholders to consider how well the various options fit into the context for service delivery that I have just outlined.

The five funding options discussed in Chapter 3 of the Green Paper cover most of the main models that have been put forward in various reports and forums over the past few years. We have deliberately made the consultation questions as wide as possible to stimulate an open debate about the advantages and disadvantages of each model.

Two of the five options are dismissed by the UK Government. The 'Pay for Yourself' option would put the responsibility for paying for care firmly on the individual. It would potentially leave many people without the care they need, and would be fundamentally unfair. At the other end of the scale, the 'Taxation' option would put the responsibility firmly on the state, which would raise the necessary revenue by increased taxation. This has been ruled out because it would require a significant increase in tax, and place a heavy burden on people of working age.

The options favoured by the UK Government are based on the principle that the new way to pay for care should be a partnership between the individual and government. Under the basic 'Partnership' option everyone who qualifies for care and support would have a proportion of their costs paid for by the government, and would have to fund the rest themselves. There are various ways in which individuals could prepare to meet their contributions, and these form the basis for the remaining two options – the 'Insurance' option, under which individuals could choose to take out insurance in case they needed care in the future; and the 'Comprehensive' option, under which individuals would be required to pay into a state insurance scheme.

The Green Paper also considers wider issues such as how we meet the care needs of younger disabled people, whether people should get the same level of financial help with their care and support wherever they live in Wales, and where welfare benefits might sit within a new system. I am sure these will all prompt lively debate.

Another significant proposal is that there might be a case for integrating certain disability benefits, such as Attendance Allowance, with the social care system. This is only a proposal at this stage, and no final decisions have been made. I recognise that the issue of how this might affect paying for care in Wales is important to many people. Whilst benefits are a non devolved matter, the UK Government has given a commitment to work closely with the Devolved Administrations to reach a shared view on how to ensure that we obtain the best possible outcomes for all people in the UK. I am committed to an effective dialogue with my Ministerial counterparts in the UK Government to help achieve this, and to ensure that the views of people in Wales made through this consultation are heard.

It is more than sixty years since the foundations of the Welfare State were laid here in Wales, and although the way we pay for social care has evolved over that time, there has never been a major reform of the system of paying for care. It is our responsibility to ensure that we build a system that can respond to the demographic and other challenges we know will confront us in the coming decades. This debate on the Green Paper should help us to achieve that. Thank you very much for your willingness to engage with us over these issues to date, and I look forward to receiving your views on the proposals that are now being put forward.

ROB PICKFORD: Thank you, Minister. Unfortunately your timetable and our

timetable preclude an opportunity for discussion at this point. You have a number of other appointments in North Wales today. If there are one or two pressing questions, then we could take that before we move into the workshop sessions.

NEW SPEAKER: I am just asking the Minister's opinion. We're being asked for our views on a very important policy, the most important facing us in Britain today, I think. But 10 days prior to the closure of the consultation, stakeholders have been told that the promised detail on financial modeling will not now be published until 2010, and it just seems the London ministers want us to accept the mathematics underpinning the Green Paper but don't seem the trust the figures sufficiently to publish them. I wonder what your opinion might be?

ROB PICKFORD: Our colleague from the Department of Work and Pensions might be better able to answer.

NEW SPEAKER: The Personal Social Services Research Unit are conducting the model for the Department of Health - initial outputs were published in the 'Impact Assessment' along with the UK Government's Green Paper. The modeling that's been going on since then to refine that are really to establish that these options are affordable and sustainable in the long-term – that's still ongoing at the moment, and that was why the decision was made to hold off publication. Ministers and the rest of the Government decided they didn't want to publish unfinished modeling results.

ROB PICKFORD: Thank you very much. I think looking round the room and in view of the time we probably do need to press on to the workshop sessions so with that, thank you, Minister, and I hope the journey back down the wind is in the correct direction.

Workshop Session 1 - Introduction

What we want to do is move into workshop sessions. There are three sessions throughout the day, one this morning and two this afternoon, and it's an opportunity to tease out some of the issues we talked about.

