

# Older People's Care Survey 2018

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## Foreword

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We are all part of the ageing society - you, me and everyone reading this report – and this brings both opportunities and challenges for us. This is why research like this work from Coram Family and Childcare matters. The L&G team helps millions of people to build their retirements, then live their retirements, and we want to make sure that their voice is heard. Legal & General is an economically and socially useful company focussed on delivering Inclusive Capitalism – this means sharing success with investors, customers and society. This is why we have sponsored Coram Family and Childcare's Older People's Care Survey.

Last year 565,000 people over 65 received long-term care financial support from local authorities<sup>1</sup>. Long-term care is a vital part of the way our society supports the ageing population; that is why we are supporting the Government and the NHS to fix the long-term care system. We want to see a system that is predictable and fair. At the moment there is too much confusion about how people find the right long-term care and how much people will have to pay from their own pocket. This research shows the big challenges there still are in delivering a system of long-term care. The cost of care for Local Authorities has increased above inflation and in some places there is simply insufficient provision for older people in need of care.

There is no one big, single answer to these questions but we can all help to create a better long-term care system by working together. Caring for people in their own home is an important part of the long-term care system. Often a set of relatively modest adaptations can be made to peoples' homes to help them stay there longer so we created a lifetime mortgage, a form of equity release that can fund adaptations and improvements. We also know that the care system can be confusing, but technology can help people to find the right care services for them; so we have invested in Caresourcer to help people match up their need for care with what local providers can deliver. We are also continuing our long-term partnership with the Elderly Accommodation Counsel whose online database is used by thousands of people to guide choices about their accommodation.

**Chris Knight, Chief Executive Officer, Legal & General Retirement, Retail**

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<sup>1</sup> 565,385 65+ people had long-term support by local authorities in 2017-18 (NHS Digital, 2018).

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## Executive summary

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Older people's care is vitally important to all of us. It provides dignity, safety and security for older people and peace of mind for family and friends. A comprehensive system is needed to meet the needs of older people: housing that is suitable for people's changing needs, care in the home and residential care able to meet a range of needs. A lack of support in one area can put additional pressures on other parts of the system and means older people are at risk of not getting their needs met.

Our survey finds big gaps between the care that older people need and the care that is available. We find that where an older person lives has a huge effect on whether or not they will be able to find or afford the care that is right for them.

Good quality care that is affordable at the point of use supports older people to live well into old age. When it is not available it can cause avoidable suffering, create stress and worry for families, and often force partners and families into looking after a loved one without much, if any, support.

Local authorities are responsible for providing care for older people who cannot afford it themselves, generally by paying third party providers. They also have a role in managing the market for people who pay for their own care. Coram Family and Childcare surveyed all local authorities and health and social care trusts (collectively referred to as local authorities in this report) to find out about care across the UK.

Our survey reveals that millions of older people and their families face an ongoing struggle to get the care they need. For many people, care services are simply unavailable. For others, it is unaffordable, with access to support with paying for care distributed unevenly across the country. Some are forced to move outside of their local authority to get the care they need, potentially causing stress and increasing the chance of loneliness.

As the pressure on the system continues to grow, the governments of the UK must act so all older people can access safe, reliable and affordable care when they need it.

### Key findings

There is not enough care available for older people:

- ▶ Across the UK, one in five local authorities (20 per cent) have enough care in their area to meet demand. Over 4.3 million people aged 75 and over live in areas where there is not enough social care to meet demand.
- ▶ There is wide variation in the care that is available, depending on where an older person lives and what care needs they have. No local authorities in Inner London and Northern Ireland reported having enough care to meet demand in their area, while in the East Midlands and the North East 44 per cent did.
- ▶ Some 34 per cent of local authorities expect the situation to get worse in the next year, compared with only 1 per cent who expect it to get better.
- ▶ Local authorities do not hold the information they need to help people: some 19 per cent of respondents reported not having enough information about whether the supply of social care in their area could meet demand.

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Price of care:

- ▶ The average weekly price paid by local authorities for all residential care types in the UK is £585. This represents a 5 per cent price rise since last year.
- ▶ How much local authorities pay for average residential fees varies widely between regions. The average price for a week of residential care in Inner London is 32 per cent more expensive than in the North West.

Older people funding their own care:

- ▶ UK averages show that self-funder fees for residential care are 13 per cent more expensive than local authority fees.
- ▶ Even if self-funders were able to pay at the same rates as local authorities, paying for residential care would use up the savings taken from the value of the average person's home in six years and seven months.
- ▶ Similarly, at nearly £17 an hour, it will take just one year and one month for self-funders using 21 hours of support a week to spend £20,000 of savings on average UK home care fees.

The way that older people contribute to the costs of their care varies greatly across the UK:

- ▶ Deferred payment agreements (DPAs), which aim to prevent older people from having to sell their home immediately in order to pay for care, are distributed unevenly across English local authorities. In the North East, there are twice as many DPAs per older person as the average across England, while in London there only half as many (NHS Digital, 2018).
- ▶ One in eight older people (12 per cent) receiving authority-funded care use third party top ups – typically made by family members to help older people access higher quality care. In Northern Ireland 45 per cent of older people use third party contributions, compared with only 2 per cent of older people in Scotland.

