



advice and support for older age

**Independent
Age**



Homing in on free personal care





Independent Age's call for free personal care

Since 2018 Independent Age has produced new analysis to make the case for why social care reform must encompass the introduction of free personal care for all older people.

This began with **A taxing question: how to fund free personal care**, which outlined the financial case for free personal care. The report provides detailed insight into various long term funding options for the Government, including the relatively small difference in cost between the cap and floor and free personal care.

This was followed in 2019 by **Free personal care: how to eliminate catastrophic costs** which demonstrated how introducing free personal care would tackle the injustice of older people facing catastrophic costs when needing help with basic care.

Homing in on free personal care shines a light on the experiences of older people having to sell their home to cover the cost of care, and highlights how free personal care can play a preventing role.

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Introduction

Our social care system has been in crisis for decades.

One significant element of this crisis is the fact that many older people are faced with very high costs because they need help with the most basic tasks, such as getting out of bed, washing and going to the toilet.

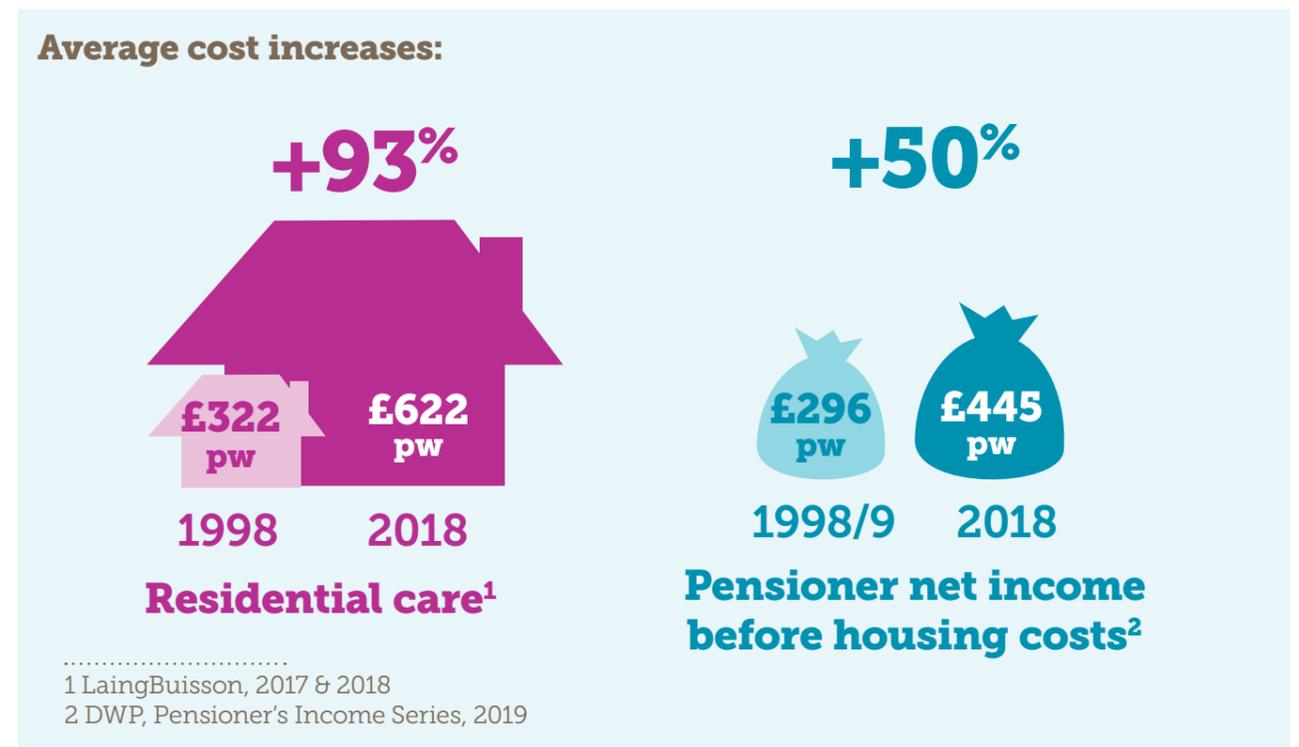
Our current system means that the amount you pay for care depends on your assets. People are expected to pay vast sums of money, without any protection until their savings have fallen to £23,250.

