



CARE REFORM

WHAT REFORM?



Care Report 2019
Seventh edition

JUST.

FOREWORD

They say that it is difficult to make predictions, especially about the future. That certainly rings true for planning care in later life.

Welcome to the Care Report 2019, the seventh in an ongoing research series that aims to shed light on the understanding and attitudes of the over-45s towards adult social care.

From our first report in 2012 we have aimed to find out what they think about how the care system is being shaped by government.

The latest report arrives in an extended policy vacuum where long awaited proposals for care reform in England have been delayed... delayed again... and again. Brexit is dominating the political agenda, to the detriment of key domestic policy issues such as adult social care according to many who took part in our research.

With the government failing to take the lead or even show urgency about delivering a better system, there has been a material decline in the proportion saying they are interested in the care funding debate and a near trebling in the number saying they are not interested. Is it a sign people are losing faith?

In our last report we called for a “national conversation” about how our future care system should be structured and funded. With the current policy paralysis, there is no invitation to start that conversation, let alone to discuss how individuals might be expected to respond to the reforms. As things stand, what is there to talk about?

Meanwhile, organising care for an ageing family member or friend remains a daunting task. Four in five over-45s agreed that the system is complex and difficult to navigate, while nearly nine in 10 agreed they were shocked at how expensive it is.

Our research shows confusion and lack of engagement. There is also a resentment about the costs of care, the quality of it and the unfairness of who gets support and who does not. And there is cynicism about the likelihood our politicians will agree and implement any plan.

More than two years in the making, the forthcoming proposals when they do arrive need to be more than blue-sky thinking. We need to see some workable ideas backed by the political will to build consensus and see them through.

Let's not forget that these decisions will impact more people each year including many of the frailest and most vulnerable people in our society. We need a sustainable system fit for the 21st Century that helps people to look ahead with confidence rather than trepidation.

Stephen Lowe
Group Communications Director
Just Group plc



CARE IS A GROWING PROBLEM IN THE UK

**3.2
MILLION**

The number of over 85s in the UK by 2041 – double current numbers¹

15%

Of over 85s currently live in a care home or long-stay hospital², expected to reach nearly half a million people by 2041¹

6

The number of times the Green Paper has been delayed by government since 2017 with no conclusion in sight³

PEOPLE ARE UNPREPARED AND UNEDUCATED

68%

Of over 75s have neither thought, planned nor discussed long-term care – that's more than 3.5 million people⁴

93%

Of over 55s have made no provision for the cost of long-term care

47%

Of over 45s did not know that anyone with more than £23,250 in savings and investments won't receive financial help from a local authority

AND PREFER TO IGNORE THE PROBLEM

3x

More over 45s said they were not interested in the debate about who pays for long-term care, when compared to the previous year

51%

Of over 45s are delaying making financial plans on long-term care until new policy is clarified

62%

Of over 55s are confused by recent government announcements on the funding of long-term care

LEADING TO A NASTY SHOCK WHEN DEALING WITH THE REALITY

88%

Of people were shocked at the cost of long-term care

75%

Were surprised at how little financial support the State provides

48%

Were disappointed with the quality of care available

A DECLINING INTEREST RATE

A national conversation – but what is there to say?

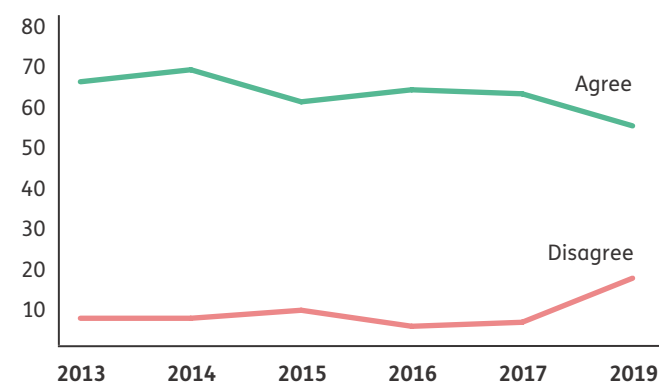
Are you interested in the care funding debate? For years our research revealed relatively high numbers – around two-thirds – of over-45s were interested in the debate about who should pay for long term care.

This time it's different. The number agreeing that they are interested has dipped to 55% with women less likely to agree that they are interested than men. The number disagreeing that they are interested has more than doubled to 17%, its highest ever.

Although interest in the debate rises with age and is at its highest among those aged 75+, the fall in interest is consistent across all the different age groups.

Lack of progress could be one explanation. While there is no shortage of coverage of care funding issues in the media, reports often reflect the care funding crisis, care home problems and closures, and frustration from key groups at the lack of progress.