## Recommendations

- ▶ **Central and national governments should provide local authorities with adequate funding to make sure that there are enough safe, high quality care services available for everyone who needs them.** As well as providing funding that is reflective of the higher cost of specialist services, governments should provide funding to support upstream intervention services such as home care and extra care housing.
- ▶ **Local authorities and health and social care trusts should make sure that there are enough services available for people who need them.** This involves engaging and working with providers and local communities to develop a strong understanding of local conditions and how to facilitate a sustainable market.
- ▶ **Central and national governments should make sure that older people have the information they need to make positive choices about their care.** Older people and their families need to have access to timely and accessible information when planning for their care, choosing a provider and considering funding options and available support.
- ▶ **In the long term, central and national governments must address the strategic challenge of reforming care and funding.** They must commit to creating a sustainable social care system that supports people to plan for old age, gives them genuine choices and delivers high quality care which is accessible to everyone that needs it.

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# Acknowledgements

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Coram Family and Childcare works to make the UK a better place for families by bringing together what we learn from our on the ground parent-led programmes and our research to campaign for solutions that parents want and need. We focus on childcare and early years to make a difference to families' lives now and in the long term. Before August 2018, we were known as the Family and Childcare Trust.

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# 1. Policy background

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Each of us may need social care later in life – from help with the weekly shop to getting dressed and eating. We cannot know in advance what we will need, but the likelihood that we will need some help is increasing as life expectancies increase faster than healthy life expectancies. The amount of care available looks set not to keep pace with our rising needs, meaning an increasing number of older people going without the care and support they need.

The number of people in the UK aged 85 or older who require round the clock help to eat, dress, wash and go to the toilet will almost double over the next 20 years, and many more will need some help with their daily living (Kingston et al, 2018). At the same time, the number of older people in England with social care needs but without social care support has hit a record high, with one in seven now being left to get by on their own (Age UK, 2018).

Despite it being an issue likely to affect each of us, public understanding of older people's care is low. In a recent study, participants were unclear about how to access social care services, and how they are funded, with many participants assuming the state paid for most or all social care through tax and National Insurance contributions (Ipsos Mori, 2018). Most participants had not considered planning for future social care provision, and lacked awareness about the options available to them.

Nearly 1,000 care homes have closed in the last decade. Of those that remain open, the quality of care provided remains an issue: last year, the Care Quality Commission (2018a) gave a third of nursing homes an 'inadequate' or 'requires improvement' rating. Nearly half of UK care home workers leave each year, spelling problems for the quality and continuity of care. The volume of care workers on zero hour contracts and a lack of career progression in sector has led to 'severe challenges in maintaining staffing levels,' warns a report from the Communities and Local Government Committee (2017).

About half of older people using social care get some help with the costs from their local authority. Although the details differ between the nations of the UK, generally public funding is provided only to those with the greatest need and the lowest means. Local authorities are working with tightened budgets. Between 2009/10 and 2015/16, spending by local authorities on social care per adult resident fell by 11 per cent in real terms, and the number of people receiving publicly funded social care services fell by 400,000 (Simpson, 2017; Nuffield Trust et al, 2017).

In the 2018 Autumn Budget, the Chancellor announced £650 million extra funding for social care in 2019/20, of which £240 million is ring-fenced for adult social care – the rest can be spent either on adult social care or children's services. The King's Fund, Age UK and Alzheimer's Society urged the government to commit to a long term spending plan in order to meet increasing demand (Campbell, 2018).

To provide social care at the levels provided in 2015/16, keeping pace with pressures from increased demand would require £6bn more to be spent per year by 2030/31 than is currently planned (Bottery et al, 2018). To restore the system to 2009/10 levels of quality and access would cost a further £9bn per year by 2030/31.

With the funding available from governments not set to keep pace with the rising needs for social care, access to care will continue to 'depend increasingly on what people can afford – and where they live – rather than on what they need' (Humphries et al, 2016).

In this context, the availability and price of older people's care is more important than ever. To stem the tide of the increasing numbers of frail, ill older people being left to manage alone, action must be taken by governments to improve access to services. The findings of our report add evidence to this case.

## 2. Prices of older people's care

Local authorities hold good information on what they are paying for older people's care, but less robust information on self-funders.

### 2.1 What do local authorities pay for residential care?

In the UK, the average price of residential care funded by local authorities is £585 a week. This is 5 per cent higher than the price they paid last year.

This figure is derived from data provided by respondents, who were asked to provide the average weekly prices for places funded by the authority. We also asked about the number of people receiving these services, in order to produce regional and national averages that took into account different patterns of use across the country.

**Table 1. Prices local authorities pay for older people's social care (lowest prices highlighted in green, highest in red).**