It was almost 20 years ago that the then Government failed to implement the Royal Commission's proposal to make personal care free at the point of use. What has followed has been decades of increased demand for social care services, increasing levels of unmet need and many more vulnerable older people facing extremely high costs.

The rising cost of care

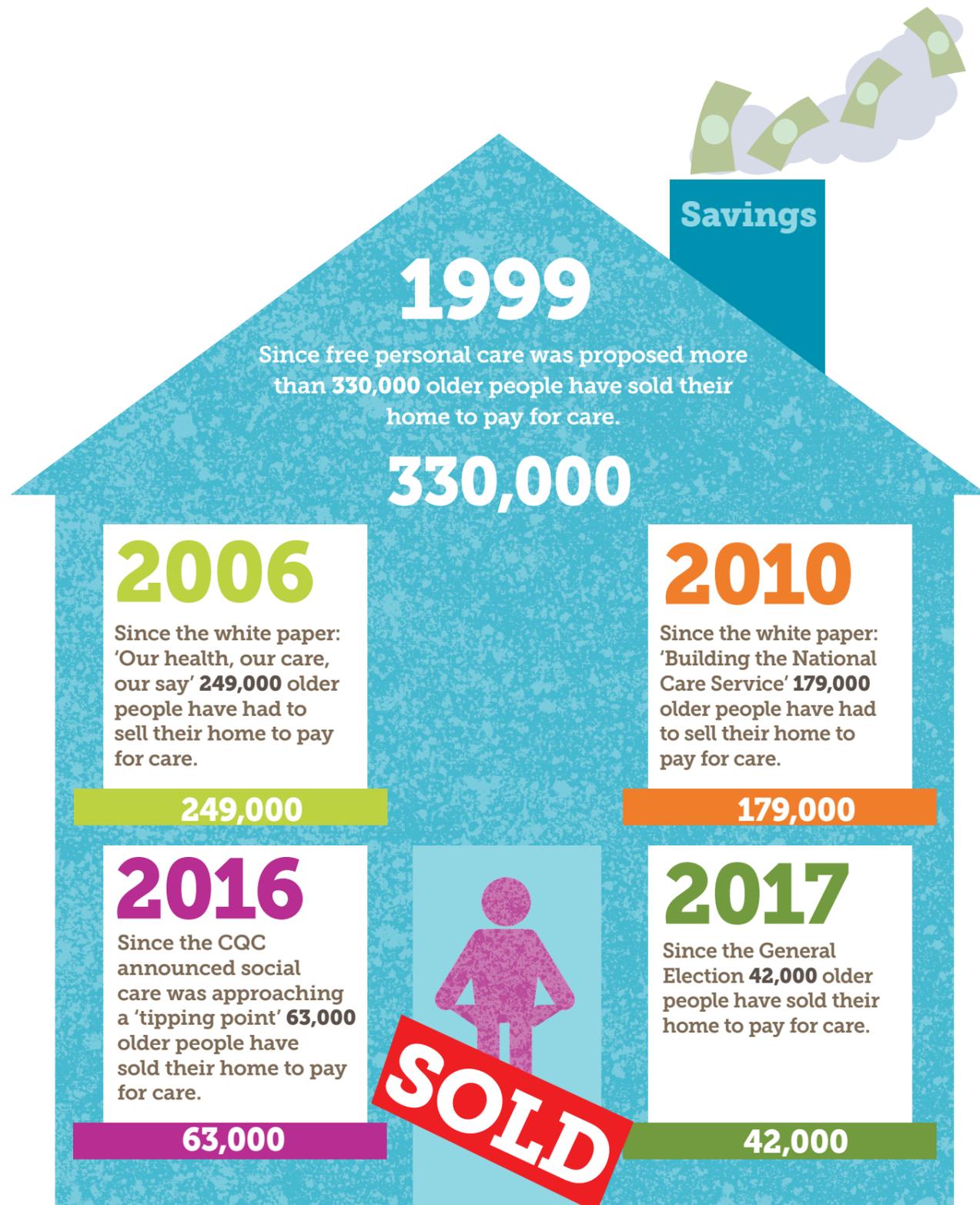
Help with washing, getting out of bed and going to the toilet should be a right of every individual living in a civilised society, but over the last 20 years the cost of receiving that help has doubled.