I am interested in the debate about who should pay for long-term care



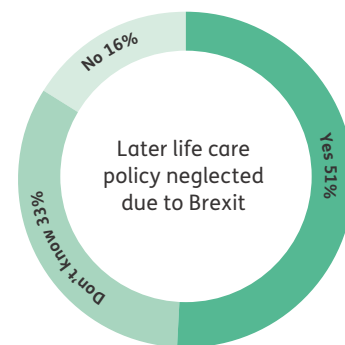
Blanket coverage of Brexit issues is another likely factor. The deadlines to leave the EU and the immediacy of the negotiations are perhaps squeezing people's mental bandwidth when it comes to showing interest in other domestic issues they feel are less imminent.

Certainly more than half (51%) of over-45s think that later life social care policy is being neglected by the government because of Brexit negotiations. The number is consistent across both genders and in all the age groups and is a view shared not just by two-thirds of those who voted remain, but by four in 10 who voted leave.

Looking forward there is more confusion. About three in 10 are worried that Brexit will negatively affect the provision and quality of later life care while a similar number (29%) said they are not concerned.

Among those concerned, eight in 10 said they thought Brexit might result in less funding from government, six in 10 said they thought tighter immigration may reduce staff numbers, a similar number (61%) thought medicines will be more expensive, and half are worried about shortage of supplies.

The impact of Brexit on social care policy



NO POLICY, NO PROGRESS

Background to the Green Paper

There have been at least nine White Papers, Green Papers and major consultations on the care system in the last two decades.

In 1999 a Royal Commission delivered a series of recommendations including free personal care funded by general taxation and a significantly more generous means test, neither of which were taken up. After social care was devolved to the four regions of the UK, Labour governments published Green (2005 and 2009) and White (2006 and 2010) Papers that ultimately proposed plans for a "National Care Service" free at the point of use, but the proposals ended with election defeat.

In 2010 the new coalition government established the Commission on the Funding of Care and Support chaired by Sir Andrew Dilnot. The government responded in 2012 accepting the idea of a lifetime cap on care costs (set at £72,000 rather than the £35,000 proposed by Dilnot) and a more generous means test to be implemented by April 2016. However, in 2015 it was announced these reforms would be delayed to April 2020.

During the General Election of 2017 the Conservative Party manifesto marked a shift in policy. It promised an "absolute limit" on what people need to pay and a "single capital floor" that would protect assets up to £100,000, but also for the value of the home to be included in the means test for those receiving domiciliary care (previously it had applied only to residential care). This policy was dropped but following election success, a commitment to improve social care and bring forward proposals for consultation was reiterated in the Queen's Speech of June 2017 with delivery planned for the end of the year.

Timeline of recent progress:³

- In March 2017, the Conservative government said it would publish a Green Paper in the summer of that year.
- In July 2017, the Conservative government says the Green Paper would be published at the end of the year.
- In November 2017 the government stated the Green Paper would be published by summer recess 2018.

