



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA(P)VG/2593/19

Dr Dai Lloyd AM
Chair, Health, Social Care and Sport Committee

Llyr Gruffydd AM
Chair, Finance Committee

John Griffiths AM
Chair, Equality, Local Government and Communities Committee

National Assembly for Wales
Cardiff Bay
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15 July 2019

Dear Chairs,

I am writing to update your respective committees about the work of the Inter-Ministerial Group (IMG) on Paying for Social Care, which was set up last year by the then First Minister to consider a potential social care levy to help meet the increasing cost and demands for social care. I am now chairing the group.

The group is considering the report by Professor Gerald Holtham about a social care levy as the basis of its work. Professor Holtham's report is available at: <https://gov.wales/paying-social-care>. The group's remit is to explore further the potential for a social care levy, or an alternative mechanism, to raise additional funds for social care in the medium to long term.

Membership of the group currently comprises, the Minister for Finance and Trefnydd, the Minister for Housing and Local Government and the Deputy Minister for Health and Social Services, and is supported by policy officials from across the government.

The IMG will undertake an initial assessment of the viability and effectiveness of introducing a levy or an alternative mechanism by early 2020. While Professor Holtham focused his attention on social care solely for older people, the IMG's work is taking a broader approach and is considering the overall demand and pressures social care faces in the round.

To progress its considerations the IMG has created five distinct work streams. These are:

- Raising the finance – to identify the mechanism through which additional funds could be collected in the future;

- Distributing the finance – to identify the most effective model for distributing additional funds;
- Utilising the finance – to consider the priorities for any funds raised in the context of seamless health and social care as set out in *A Healthier Wales*. This work stream also includes defining the nature of the offer to people in return for paying a levy or new tax introduced;
- UK Government interface – to look at the context of our proposals in the wider non-devolved pensions and welfare benefit system, and the plans the UK Government has for social care in England. Initial engagement has centred on the UK Government's proposed Green Paper on social care in England. This paper has been delayed several times. I believe we cannot afford to delay our own considerations in Wales and should continue to move ahead with these;
- Communications – to establish a strategic communications and engagement approach to ensure stakeholders are kept informed of progress and have opportunities to input as appropriate.

In addition to the above, two pieces of research have been commissioned. The first will identify and quantify the demand and funding pressures on social care in the short to medium term. This is due to report this summer.

A second research project will analyse health and social care spending over the medium to long term and the relationship between the two. This is currently out to tender and the intention is for the research to be completed by next spring. Both of these will provide the IMG with a strong evidence to inform its decisions.

The IMG had an opportunity to meet Clive Betts MP and discuss the House of Commons Health, Social Care and Housing and Communities and Local Government committees' report *Long-Term Funding of Adult Social Care*, which he co-chaired. This set out recommendations for the way social care in England should be provided and funded in the future. It is available at:

<https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/768/768.pdf>

I would be keen to meet with you, as chairs of a policy committee with an interest in the long-term funding of social care in Wales, to discuss these matters and the IMG's work further. I would also like to offer your committees a technical briefing about the IMG's work before the Christmas recess.

Yours sincerely,



Vaughan Gething AC/AM

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services