Residential care costs have risen by 93% but pensioner incomes have not kept pace with this.



On the steps of Downing Street, in his first speech as Prime Minister, Boris Johnson committed to ensuring that no one would have to sell their home to pay for care. This report offers new analysis on this issue and shows how the current deferred payments system, intended to stop older people needing to sell their homes within their lifetime, is not working. It also provides a blueprint for how the Government can protect people from such a challenging experience.

Our new analysis shows that during a time in which social care has been used as a political football by both parties, older people have suffered and hundreds of thousands have lost their home to pay for care.



*Numbers rounded to nearest thousand

New analysis

Our new analysis shows that since 1999, every prime minister has failed to protect older people from the fear of having to sell their home to pay for care.

Since the turn of the millennium we estimate that more than 330,000 older people have had to sell the place they call home to pay for help with things like washing, getting dressed and going to the toilet.

Holly

“

My mum has Alzheimer's, she's had strokes and has other conditions and is in a care home. My brother, sister and me are her three children and all we want to spend the time she has left being with her, at her side, taking care of her.

The local authority is asking for the house where mum brought us all up to be sold to pay for the care home fees. The three of us feel that this is something we can't deal with emotionally while Mum is still alive. We all know we have to let go of Mum but it feels like one step too far to let go of the house and all its memories and everything it stands for as well while she's still with us.

Mum was raised in a council house and it was such a huge thing for her when she paid off her mortgage – no one in our family had ever owned a property. I'm left wondering what was the point of all that pride in her achievement if it now has to be sold while she's still alive. This breaks my heart.

We have explained all of this to the local authority but they are not interested in you if there's a property involved. The system is ruthless. It feels vicious. It sucks the life out of you and this kind of behaviour is going on everywhere. My belief system has been shaken.



Gillian, 75

“

The last thing you want to do is sell your home up to pay for care. It's a killer. I think that I would fall apart if I had to sell up and move somewhere else.

I love my home, I've got wonderful neighbours and happy memories. I've got a big scruffy bungalow and it's full of John and me. It isn't ultra-modern, it's just ordinary, but I'm happy with that because it's full of memories that me and my husband made over 37 years. It's my home and my nest.

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Deferred Payment Agreements: A failed solution?

In 2015, the Government's answer to the situation of many older people having to sell their homes to pay for care was to introduce a scheme called Deferred Payment Agreements. The scheme had already been in place in a discretionary form since 2001.

We believe that while DPAs do have a place in a reformed system they are in no way comprehensive enough or universal enough to make the kind of difference older people need.

What are they?

Deferred payment agreements were brought in to try to prevent situations where individuals are forced to sell their home within their lifetime. The scheme was described as 'universal' when introduced in April 2015 with payments falling into two categories:

- the local authority pays the care home or supported living accommodation directly and delays the charges due to it from the individual
- the individual pays the care provider directly for care and the local authority loans them the cost of care in instalments³

A local authority has a duty to offer deferred payments where certain qualifying criteria⁴ are met, and to consider offering deferred payments to individuals who do not fully meet the eligibility criteria.⁵ The loan option is intended to provide flexibility and ensure *'people should not be forced to sell their home in their lifetime to pay for their care'*.

The Care Act 2014 allows a local authority to charge reasonable administration fees and a nationally set compounded interest⁶ rate throughout the term of the agreement, which also needs to be paid back at a later date. The government's aim to make the scheme cost neutral to local authorities has made it a less attractive long-term option for many local authorities.