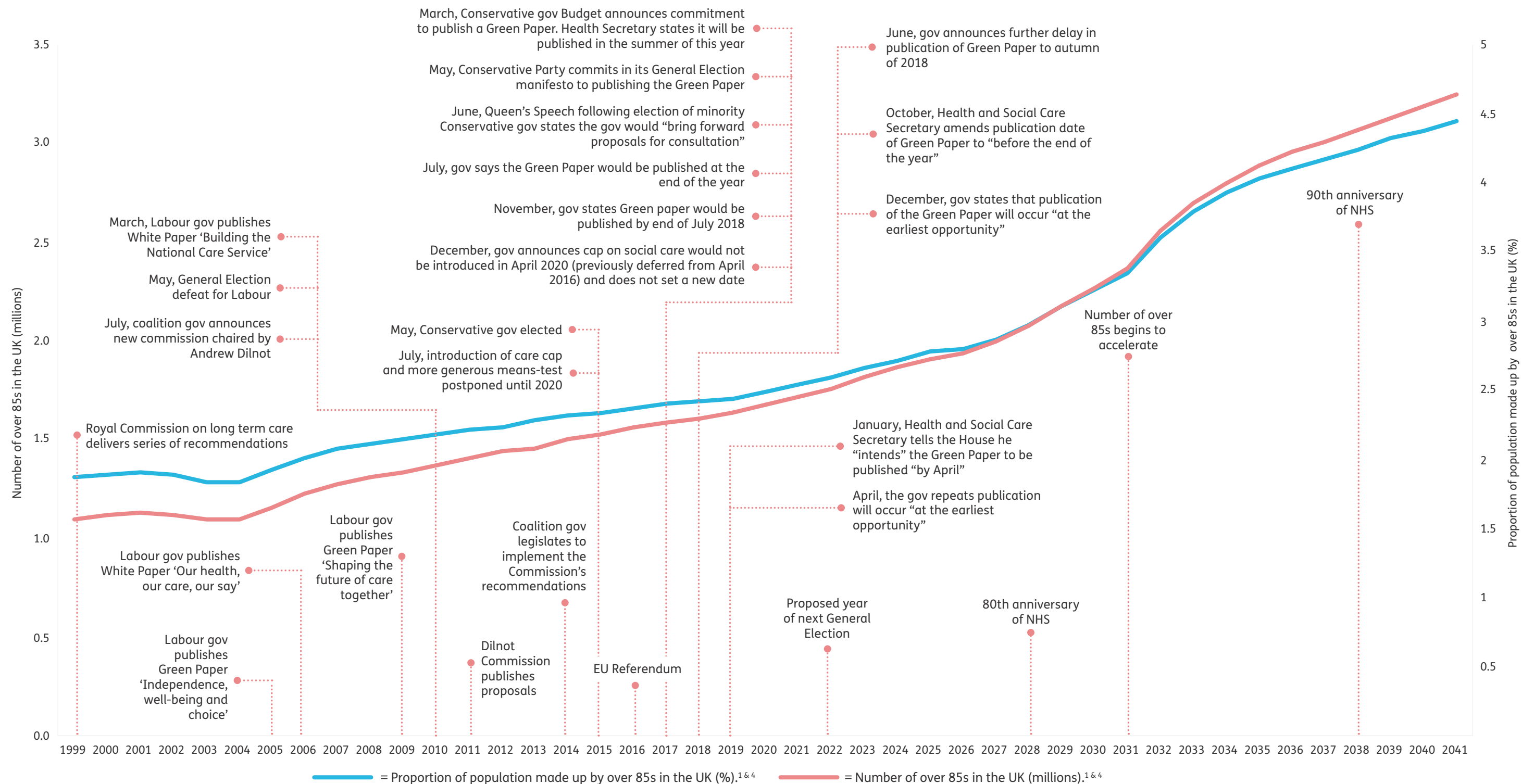
- In June 2018 this was delayed to the "autumn" and soon after the deadline was revised "to the same time as the NHS plan".
- In October 2018 the timescale for publication was changed to "before the end of the year".
- In December 2018, the Conservative government states that publication of the Green Paper will occur "at the earliest opportunity".
- In January 2019, the NHS plan was published but MPs were told the intention was to publish the Green Paper "by April".
- At time of writing, the government has signalled it will publish in the summer alongside the next Spending Review.

While the government has injected emergency funding into the care system, helping to ease some of the immediate pressure, this has been widely seen as a sticking plaster rather than a cure.

The government's failure to publish its new proposals has created a policy vacuum with heavier financial burdens falling on individuals who must fund their own care, and councils struggling with the financial uncertainty, making it harder to plan, recruit and invest.

Most obviously, it is failing to deal with the widespread perception that the funding system is unfair in terms of who is eligible for support and how much support they receive.