The sessions are to enable us to focus on the funding options which very much are at the heart of this debate; and there won't be time as the day goes on for us to look at some of the service structure issues that I think are clearly an important part of that – but again to emphasise, as I think you emphasised Minister, there will be full opportunity to explore that particularly through the independent Commission that you referred to, and I think we are very clear that these are two sides of the same coin. This is about - it isn't about paying for something abstract. It's about paying for something concrete in that and knowing what you are paying for is critical in this debate.

What we want to do in the workshop sessions is to give you an opportunity to consider what will work best in Wales. Are there particular factors in Wales in

relation to the particular options being put forward? How might the proposals work or not work in Wales? And bear in mind that the consultation is critical in that and will very much guide your discussion with the UK government, so this isn't an abstract process, it's a very concrete process of influencing where we go.

What I also ask is that you do bear in mind the principles drawn up by the Wales Stakeholder Advisory Group, which we referred to in the previous session, and to actually think about those proposals.

Those proposals I think are known to people so I'm not going to go through them this morning, but I think bear those in mind. They're repeated in the document that you have with you and no doubt you'll have an opportunity to consider them. It is about universality, affordability and sustainability, it's about being clear that people understand where they are in the system, and that they help people to live independently.

We have looked this morning at some of the basic principles in all of that and it's important that we now move on to some of the detail.

There are a number of issues that I think it's important we focus on. We've already raised this morning the issue of the costs for people who are disabled early in their lives - that's something that the workshops need to consider, and the consultation question around this is: do you think that it's right that people who are disabled early in their lives should continue to have their care and support funded by the state?

The next issue is: should everyone who qualifies for some help with their care costs, or should there only be contributions for people over a given financial threshold? I think that's another key aspect. The UK Government has proposed that under a new system everyone who qualifies for care and support will get some help towards their paying for care. Is that what you think is right?

The next question is the issue of disability benefits, and you that came up this morning as an important issue. The UK government has suggested there is a case for integrating disability benefits such as Attendance Allowance into the care and support system; and again part of the rationality for that is that the social care and disability benefits system have developed separately over the past 60 years. Rhian illustrated some of the history of why some of that may have been the case historically, but I think the issues that are raised by that are: do you think that would be a good idea and what do you think about the particular proposals in that?

The Department of Health have made it clear that the Disability Living Allowance is not being considered as part of that - what do you think about that?

NEW SPEAKER: Need to be clear on that. They are talking about Disability Living Allowance for under-65s.

ROB PICKFORD: Correct, that's right.

NEW SPEAKER: Under threat for over 65s.

ROB PICKFORD: These are issues that it's important we spend time on and are clear about as we go through the consultation round.

Finally the issue that will lead us into this afternoon session are around the five funding options. I won't go through those because we've talked about them this morning, and one of the key questions in all of this is: should we leave it up to people to decide whether they want to protect themselves against high care costs, or should we insist there is an involvement in such a scheme? Again a number of people this morning have raised issues of principle and practicality around those questions.

One of the final consultation questions relevant to this particular session is: do you think that it is the right approach to talk in terms of partnership? Should there be a central role for the state, or would people in Wales want more freedom to make their own arrangements?

Those are the sorts of consultation questions that are there.

This session really is beginning to open up again in a bit more detail some of the concrete proposals, moving from some of the broad general principles down to some of the practicalities of delivering that.

Introduction to Workshop Sessions 2 & 3

ROB PICKFORD: Talking to at least a cross-section of you at lunch, I know that the discussions have got going, and that's what we want to continue this afternoon. We want to look in a bit more detail at the various funding options the Government has put forward. I have been asked about circulation of the material. I understand that the transcript that appears as we go through we will be able to make available to people. That may take a day or two, again that maximises the amount of information that is there, perhaps particularly for some of the discussion sessions that we have had.

The same workshop groups as before. The first session this afternoon focuses on the five options that we have explored in a variety of ways already. Option 1 is the 'Pay for Yourself' option. What that means is that in some senses you take a chance and individuals would be responsible for funding their own care. If you did not need to pay you did not need to pay; if you did need to pay a lot, you pay a lot. The reason the Government has ruled that out was because it would leave people without the level of support that they need. They think it's fundamentally unjust because an individual cannot make

the prediction about their future, so that is what led to that being ruled out.