Are they really universal?

New analysis by Independent Age has provided a fresh look at the state of deferred payment agreements in England, four years after the system was initially implemented.

We submitted a Freedom of Information Request (FOI) to all 152 local authorities in England with responsibility adult social care asking them to provide information on both the number of agreements they had in place and the overall number of applications they had received.

Of the 93 who responded, in the most recent complete year;

- The number of DPAs in place varied from 0–66
- 7 LAs had no DPAs in place
- Acceptance rates varied considerably from 0% –100%
- 29 LAs had accepted all of their applications
- 3 LAs had not accepted any of their applications

These figures show that deferred payments are certainly not 'universal' as they were originally intended. The significant variation in both the raw number of agreements but also acceptance rates suggests that a postcode lottery is operating, with individuals' chances of benefitting from the scheme being dependent on the luck of where they happen to live.

Why isn't it working?

The Government has had to regularly remind local authorities of their duty to apply their discretion to offer deferred payments in appropriate circumstances⁷.

There has been some reluctance to initiate this process, possibly due to the large initial cost outlay borne by the local authority in each case.

The Advice Team at Independent Age takes regular enquiries about deferred payments.

Examples of the types of issues that arise include:

- People not being informed of the deferred payments option when being assessed as needing residential care and then thinking their property needs to be sold.
- People not being given the deferred payments agreement paperwork once it is in place.
- People being put off by the compound interest and administration charges when choosing the DPA as a long-term option.

While deferred payment agreements do have the potential to help stop older people from having to sell their home to pay for care in their lifetime, they are in no way universal and fail to reach hundreds of thousands of people who really need help with care costs.

We want to see deferred payment agreements administered properly and consistently so that this is a genuine way of preventing people dealing with the disruption of selling their home to pay for care within their lifetime. This can only be achieved by local authorities receiving adequate funding from national Government.

But more fundamentally, we want to see reform of the very system that leaves people exposed to such vast financial costs and leads to so many people having to sell their home.

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3 Care and Support Statutory Guidance, 9.10

4 Care and Support Statutory Guidance, 9.7

5 Care and Support Statutory Guidance, 9.5

6 Care and Support Statutory Guidance, 9.69-9.77

.....
7 LAC (2002) 15

Our solution – free personal care

In 2018, we launched our call for the introduction of free personal care for all older people who need it.

With free personal care, older people will receive personal care free at the point of use, following the same principle as the NHS. This has the capacity to finally solve the problem of older people having to sell their homes to pay for care.

It can achieve this in several ways:

No one has to sell their home to pay for care if the care is free

Free personal care will significantly reduce the lifetime costs individuals face. For those receiving care at home they will face no costs, while those in residential care will only bear the cost of board and lodging.

As the care people receive would be completely free, it would ensure that getting help with washing, getting in and out of bed and going to the toilet would no longer be the source of significant financial worry.

Our research has shown that within a free personal care system, only 16,000⁸ people would be vulnerable to catastrophic⁹ 'hotel' costs in residential care and therefore it is certainly feasible for the Government to introduce a safeguard to protect these individuals.

It means an increased number of older people receiving care at home

A key benefit of free personal care is its potential to increase the number of people receiving care at home (where they would face no costs whatsoever) and decrease the number of people in care homes.

Primarily this would be achieved because free personal care is a much simpler policy to understand. This should mean individuals are more willing to engage with it, without the fear of racking up vast costs. This should also mean that people are more likely to engage with the system at an earlier stage before their care needs develop to the point that they are so severe residential care is needed.

This has been proven to be the case in Scotland where free personal care was introduced for older people in 2002. In analysis conducted four years after free personal care was introduced, demand for domiciliary care had increased by 10%¹⁰. And within seven years of the introduction of free personal care, the number of long stay residents aged 65+ supported in care homes had reduced by 4%¹¹.