| Region                   | Standard care home (weekly) | Care home with dementia support (weekly) | Standard nursing home (weekly) | Nursing home with dementia support (weekly) | Overall residential (weekly) | Home care (21 hours) |
|--------------------------|-----------------------------|--|--------------------------------|---|------------------------------|----------------------|
| <b>UK</b>                | £548                        | £564                                     | £638                           | £661  | £585                         | £353                 |
| <b>England</b>           | £546                        | £562                                     | £633                           | £655  | £580                         | £347                 |
| <b>Northern Ireland</b>  | £543                        | £540                                     | £682                           | £692  | £642                         | £358                 |
| <b>Scotland</b>          | £569                        | £665                                     | £636                           | £736  | £608                         | £383                 |
| <b>Wales</b>             | £558                        | £586                                     | £691                           | £724  | £608                         | £355                 |
| East Midlands            | £547                        | £552                                     | £603                           | £607  | £563                         | £354                 |
| East of England          | £543                        | £613                                     | £671                           | £740  | £586                         | £357                 |
| London, inner            | £616                        | <b>£688</b>                              | <b>£765</b>                    | <b>£829</b>                                 | <b>£692</b>                  | £359                 |
| London, outer            | <b>£661</b>                 | £647                                     | £646                           | £698  | £659                         | £317                 |
| North East               | £536                        | £562                                     | £592                           | £632  | £563                         | <b>£305</b>          |
| North West               | <b>£481</b>                 | £568                                     | <b>£550</b>                    | £588  | <b>£523</b>                  | £320                 |
| South East               | £571                        | £527                                     | £703                           | £661  | £614                         | £405                 |
| South West               | £623                        | £626                                     | £627                           | £654  | £626                         | <b>£437</b>          |
| West Midlands            | £522                        | <b>£515</b>                              | £612                           | <b>£575</b>                                 | £550                         | £326                 |
| Yorkshire and the Humber | £494                        | £543                                     | £585                           | £751  | £536                         | £321                 |

The data shows that prices vary widely across the UK (shown in Table 1). Local authorities are paying 11 per cent more for residential care places in Northern Ireland (£642 a week) than in England (£580 a week). There are even larger differences between regions. The average price that local authorities pay for residential care in Inner London is 32 per cent higher than in the North West (£692 compared with £523).



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There are several possible reasons for these regional differences. One is that the costs of providing care vary by region. For instance, premises costs for residential care are likely to be the highest in London. Additionally, where availability of care is lowest, the price is likely to be highest as more people contend to access fewer places in care. Our data bears this out, showing a slight negative association between the sufficiency of older people's care and its price.

There is also a relationship between the price that local authorities report paying for residential care and the proportion of care providers in their area which have been rated by the Care Quality Commission (2018b) as either 'good' or 'outstanding'. Whether prices are driving quality in these areas, or vice versa, we cannot tell. However, the link between prices and quality suggests that local authorities who are able to pay higher rates are able to support the quality of the market.

The rise in prices paid by local authorities for residential care has increased by substantially more than inflation, following no price rise at all last year (ONS, 2018a). If sustained, this could help to support the quality and sustainability of the market, and reduce the incentive for providers to cross-subsidise care costs by raising prices for self-funders.

**Recommendation:** Central and national governments should provide local authorities with adequate funding to make sure that there are enough safe, high quality care services available for everyone who needs them.

## 2.2 What do local authorities pay for home care?

On average, the price of 21 hours a week of authority-funded home care in the UK is £353. This has increased by 7 per cent since last year, more than twice the rate of inflation. However, the hourly rate of £16.80 still falls short of the United Kingdom Homecare Association's minimum price for home care services of £18.01 per hour (UKHCA, 2018). This rate is designed to allow full compliance with the National Minimum Wage and the delivery of sustainable home care services to local authorities.

At 43 per cent, the difference between the most expensive and the cheapest region for home care is higher than for residential services (32 per cent). There are also differences in where those high and low prices are found. Whereas councils in Inner London tended to report the highest average prices of residential care, the average price of home care in Inner London is similar to the overall UK figure. In rural regions, home care providers can be expected to cover much larger distances than in towns and cities. Some local authorities said that recruiting and retaining care staff is difficult in rural areas. The additional costs of travel time, mileage and recruitment are likely to contribute to the higher prices for home care in more rural regions.

*"Severe shortage of domiciliary care across the county – recruitment campaigns ongoing for each provider but lack of applications from the market."* **Wales**

*"[We] face challenges in providing domiciliary care in some rural areas due to a shortage of carers."*  
**Northern Ireland**

## 2.3 Third party top ups

Some older people decide that they would like to receive residential care from a provider who charges more than the 'standard rate' that the local authority would be prepared to pay for care to meet their level of assessed needs. For example, fees may be higher in a bigger room, or one closer to home. In that case, third parties, usually family members, can contribute to the cost of a person's care home fees through 'top ups'. We asked local authorities about the use of these third party contributions. Only 63 per cent of respondents were able to answer this question so responses should be treated with some caution.

One in eight older people (12 per cent) receiving authority-funded care use third party top ups. The proportion of older people using top ups varies substantially between regions and nations, with 45 per cent of older people in Northern Ireland using top ups compared with only 2 per cent of older people in Scotland.

### **Box 1. Third party top ups and the Care Act 2014**

While top ups can be a way for some older people to access better care, there have been concerns raised about cases of older people and their relatives feeling that they have no choice but to 'top up' (Age UK, 2017).

The Care Act 2014 requires that local authorities in England 'ensure that the person has a genuine choice of accommodation' (DHSC, 2018). Local authorities 'must facilitate markets that offer a diverse range of high-quality and appropriate services.'

Some older people report feeling pushed into paying for more expensive care because that offered by the local authority is low quality or unsuitable. Others feel like they do not have any choice but to top up if their provider or local authority demands it after they have settled into a care home, even if it does not provide particularly high quality care. If an older person is offered a choice between care homes which are low quality, unsuitable or a long distance from where they used to live, their local authority is not meeting its duty under the Care Act 2014.