POPULATION AND POLICY



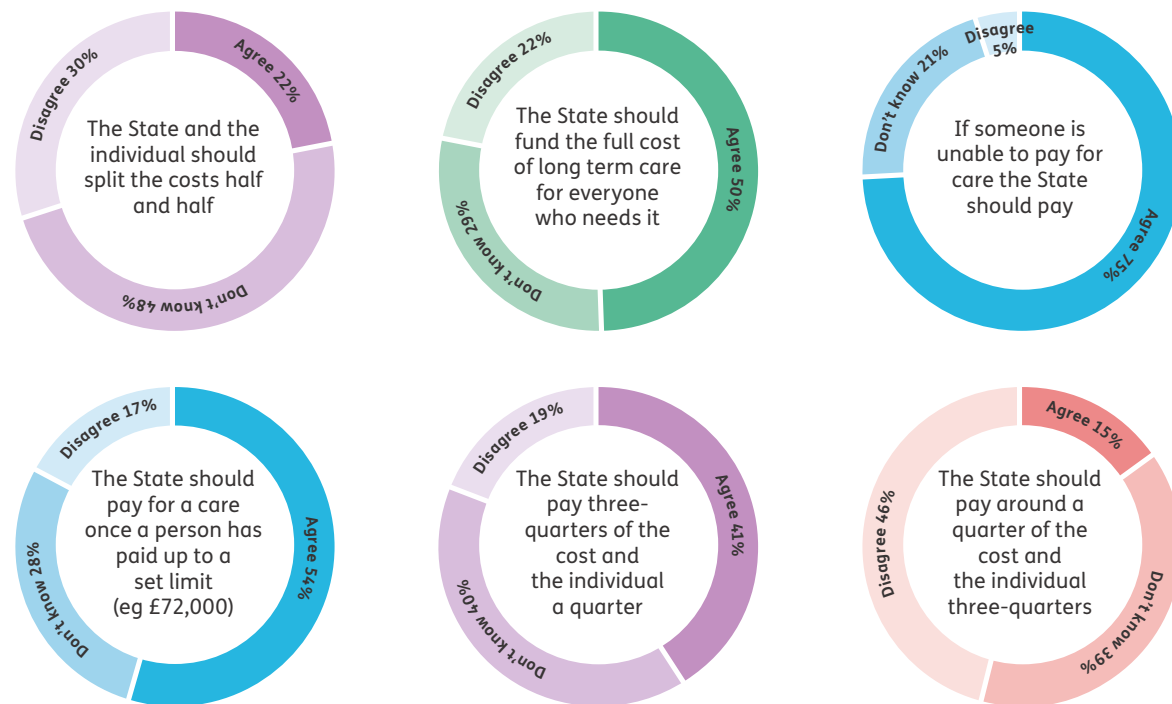
PICKING UP THE BILL

Three-quarters of over-45s are in favour of a social care service that acts as a “safety net” to support those who can’t afford to pay for themselves. There is less agreement on the best height at which to set the safety net.

Our research presents a mixed picture of what people believe would be fair when it comes to the balance between personal responsibility for care costs and State support.

Most interesting is that a cap on care costs – proposed by the Dilnot Commission as a way to limit the amounts spent by those needing the most care – is the option explored which has the broadest support. More than half (54%) agreed with the idea of a cap, even more than the number who wanted taxpayers to pick up the whole bill.

Who should be responsible for paying for the long term residential care for the elderly?



Current situation

Residential and domiciliary (in-home) care is means tested and in England only people with assets of less than £14,250 can expect the State to meet their full care costs. Those with up to £23,250 are expected to pay some of the cost of care while those with assets above this are “self funders” who pay all their own costs. The value of the home is disregarded in the financial assessment in some circumstances, for example, where it remains the home of a spouse or dependant.

ORGANISING CARE - THE BRUTAL TRUTH

Every year many thousands of people go through the experience of organising care for an elderly friend or family member.

Our research found one in five over-45s has had personal experience of finding long term care for a parent, an in-law or a partner. One in six has a friend who is having to do this. Their impressions are invaluable for understanding how it feels to venture into today’s care system.

Four in every five who had personal experience agreed that the care system is complex and difficult to navigate.

Even more agreed the process was stressful. That stress may be heightened in the many cases where care has to be organised urgently as a result of an illness or injury and there is no prior planning about what support options might be available, or how it will be funded.

There was particular dismay at the high costs involved and lack of taxpayer help.

Our last report focused on the need for a national debate about how care is delivered and funded. That was not just aimed at policymakers and the industry but at families too, to encourage discussions with one another about the ‘what ifs’ of the future.

Having a clear plan that everybody knows about gives more chance of autonomy and independence. Most men (54%) said they had not given long-term care any thought while among women, who make up a higher proportion of the care home population, the figure was lower (44%) but still relatively high.

The views of people who have organised long-term care for a family member

	Agree	Disagree	Neither
It was difficult to find the right information	67%	8%	25%
The care system is very complex; it’s difficult to find your way through	79%	4%	17%
I was shocked at how expensive care is	88%	3%	9%
I was surprised by how little financial support the State provides and how much we’d have to contribute	75%	9%	17%
I was disappointed with the quality of care available	48%	23%	30%

BEING REALISTIC, NOT PESSIMISTIC

What is a realistic way to plan financially for care? That's a tough question in today's environment when people simply don't know what care they might need, to what level or for how long.

Our research suggests that people see care funding as a problem they'd rather not think about. Eight out of 10 (78%) say they have not thought about care, planned for it or spoken to family about it. Even among over 75s the figure is nearly seven in 10 (68%).

There is no scientific approach to planning for care. There seems to be little point saving when some may need no care but others perhaps five or 10 years in a care home. It is also true that self-funders tend to stay longer in care homes than those paid for by local authorities with many – perhaps one in four according to some reports – running out of money and needing State support.

There is a saying that it is better to be roughly right than exactly wrong. Being 'realistic' about future care means recognising some of the likely outcomes.

Expected vs actual cost of one year of residential care



For example, our research reveals that over-45s have a reasonable idea of likely care home costs. This year they have marginally underestimated the average annual cost of residential care, but that follows two years when the costs were overestimated.

Most people (64%) agree they would be happy to have carers into their home and disagree (56%) they would be happy to go into a care home. Asked what proportion of people might need to enter a care home at some point in the future, the average guess among the over 45s was nearly four in 10 (39%). That compares to university research (albeit from 1997⁵) suggesting the chance of a man aged 65 entering a care home was one in five (20%) and a woman aged 65 about one in three (36%).