We know that remaining in their own homes has significant other benefits for older people in terms of maintaining their existing social and support networks and the stability that comes with continuing to live in a familiar environment.

8 Independent Age, Free personal care: how to eliminate catastrophic costs, 2019

9 More than £100,000 and more than 50% of wealth

10 JRF, Free personal care in Scotland, 2006

11 Bell, 2011



Martin, 98



My carers are so careful with me. Their basic job is to get me up in the morning and put me to bed at night. They are meticulous in everything they do. I had a fall and broke my hip two years ago and now I can't stand up. They wheel a standing up frame to me and I clutch the top and pull myself up and they get me into my wheelchair so that I can get myself about the house. They are so careful that they don't do me any damage.

The other important thing, and this is very important for someone like me who can't stand up, is that they check me for any indication that there is something wrong such as a red mark or a bruise and that's what they do. Not just the basic job. They are brilliant. We know each other very well. We are great friends. There's one chap who I see mostly and then there are 4 or 5 who I see from time to time. They've been with me for two and a half years.

Apart from the fact that I can't walk I'm fit as a fiddle.

They've got to be given enough time to do the job which is three quarters of an hour. I have to pay – they are a private firm. I do know that if you use the council service you don't get the same amount of time.

Because I live at home I'm living as full a life as I can. I'm a telephone volunteer for Independent Age, a local firm takes me to my daughter's every week for Sunday lunch, I listen to classical music and a lady from the library brings me books to read regularly.

I lost my wife, Olive, 12 years ago which was awful. We had been married for 64 years. I said to myself, 'It's dreadful this has happened but I am so lucky to have had as long as we did together. We lived in this house for well over 50 years and the idea of having to live somewhere else is absolutely appalling.



Additional benefits of free personal care

Not having to sell your home to pay for care is just one of the many benefits of free personal care.

Others include:

Creating greater parity between the support for different long term conditions such as dementia and cancer

In our view it is arbitrary that if you get cancer all of your treatment will be free at the point of use, while if you develop dementia, you will be subject to a means test and may end up spending huge amounts on care for the remainder of your life. As a society we agree that people should not suffer financially due to sheer bad luck of being affected by a certain disease. We also believe we should collectively protect people from the financial implications of getting older, through pensions and National Insurance policies. In addition, we also recognise that pooling risk is the best way of protecting citizens from the consequences of ill health and ageing.

Free personal care is therefore a logical extension of many of the values we already share as a society.

Allowing family carers to focus on providing emotional support

For many people, caring for a loved one involves washing them, physically helping them out of bed or even helping them to the toilet. This can often leave little time to spend talking, reminiscing or going out for quality time together.

Free personal care will mean more older people get the care they need from professionals. This should free up family members to focus more on emotional support and social activities.

Reducing pressure on the NHS, and promoting integration between health and social care

In Scotland where personal care has been free for over 65s since 2002, there has been a significant decrease in the number of delayed transfers of care¹². Removal of the financial assessment would reduce bottlenecks in the system which can see older people waiting in hospital for weeks at a time.

Integration between health and social care has always been a problematic issue when both systems are built on different foundations – one free at the point of use and the other means tested based on your assets. Free personal care can help bridge these systems by removing this fundamental difference.

Free personal care would also clearly demonstrate that we are a society that values and supports the dignity and independence of people in later life.

If we are to stop older people from selling their homes to pay for care, the Government must start by introducing free personal care for all older people who need it.

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¹² Bell D et al (2013) Free personal care for older people: A wider perspective on its costs. University of Strathclyde, Glasgow. https://strathprints.strath.ac.uk/46778/2/FEC_36_3_2013_BellDNFRutherfordAWrightRE

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Whatever happens as we get older, we all want to remain independent and live life on our own terms.

That's why, as well as offering regular friendly contact and a strong campaigning voice,

Independent Age can provide you and your family with clear, free and impartial advice on the issues that matter: care and support, money and benefits, health and mobility. A charity founded over 150 years ago, we're independent so you can be.

For more information, visit www.independentage.org

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