## **2.4 Deferred Payment Agreements**

Deferred Payment Agreements are designed to prevent older people from having to sell their home immediately in order to pay for their care. A DPA typically gives a local authority a charge over an older person's property while they cover their cost of care, recuperating the funds when the older person sells their house, or after their death. In England, Scotland and Wales a local authority must enter into a DPA with any individual who meets eligibility criteria set at a national level.

For many older people, not having to sell their house when they go into care can provide significant benefits. These include the security of knowing that there is a home to return to, especially if an older person is not expecting to enter care permanently. Additionally, older people who postpone selling their house can benefit from house price inflation and the possibility of letting out their property to help pay part of their care costs.

However, access to these benefits is not distributed evenly across the country. While the eligibility criteria for entering into a DPA are identical across England, the number of agreements entered into varies hugely between local authorities and between regions. For instance, there are more than three times as many DPAs in place per older person in the North East than in London (NHS Digital, 2018).

Research by Independent Age (2017) suggests that even if an older person applies for a DPA, the likelihood of it being accepted depends on where they happen to live.

Depending on where they live, older people going into care have varying amounts of control over where they receive their care, the quality of that care, and how they pay for it. The variability in access to DPAs adds another layer of uncertainty for older people entering care.

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## 2.5 What do self-funders pay for care?

As part of the survey, we asked about average costs for self-funders as well as what local authorities are paying for care. Only 16 per cent of respondents were able to provide information about what self-funders pay compared to 79 per cent for information on what local authorities themselves were paying. Local authorities in England have a duty to 'facilitate a diverse, sustainable high quality market for their whole local population, including those who pay for their own care' (DHSC, 2018), so it causes some concern that so few local authorities held robust information about the costs being charged to self-funders.

In the UK, the rates that self-funders pay for residential care are, on average, 13 per cent higher than the rates paid by local authorities. While a self-funded place in a nursing home with specialist dementia support is about the same price as a local authority-funded place, that figure rises to 12 per cent for a place in a standard care home and 16 per cent for a place in a care home with specialist dementia support.

These figures should be treated with some caution, given the large data gaps relating to the private paying market. As such, we were unable to produce regional averages. A similar proportion of respondents were able to tell us the numbers of older people self-funding their care, and many of those that did highlighted limitations in the quality of the data.

There are at least two explanations for why self-funders are paying higher fees for their care than people funded by their local authority. It may be that they are simply paying more for better facilities and additional services. However, it may be that providers are charging self-funders more for the same care, and cross subsidising state-funded residents, in order to recoup losses from lower fees paid by local authorities. Local authorities are the biggest purchasers of care in a local area and so are more likely to be able to secure lower prices.

## 2.6 How long will self-funders take to spend their savings on care?

The level of savings a person has determines whether they fund their care themselves or are supported by their local authority. If an individual has assets worth more than £23,250 in England and Northern Ireland, £27,500 in Scotland and £40,000 in Wales, they will have to fund their own care. This includes the value of their home, unless their partner (or another dependent) is still living in it. Below this threshold, the local authority will fund part or all of the person's care costs.

People who pay for their own care face higher prices than local authorities – 13 per cent higher according to our data. Even if self-funders could get the same rates for care as local authorities, it would take the average person just six years and seven months to spend the value of their home before becoming eligible for local authority support.<sup>2</sup>

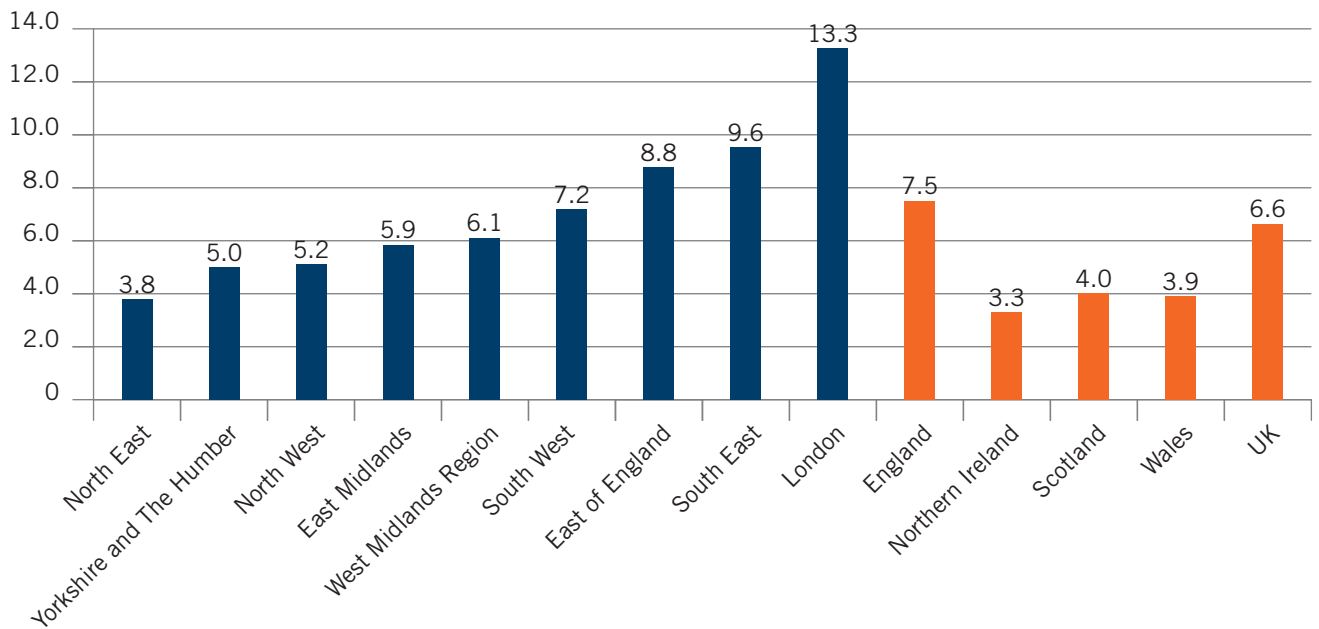
As property prices vary widely across the UK, self-funders in one part of the country can expect to take considerably longer spending their savings on residential care than in other areas (Figure 3). Because they have the lowest property prices, and higher than average residential care prices, self-funders in Northern Ireland are likely to use up savings taken from the value of their home in the shortest time (3 years and 3 months for average residential fees).