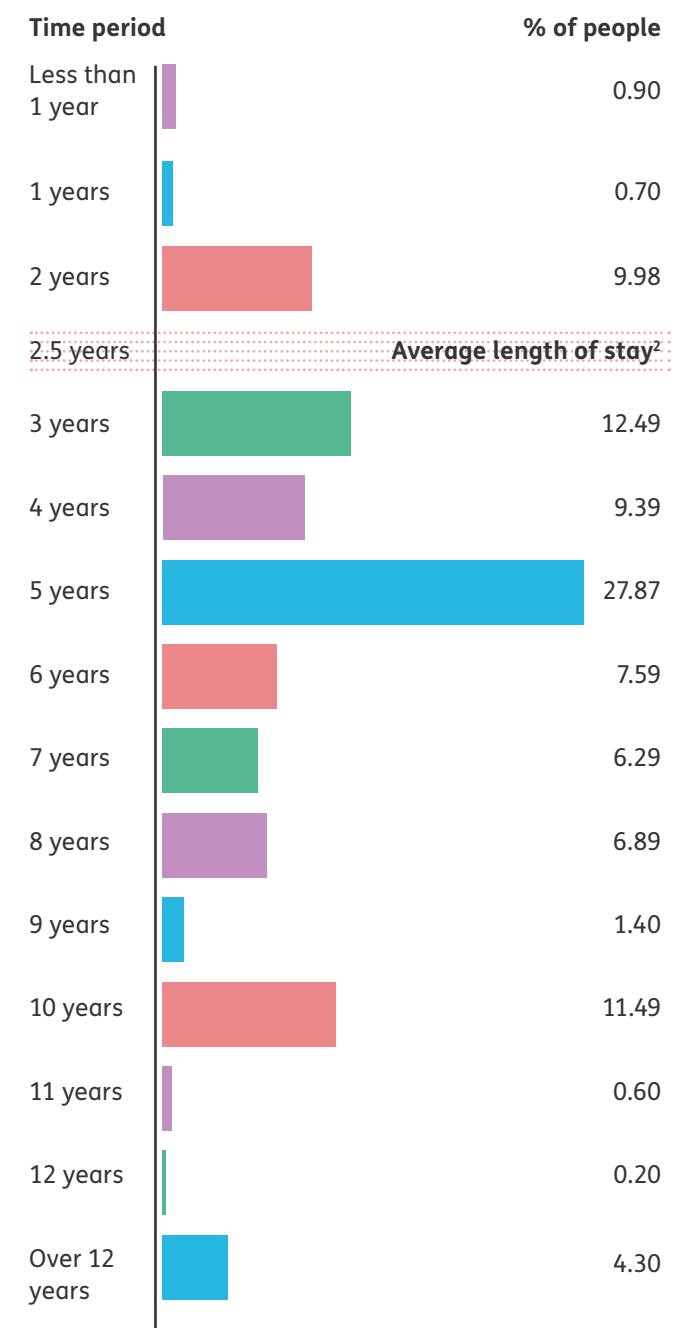
When asked about the average length of stay in a care home, the over-45s guessed 5.7 years on average, with distinct clusters of guesses around 5 years (28%) and 10 years (11%). External research suggests that half of care home residents stay less than two years (665 days) but the longest-lived tenth in care homes will stay more than six years (2381) days⁶. Self-funders are more likely to go into care earlier and stay longer than those paid for by the State.

While the averages give an idea of care needs and costs for groups of people, they don't tell us much about needs and costs at an individual level which makes planning difficult.

With most people expected to pay for care if they can, care policy needs to step in and help people make plans. That could be by incentivising more people to prepare for likely outcomes and then stepping in to offer State support at the extremes, such as a cap on care costs. Or it could mean pooling risks so everyone gets the peace of mind they know they are covered in the event of facing the highest costs, such as an insured solution.

Currently we have the worst of all worlds with no way of solving the problem and little State support to help out. Proposals to reform the later life care system need to help people deal with the uncertainty.

On average, approximately how many years do you think people who go into residential care spend in a care home?



COMMITTING TO A NEW SETTLEMENT

Building political consensus to push through major changes to the adult social care system will take time, effort and focus. More than half of the over-45s think Brexit is getting in the way of progress – see right. Fortunately, there are precedents to show politicians on all sides can work together to create solutions to difficult long-term problems.

In 2005 the Turner Commission delivered radical proposals for an overhaul of the pension system that would provide more transparency over State pension provision and encourage wider saving through soft compulsion into workplace schemes. The reforms tackled the disincentives to saving of means-testing, the spiralling costs of providing State retirement benefits, and the need for a higher level of engagement and understanding.

