

CHAIR OF THE COMMISSION: KATE BARKER

The terms of reference that The King's Fund set for us asked us a really big question. I think both in the interim and the final report I hope we have moved up to the scale of that question. But what it started off with saying, if you go right back to the 1948 settlement, was the way in which the division was made then between health and social care one that really still stands today, when the numbers of elderly are rising and so many more people have these long-term conditions. So the needs for social care are so much greater but yet we are still pulling down the money for these systems through two different ways. Social care, as we know, is not ring-fenced and it is very heavily and increasingly heavily means-tested. We made a case in the interim report for moving towards a single and ring-fenced budget for health and social care, with a single commissioner, but that funding aspects are not where we started.

We started with the question of entitlement and we started with thinking about patients and how the system should be built around patients. We suggest that social care for people with critical needs should be made free at the point of use, really as quickly as possible, and that of course would cover people also at end of life. As we move on - and I am as aware as anybody of the difficulties of the economic situation that we still have, and certainly the difficulties of the fiscal situation - I think the economy should be strong enough and the fiscal position should improve sufficiently for us to think about making social care free for people with substantial needs.

This is not about shifting everything onto the state or, more accurately, onto the taxpayer as a generality. There would still be elements of co-paying and I will say a little bit more as I go through but, in particular, one of the things we have suggested is that people would still need to be responsible for their accommodation costs if they move into care and in that sense there would still be some co-payments. But it seems clear to us that some of the spending plans we have got for health and social care today are not really realistic.

This sets out in very more general terms how we see this new, simpler path, but the point of it is that people start out with some non-means-tested allowances, cash payments, building really on attendance allowance for the over 65s. We then see people moving on into more medium needs, where they start to need social care support at home. We think this could be delivered through personal budgets and here we do not think it is going to be possible to meet all the costs in the short term and may indeed not be possible for quite some time. There may be elements of sharing of costs here, certainly at this level, but for people with higher needs, and certainly as I say, end of life care, our view is that they should be fully funded and it should be a directly commissioned service out of the new bodies which will bring health and social care together, so that there would no longer be this argument about which is health and which is social care, and people would have directly commissioned budgets.

We have been brave enough to put forward a set of suggestions about how it is paid for. We took the view that we wanted to increase entitlements to social care, rather than reduce entitlement to health care. In the interim report we did raise the possibility of more charges for healthcare. Following a great deal of debate on the Commission, we more or less decided against it, but we have suggested some restructuring of prescription charges with a much lower charge of £2.50, perhaps, but much smaller exemptions, and we have also, as I say, suggested that people in continuing health care - new entrants into that system - should pay their own accommodation costs.

We suggest that people working past state pension age should pay National Insurance which they do not today - although at a lower rate than the standard rate the rest of us pay - and increases in National Insurance for people over 40 to some extent. It is a bit like some of the social insurance schemes that exist on the Continent where people start as they get older to pay into a scheme to fund social care. I think this is a simpler way of doing it, however, and an increase in National Insurance for those earning more than £42,000 above the upper earnings limit by one per cent from two to three. This adds up actually to a package that more than funds what we want for social care, so it gives the government some room to look at these ideas and choose between them. So either individually as families or across all taxpayers, we have to meet this cost and my view is that actually this way forward offers the people in serious need a much better deal than we get today.

I would just like to finish by thanking very much my fellow commissioners for their tremendous support and very vigorous debate during this work, and also to thank The King's Fund again very much for giving me the opportunity - and Nick and Richard and Clare in particular - for just fantastic support.

Thank you for listening today.