Similarly, if self-funders paid the same rate as local authorities for home care, it will take just one year and one month for self-funders receiving 21 hours of support a week to spend £20,000 of savings on average UK home care fees. Again, our data suggests that in reality self-funders pay more per hour than their local authority.

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<sup>2</sup> In previous years we have used the prices paid by self-funders on residential care, as reported by local authorities, to complete the calculations in this section. Due to a drop in the number of local authorities providing data about the prices paid by self-funders, we have used the prices paid by local authorities instead.

**Figure 1: Years taken to spend value of property on residential care before reaching threshold for state support, by region.**



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## 3. Availability of older people's care

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### 3.1 Sufficiency

Across the UK, one in five local authorities (20 per cent) have enough care in their area to meet demand. Over 4.3 million people aged 75 and over live in areas where there is not enough social care to meet demand. Many of these people will struggle to find care suitable for their needs, and will end up with inadequate care if they are able to access any at all.

Fewer local authorities have enough care for older people than last year when the figure was 22 per cent. This is derived from data gathered from local authorities across the UK, who were asked to report whether there was enough care in their area to meet demand across a range of residential and community-based services (see the appendix for more information about methodology).

Of the six services we asked about, 14 local authorities (9 per cent of respondents) in the whole of the UK said they do not have enough provision for *any* service.

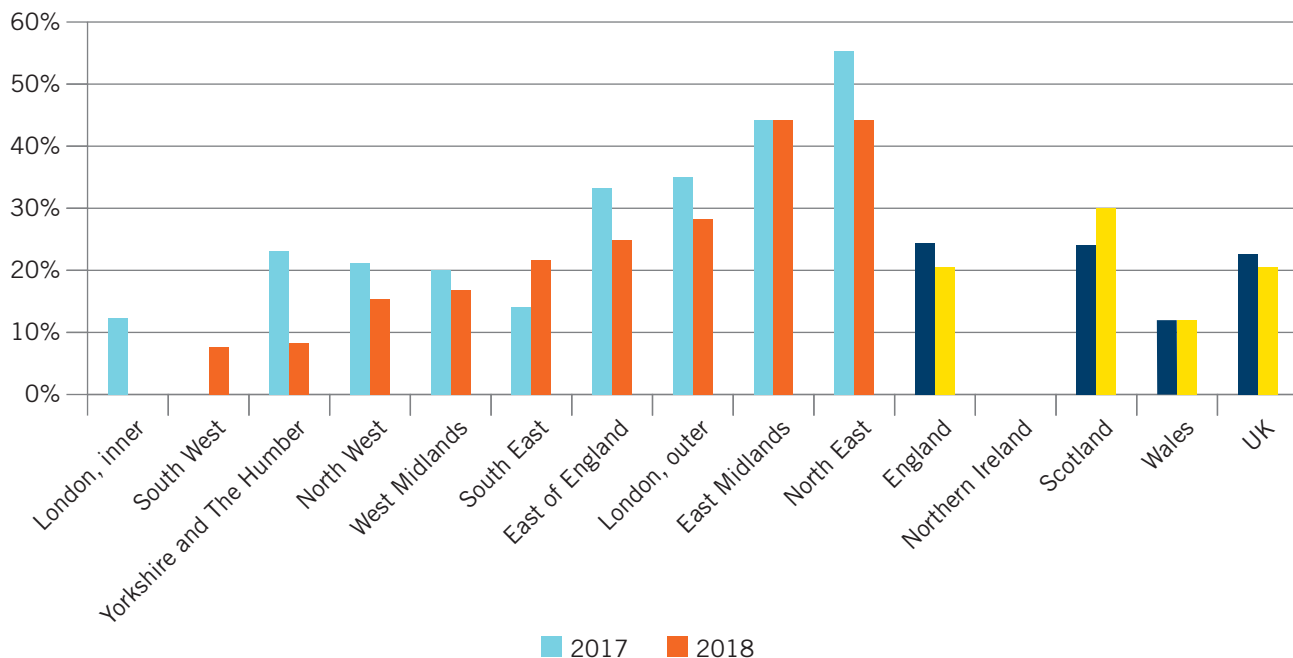
Some 34 per cent of local authorities expect this situation to get worse in the next year. These authorities expect the demand for older people's care to rise faster than supply over the next year. While 88 per cent of local authorities expect demand to increase in the next year, only 40 per cent expect supply to increase. This will put further strain on older people's care services.