Auto-enrolment provides a strong ‘nudge’ towards more positive behaviours. Since introduction in 2012, more than 10 million people have been auto-enrolled into their employer pensions with fewer than expected choosing to opt out⁷. While by no means solving all pension problems, it is considered a huge leap forward.

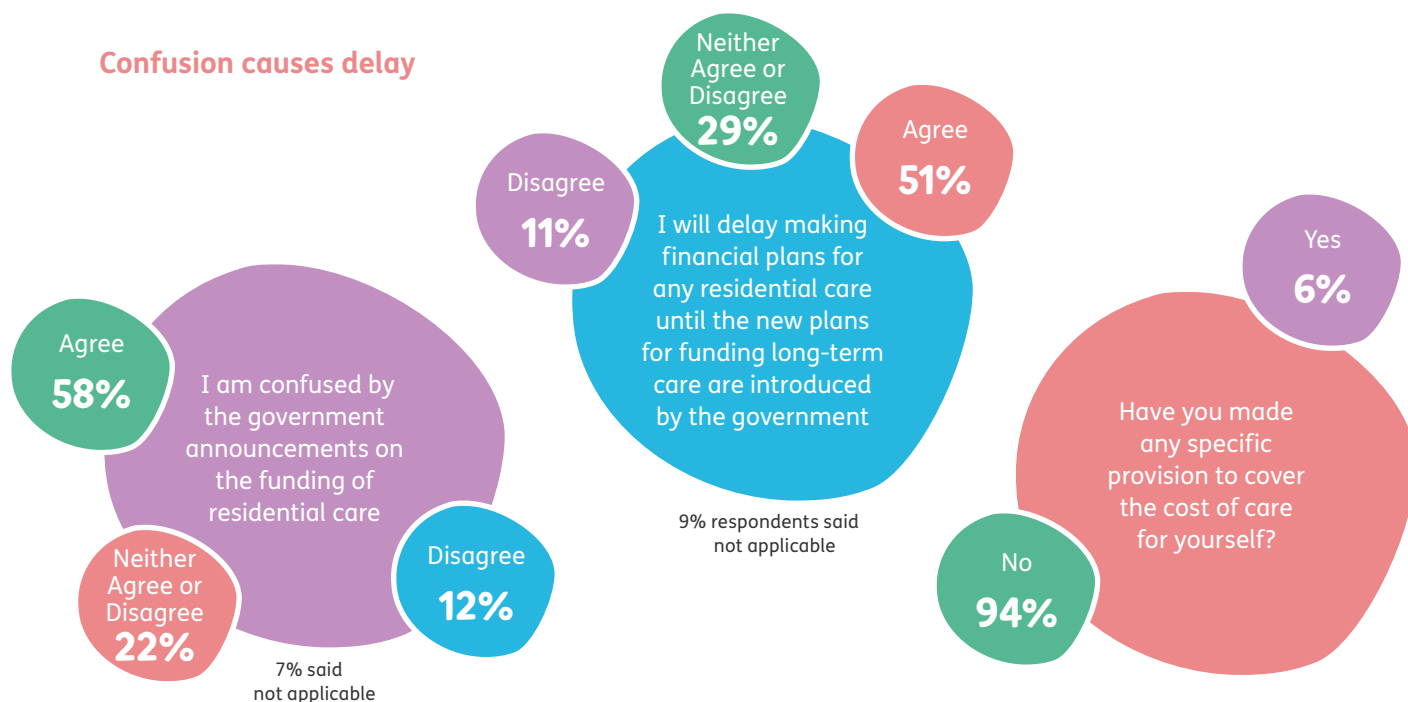
There are lessons that can be learned from the ongoing overhaul of pensions that will be useful to helping deliver a new “settlement” for adult social care that will make clear the rights and responsibilities of both the individual and the State.

Most over-45s have a good idea of the kind of care they would like in later life. Two-thirds say they do not want to go into a residential home if they need care, and a similar number say they are happy to have carers come to their own home. Most neither want to live with their children nor want to rely on children to decide on their care arrangements.

