

Gwenda Thomas AC / AM  
Y Dirprwy Weinidog Gwasanaethau Cymdeithasol  
Deputy Minister for Social Services



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref SF/GT/3550/13

David Rees AM  
Chair, Health & Social Care Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

6 November 2013

Dear David,

Thank you for your letter of 30 September on behalf of the Health & Social Care Committee in which you request an update on our paying for social care reforms in Wales.

You will recall from my Written Statement to AMs earlier this year that the UK Government had announced its intentions to reform paying for social care in England, with the main reforms being introduced from April 2016. Those reforms are based on the recommendations made by the Dilnot Commission and include the introduction from that date of a lifetime care cost cap of £72,000 (applicable to both non-residential and residential care) and an increase to £118,000 of the capital limit used to determine who pays for their residential care. Exact details on how these changes are to be implemented and funded are still being finalised. This includes what consequential funding would come to Wales as a result of new funding being provided for these reforms in England. Consequently to firm up the details of this implementation the Department of Health has recently held a consultation on the principles and evidence that should apply to this reform in England.

My Written Statement confirmed that I am committed to establishing to a similar timeframe a fairer and more sustainable system of paying for social care in Wales through my own reform agenda. However, as you will appreciate the situation we find ourselves in is different to that which exists in England. We have a higher proportion of older people, with higher care needs but lower levels of financial means. We are also different in that we have already introduced a form of care cost cap. Hence the programme of reform I intend to introduce will build on the initiative I introduced in 2011 of a weekly maximum charge for all the homecare and other non-residential care a person receives; an initiative which has been welcomed in Wales and which is not in place in England.

I also want to ensure my reform recognises the distinctive values and principles we have as regards the future provision of social care and support, and supports our vision for a sustainable system built around prevention, independence and well-being. It will also be essential to look carefully at the detailed implementation and funding arrangements which UK Ministers will eventually publish for their reform. This will ensure we have a full understanding of how the reforms planned for England will work in practice, including their

costs, to inform our consideration of what reform is appropriate for Wales. As yet there is no clear indication as to when that detail will be available.

Consequently you will know from your scrutiny of the Social Services and Well-being Bill that I have as a first step sought to support this agenda by containing provisions within the Bill which will allow Welsh Ministers the ability to introduce whichever model of reformed paying for care arrangements we eventually agree is appropriate. This will help ensure there are no delays when I come to implement our reform due to the need to seek primary legislative powers.

I have also sought to ensure we have the data and analysis to be able to make informed decisions on the way forward. One of the key requirements to inform our eventual reform is the availability of detailed information and analysis on paying for social care in Wales and the key factors which impinge upon this. This is to ensure that the eventual decisions we make are evidence based. To meet this requirement I am currently commissioning independent research to provide the core data and analysis required to inform my reform agenda. This I plan to be completed in around six to nine months and to provide, not only key data and analysis on issues such as present charging, present and future population composition and trends on income and capital in Wales, but also information on aspects of the UK Government's planned reforms in a Welsh context. This will give us an indication of how aspects of the UK Government's reform would operate if we were to implement them in Wales and provide the core information we need to consider what reform would be right for Wales. While the Dilnot Commission undertook a substantial amount of research, as an England focussed study this research understandably focussed on the situation in England.

Given reform of the arrangements for paying for social care is a fundamental policy change I am keen to engage with stakeholders and other political parties in formulating my reform proposals. Accordingly as this research begins to report from early next year I plan to share its findings with my Paying for Care Stakeholder Advisory Group and the other political parties to seek views on the way forward, to reach a consensus as to what that should be. In the light of that engagement, and the other information I referred to earlier, I then plan to confirm later next year the reforms that I intend to introduce from 2016.

I am of course happy to share further progress and the outcome of this research with the Committee as it unfolds. I trust the Committee find this update helpful in considering its future work programme.

Yours sincerely

A handwritten signature in cursive script, reading "Gwenda".

**Gwenda Thomas AC / AM**

Y Dirprwy Weinidog Gwasanaethau Cymdeithasol  
Deputy Minister for Social Services