**Recommendation:** Local authorities and Health and Social Care Trusts should make sure that there are enough services available for people who need them.

### 3.2 Variation between regions

For an older person, being able to find the right care is affected hugely by where they live. Not a single local authority in Inner London or Northern Ireland reported having enough care to meet demand in their area, while more than two in five (44 per cent) did in the North East and East Midlands. Figure 1 illustrates how the availability of older people's care varies across the nations of the UK, and how it has changed since last year.

**Figure 2: proportion of respondents with enough provision of care to meet demand, by region and nation.**



We asked local authorities to tell us about the challenges they face in making sure there is enough care available in their local area. Their comments suggest that some of the biggest issues faced by local authorities and providers are the recruitment and retention of staff, rising costs of providing care in the context of insufficient local government budgets and increasing demand.

*“There are a number of agencies in the town and all are reporting challenges with recruitment and retention of staff so are unable to provide care services. The agencies report that staff are leaving the industry, not just moving onto another agency.”* **South West**

*“Nursing homes and domiciliary care agencies report that it is difficult to recruit and retain nursing staff.”* **Northern Ireland**

*“Competition from other employment sectors is impacting on retention of staff.”* **Scotland**

*“Providers have stated that the main challenges that they face [include] pressure on social care and health care commissioning budgets, including the impact of the national living wage, pension auto enrolment and confusion over sleep-in payments.”* **Wales**

### 3.3 Availability of care by type of service

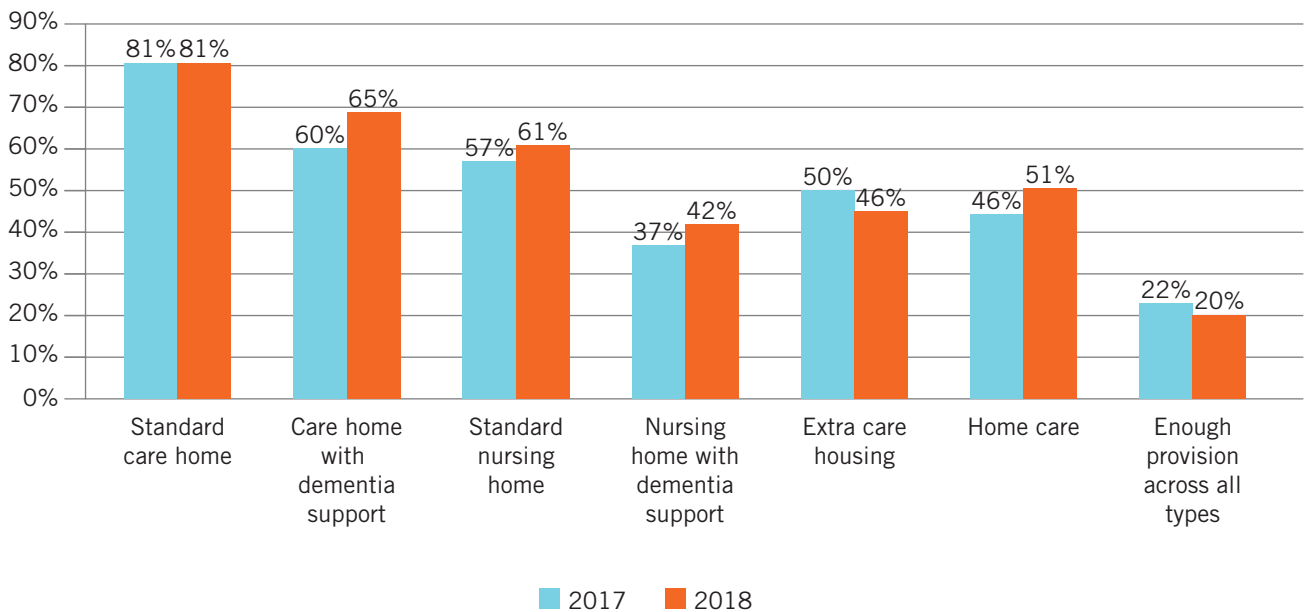
Whether we can find suitable care also depends on what our care needs are. Our survey found wide variation in the ability of local authorities to meet different care needs, with 81 per cent of areas having enough care home places to meet demand compared with only 42 per cent of areas having enough nursing homes with specialist dementia support (see Fig. 2). This means that the people who have the highest care needs continue to be those who are most likely to struggle to find suitable care

On the other end of the scale, those in need of care in their own home, may also struggle to find suitable care, with only 46 per cent of local authorities reporting enough extra care accommodation, and 51 per cent reporting enough home care.<sup>3</sup>

<sup>3</sup> Please see the glossary in Appendix 2 for a full definition of services and other terms used in this report.

Ensuring that upstream services such as home care and extra care are available to all who need them could lead to overall savings in the future for local authorities if they prevent the need for more intensive and expensive care services. They can also improve the health and wellbeing of older people by allowing them to stay independent for longer.