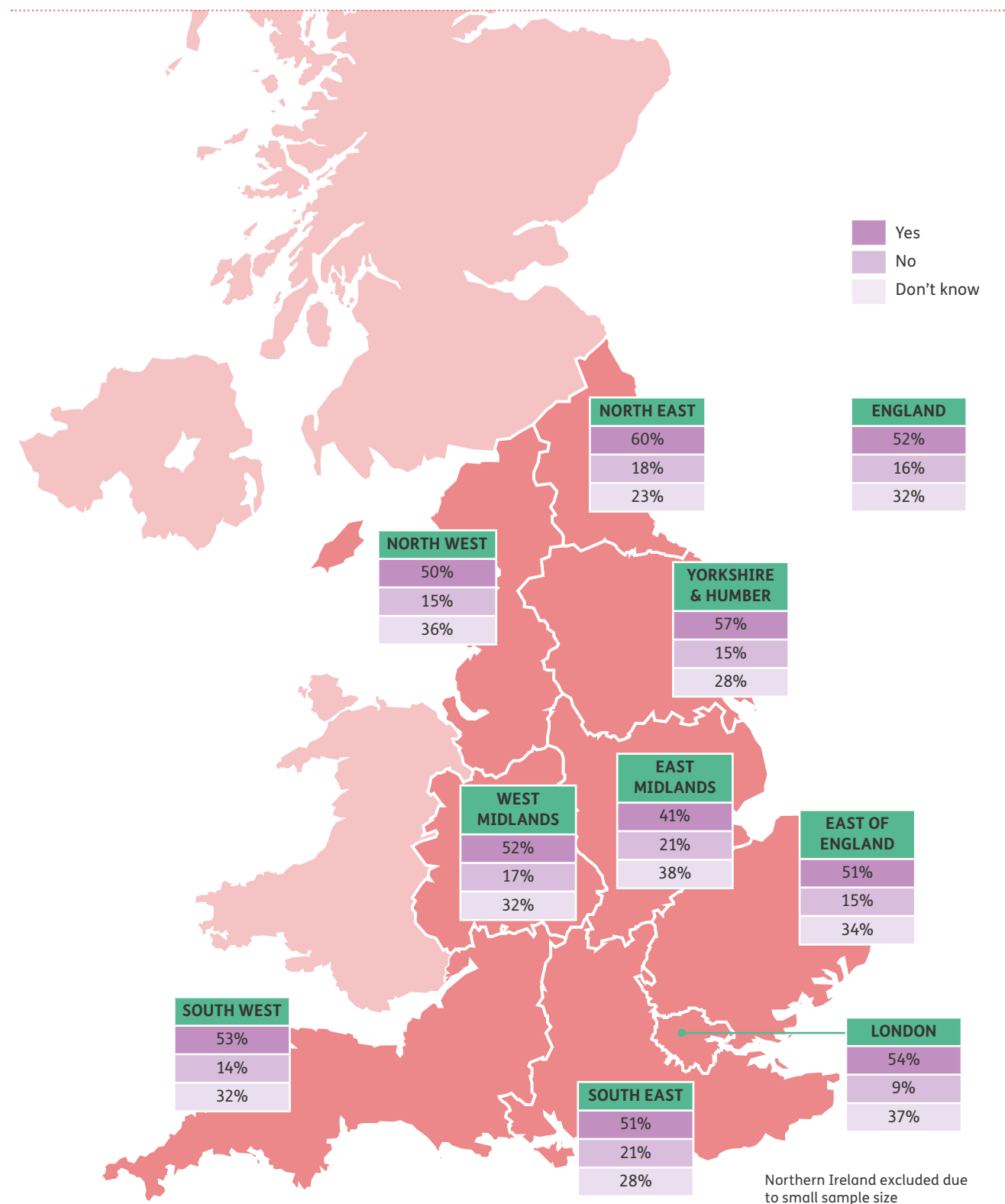
However, confusion is rife about government announcements on the funding of residential care in later life and more than half say they will delay making financial plans for residential care they may need until new plans have been introduced. Nine in 10 have made no specific provision to cover the cost of themselves

The obvious conclusion is that if we, as a nation, want our citizens to be more prepared for care in our later years, we need our politicians to provide a stronger lead.

Confusion causes delay



IS SOCIAL CARE POLICY BEING NEGLECTED BECAUSE OF BREXIT?



CONCLUSION

KEY QUESTIONS THE CARE PROPOSALS NEED TO ANSWER:

- Where is the line drawn between individual financial responsibility and State support?
- How will the new rules overcome perceived unfairness in the care funding system?
- Do the new rules ensure important and useful information is provided at the right time and in the right way?
- How is financial planning and regulated financial advice for later life care encouraged and incentivised?
- What is the role of personal wealth - particularly property wealth - in funding later life care?
- What role is there for risk-pooling solutions to provide cost-effective protection for those facing high care costs?
- How will the reforms help build a vibrant and competitive market for high quality domiciliary and residential care?
- How will government support innovation and best practice across local authorities and private providers?

This 2019 Care Report provides information and insight into people's knowledge and attitudes towards the funding of long-term care.

While only a tiny minority (2%) thought that the State picked up the bill for care, there is still widespread uncertainty about how the current rules apply. The majority don't know about the means test or are uncertain how the limits are applied. Many (42%) think there is a cap on care costs of £72,000, a policy which received broad coverage but was never implemented.