The second option – and this more contentious – is that care costs would be met from taxation. The two reasons this has been ruled out are: the issue of the increased tax people would pay, and that it would put the burden of paying for care and support on people who are working. That is the argument that is there. But we have explored that and there are different ways of looking at that. I think somebody on the panel, Rhian or Wendy, referred to the fact that that statement itself could be seen as a divisive statement, so I think clearly there are views and opinions round that, but that was the logic of the taxation decision.

The next option clearly is around partnership. That word underpins the three preferred options in the new funding system, so that everybody regardless of their resources who was assessed as needing care would be entitled to having a share of their costs paid for by the state. That is the concept of partnership. The example is that everybody might have a quarter or a third of their costs paid for by the state. Over and above that people would pay their costs directly from their own income and assets as they do now. Clearly, the partnership option does not fully protect people against the risk of having to pay high costs towards their care, but people who are less well off would have more care paid for, and the least well off people would continue to have all their care paid for free or at no individual cost to them. So that is the partnership concept. There are two other options that build on that partnership option. They consist really about how that gap between one third or a quarter is then made up – the proportion an individual would have to fund themselves. Under the 'Insurance' option, people could choose to take out insurance in case they needed care in the future. When they needed care the Government would pay a proportion of the cost under the partnership option and insurance would pay for the rest. There are two sub sets: people either pay into a private insurance scheme or into a Government-backed scheme. They could pay in several different ways, before or after retirement or indeed after death, if they preferred that. There are a number of ways in which that could be broken down, most of which are not mutually exclusive; and there are choices and options in that. People of working age who could not afford to take out insurance would receive free care and support under that option.

The next option is the 'Comprehensive' option. Everyone over retirement age who had the resources to do so would be required to pay into an insurance scheme, then care and support would be free. They'd pay what they could afford or a set amount so that people knew how much they have to save for. People might choose to pay the sum during their working life or as a lump sum, or during retirement, or from their estate. People who could not afford to pay into the system could have their contribution paid for by the state. Because everybody is in the system people would be able to pay less than their likely average costs. So there is a set of things that revolve round that.

The consultation questions relate to the five, and what you think about those. I will not go through them because they are in the documentation you've had. The feel I got from this morning was that most people in this room have taken

the time to look at some of these before they came today, so people are not coming hearing for the first time what the choices are. What we will do after that first afternoon workshop, which is about those five options, is have a quick break for another cup of tea and then have a look at the final two topics. These are really the various ways in which people might contribute to the system, and the extent of which the new funding system should be determined either at a national or a local level. So again under the 'Insurance' or 'Comprehensive' schemes there are various ways in which people could pay, and the Government has said that people will be able to choose how to pay according to what suited them. What we would ask you to consider in the workshops are the various ways that people could contribute, which options do you think are best and indeed, are there other ways that have not been thought about.

There is a consultation question here about paying for accommodation costs. It is important that in this debate we remember that the funding options only concern care and direct support. Accommodation costs for those people in residential care are not met by the state now, and would not be met under the new system - so it is important to remember that accommodation (what some people call the hotel costs) would not be met under that new system. What the UK Government is also proposing is a universal deferred payment system for residential costs. I think you are experienced in what that means. A deferred payment scheme is already offered by many local authorities, and the Assembly Government believes that if there is a deferred payment scheme it should be available to everybody. This is an issue for the Welsh Assembly Government, and the consultation question asks you if you think that should be a priority for Wales.

The final issue in terms of how the system operates is whether or not people should get the same level of financial help with their care and support wherever they live in Wales, or whether it's acceptable for people in different parts of Wales to have different amounts of assistance even if they have the same needs. It's a debate about whether there should be one national model or whether this should be determined more locally. I suppose the sub set is should there be the same system in England and Wales or would we want to make our own choices in Wales about what system, whether there should be a stand alone system for Wales.

That is really quite a range of questions and issues particularly to deal with immediately after lunch. I think it is more than enough to be getting on with in terms of discussion. But throughout the afternoon we want to start by exploring the headline five options, then drill down into the variety of sub sets that exist within those options. That is the work. We'll come back at the end of the workshops - I simply do not intend to try and sum up the findings of the day because there is quite a lot we will need to do to hear what people have said and look at the notes the facilitators make in the groups. We will come back for one final session at the end of the afternoon. The best thing to do is dive into the discussion in the groups. Thank you.

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