**Figure 3: Proportion of respondents with enough provision to meet demand, by service.**



We asked local authorities to tell us about any difficulties they had experienced in making sure enough care was available for older people. Many of their comments reflect the results described above. Difficulties in recruiting staff – especially specialist nurses and home care professionals – appear to be contributing to low levels of availability. Extra care was mentioned by several local authorities who said that they were planning on expanding the amount offered in their area.

*“We have a programme to provide up to 500 new units of extra care provision over the next 10 year period.”* **South East**

*“The CCG [Clinical Commissioning Group] published a market position statement and developed an extra care housing strategy earlier this year.”* **Yorkshire and the Humber**

*“Dementia nursing capacity has reduced with indications from the market that this is due to difficulty in recruitment of nursing staff.”* **Yorkshire and the Humber**

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### 3.4 Out of area placements

To increase the amount of care that they can offer to residents, local authorities may place some older people in care outside of their local area. Across the UK, almost all (98 per cent) local authorities report that they use out of area placements, with one in every eight (13 per cent) residential care places provided outside the person's home local authority.

The proportion of older people who have a place out of area varies between regions. While only 8 per cent of care places in the East Midlands, North East, South West and Northern Ireland are out of area, 46 per cent of older people whose care is managed by a local authority in Inner London are out of area.

Individuals may choose out of area placements, for instance so that they can access care in a setting which is closer to family members. Local authorities, too, can benefit from out of area placements by taking advantage of the lower costs of providing care in neighbouring authorities. Out of area placements can also benefit local authorities by allowing them to make use of each other's excess demand and supply.

However, concerns have been raised about the impact that out of area placements can have on older people's experiences, particularly if they are not given a choice about them. It may be distressing for people to be required to move far away from their home, where their family, friends, and support network including familiar health professionals live.



## 4. Market awareness

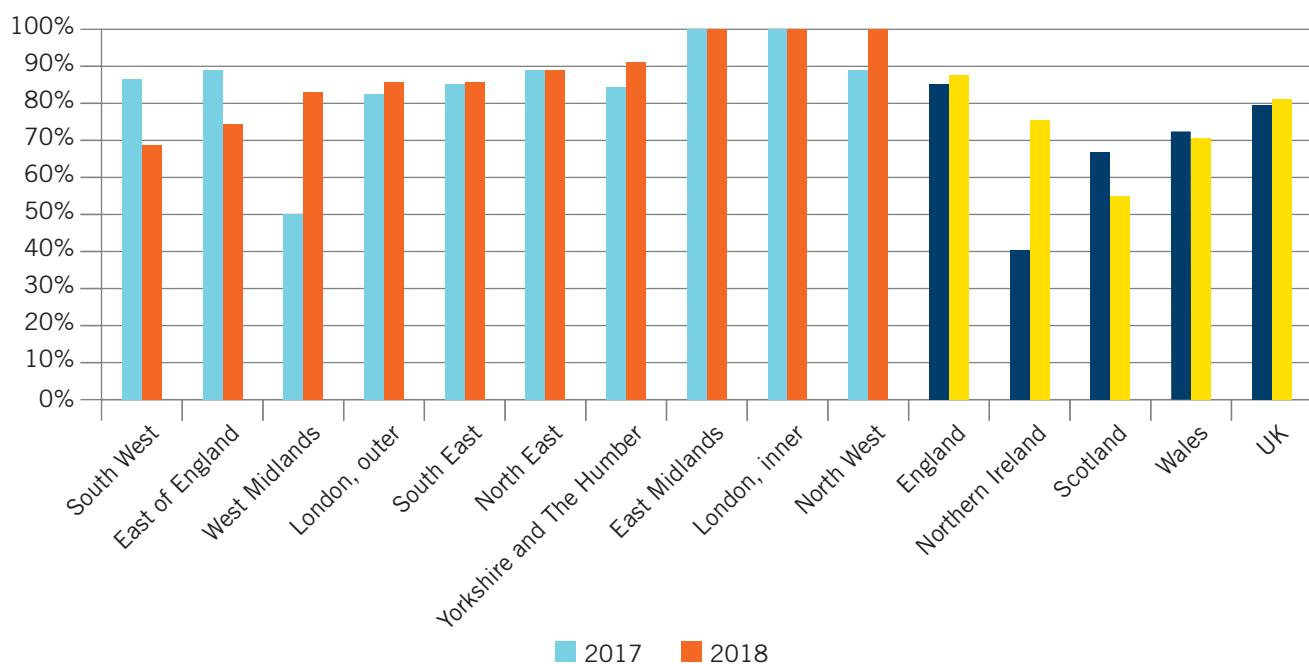
Central and local government need a strong understanding of the local and national care market if they are to identify and resolve capacity issues. To make sure that the needs of older people are met by a sufficient supply of social care, local authorities need to have an understanding of the market. It is also important for councils to provide information to older people and their families about care in their area so they can learn more about what is available, and what they can expect to pay.

In England, the Care Act places duties on local authorities to shape the local adult social care market. According to the statutory guidance, 'the core activities of market shaping are to engage with stakeholders to develop understanding of supply and demand' (DHSC, 2018). In Wales local authorities 'must identify the services already available' which enable people to 'live their lives as independently as possible' (Social Services and Wellbeing (Wales) Act 2014).

Local authorities reported large gaps in data relating to availability of care. Some 19 per cent of respondents reported having insufficient data about whether the supply of social care in their area could meet demand. This has slightly decreased from 20 per cent last year, suggesting that local authorities still have a poor understanding of their local market.