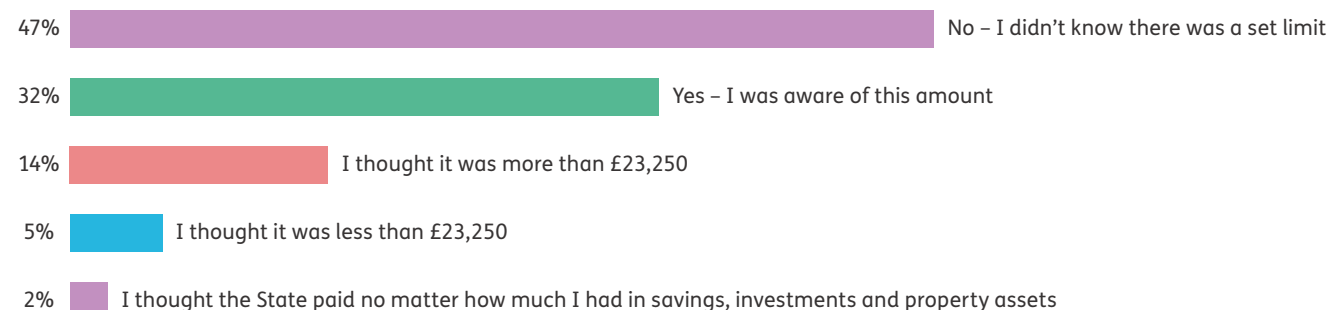
It seems that the longer we wait for the next set of proposals, the higher the public expectation that they will sweep away the problems of the past. That is perhaps setting our sights too high. Rather than a miracle cure,

maybe the best we can hope for at this stage are plans to create a solid foundation on which to build for the future.

While we look forward with hope, the most worrying finding this year is that it appears that the policy prevarication comes at a cost. Compared to previous reports, fewer people express interest in the care debate and many more signal they are simply not interested. For everyone involved in building, running and funding a care system for the 21st Century, that is not a welcome trend.

It is to be hoped that the new proposals – when they are finally unveiled – will help to invigorate debate and interest in the future of later life care among the general public.

Where the value of the savings and investments, of the person who is going into care, is above £23,250, that person will have to use their own money to pay their long-term residential care fees. Were you aware of this?



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Just provides a wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees.

Where we have used our own research data from 2012-2017 we mark which year's data we reference. If no specific year or external source is listed, the data comes from our own 2019 research data. Please note, numbers may appear not to sum due to rounding.

We conducted research in 2012-2019 as follows.

- 2019** – online survey among 1,001 adults aged 45 years and older, weighted to be regionally representative across England and Northern Ireland, conducted 4-11 March 2019 by Opinionium.
- 2017** – online survey among 1,088 adults aged 45 years and older in England and Northern Ireland, conducted September 2017 by Opinion Matters.
- 2016** – online survey among 1,005 adults aged 40 years and older in England and Northern Ireland, conducted April 2016 by Opinion Matters.
- 2015** – online survey among 1,592 adults aged 40 years and older in England and Northern Ireland conducted, December 2014 by Opinion Matters.
- 2014** – online survey among 1,005 adults aged 40 years and older.
- 2013** – online survey among 841 adults aged 45 years and older.
- 2012** – online survey among 894 adults aged 40 years and older.

THE RESEARCH FOR THIS REPORT

This report is the seventh in our series of Care Reports designed to provide a snapshot of what people aged 40 and older in England and Northern Ireland know and think about the later life care system. In the course of our research we have conducted research with almost 13,000 people, including the research for our seven care reports.

Unless a footnote references an external source, the data we use in this report is taken from our own online consumer research conducted each year from 2012 to 2017 and again in 2019. We did not conduct a poll in 2018 as we were awaiting the Green Paper, however, as delays in the publication of the Green Paper continued we decided to conduct the research in Q1 2019 anyway.

1. [ONS – population projections: Table A2-1, Principal Projection – UK population in ages.](#)
2. [LangBuisson UK Market Reports 2012-2019.](#)
3. [House of Commons Library briefing paper, Social care: Government reviews and policy proposals for paying for care since 1997 \(England\), published October 2017.](#)
4. [House of Commons Library briefing paper, Social care: forthcoming Green Paper \(England\), published May 2019.](#)
5. [ONS – Population Estimates for UK, England and Wales, Scotland and Northern Ireland: Mid-2017.](#)
6. [PSSRU 'Lifetime risk of entering residential or nursing home care in England', 1997.](#)
7. [PSSRU 'Length of stay in care homes', 2011.](#)
8. [The Pensions Regulator – Compliance and enforcement, quarterly bulletin \(January-March 2019\).](#)



FURTHER INFORMATION

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