Certain regions showed greater awareness of their market than others. Every local authority in the East Midlands, Inner London and North West was able to say whether their supply met demand, compared with just 55 per cent of local authorities in Scotland and 69 per cent in the South West (see Figure 4).

**Figure 4: Proportion of respondents with enough data to assess whether care meets demand, by nation**



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Many respondents acknowledged that their understanding of the self-funded market was particularly low. Some authorities pointed out that because self-funders pay for their care privately, normally without any involvement from their local authority, providers are under no obligation to share their data, and are often reluctant to do so. Local authorities therefore tended to hold data only on those self-funders whose care was being managed or supported by the authority. This data may therefore not be representative of self-funders more broadly.

Local authorities also vary in their understanding of how older people fund their care, with only 63 per cent of respondents providing data about third party top ups. It is clear that certain local authorities are doing better than others at developing an understanding of the care market in their area. This is supported by research by Independent Age (2017) which found that local authorities in England vary significantly in the extent to which they monitor the market, especially regarding the quality of providers and the use of third party top ups.

It is important that older people and their families have access to good quality information about the care that is available, and how they can pay for it. Older people who are unable to find information on the range of local provision are more likely to be limited in their choices on price and services.

However, some examples of best practice shone through, where local authorities were closely monitoring the availability of care in their area. Many local authorities were able to give detailed overviews of supply and demand in their area (discussed above) which suggests a strong understanding of the local market.

*“There are systems in place to monitor demand on a daily basis, this is reported into a monthly dashboard which has governance procedures in place to analyse.” West Midlands*

**Recommendation: Central and national governments should make sure that older people have the information they need to make choices about their care.**

This third annual survey of the price and availability of care for older people once again finds that costs are high and availability is low. Caring for older people is an immensely valuable service – when done well, it provides older people with dignity and security to support their health and wellbeing – and so should not be provided on the cheap. But gaps in the current care system mean that older people and their families are unable to access the care services that they need. When care is not available or affordable, this can put immense pressure on families. It can mean needs not being met and the deterioration of health, or family members struggling to meet care needs themselves, perhaps through giving up work or at the expense of their own wellbeing.

The findings of this survey raise questions about how well the care system is working as a whole. There is wide variation in the way that care is provided across the country, particularly around the use of third party top ups and deferred payment arrangements. Millions of older people across the UK live in area without enough care, meaning that they are at risk of not being able to get their needs met. As demand for care services continues to grow, it is essential that the UK and national governments act so that all older people can access safe, reliable and affordable care when they need it.

**Recommendation: In the long term, central and national governments must address the strategic challenge of reforming care and funding.**

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## Appendix 1: Methodology

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### Survey of local authorities

In September 2018, we submitted surveys as Freedom of Information (FOI) requests to all 206 local authorities across England, Scotland and Wales, and five Health and Social Care Trusts in Northern Ireland.

We received 166 responses out of 211, giving an overall response rate of 79 per cent, and a minimum response rate of 69 per cent in all regions and nations of the UK.

The survey asked about the average fees paid for authority-funded and self-funded places for various types of care, and the numbers of older people in receipt of those services. It asked about the proportion of older people receiving care whose places were entirely, partly, and not at all funded by the local authority, and the proportion of places partly paid for by third party contributions.

The survey also asked about whether there was enough provision of care to meet the demands of older people, and what was expected to happen to the demand and supply respectively of social care in the next year. Respondents were asked to provide qualitative feedback about the sufficiency of care in their area. Finally, the survey asked whether local authorities used out of area placements, and what proportion of their provision was sourced in this way.

For fees paid by local authorities, this data was used to produce average fees across the four different residential care services, and regional and national averages for all services. These figures were weighted against the numbers of people in receipt of these services to take into account different patterns of use across the country and different types of care.

For comparisons against fees for self-funders, UK averages were weighted against figures drawn from mid-year population estimates for people aged 75 and over (ONS, 2018c).

For calculations of the time taken to spend the value of a house on care costs, data was taken from the most recently available House Price Index (ONS, 2018b).

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## Appendix 2: Glossary of terms

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### Government bodies

*Local authorities:* local government bodies which oversee the provision of social care in England, Wales and Scotland. As well as providing some services themselves, local authorities commission most of the health services provided from the independent and third sectors. They are responsible for conducting needs and financial assessments of individuals and for providing funding contributions to those older people who are eligible. This term was also used to refer to Health and Social Care Trusts, which provide health and social care services across Northern Ireland.

### Types of care

*Standard care home:* 24 hour support in residential accommodation, rather than care in an adult's own home. Includes meals and personal care, such as help with washing and dressing.

*Care home with dementia support:* Residential care home with specialist support for people living with dementia.

*Standard nursing home:* Care home with 24 hour access to a qualified nurse.

*Nursing home with dementia support:* Nursing home with specialist support for people living with dementia.

*Extra care housing:* Schemes that support older people to live independently in their own home by providing 24 hour emergency or onsite support. These are also sometimes called 'very sheltered housing'.

*Home care:* Support provided at a person's own home to help with personal care tasks, preparation of meals, etc.

*Authority-funded places:* Places that are entirely, or partly, funded by the local authority.

*Self-funded places:* Places that are entirely funded by the service user's own funds.

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