



SOCIAL CARE – THE POLICY VACUUM



Care Report 2021

Ninth edition
2012-2021

JUST.

“I am announcing now – on the steps of Downing Street – that we will fix the crisis in social care once and for all with a clear plan we have prepared to give every older person the dignity and security they deserve.”

Boris Johnson, Prime Minister, July 2019¹

Making later-life care arrangements for family members is challenging

77%

Of those who've found care for a relative were shocked at how expensive care is

48%

Said they were disappointed with the quality of care available

34%

Live over 50 miles from those they were helping with later-life care arrangements

Lack of promised new policy causes people to delay plans

54%

Told us they will delay making financial plans for care until a new policy is introduced

13%

Only 13% of voters believe Boris Johnson will produce a social care policy this Parliament, half the number compared to last year

61%

Support a cap on care costs – an all-time high over the past seven years of tracking

And Covid-19 has hit care homes and their residents very hard

155,944

The number of deaths recorded in care homes through the pandemic

30,544

The number of deaths in care homes involving Covid-19

+45%

The proportion of excess deaths in care homes compared to hospitals (16% v 11%)²

FOREWORD

Welcome to the Care Report 2021, the ninth edition of a research series dating back to 2012 that sheds light on how the over-45s think and feel about adult social care.

Have we witnessed the storm before the calm? Many believe that the coronavirus pandemic that wreaked havoc on the care sector, resulting in tens of thousands of deaths, was made worse by the decades of delays to care funding reforms.

But change is promised. This year's Queen's Speech highlighting the government's plans for reforms included a single pithy promise: "Proposals on social care reform will be brought forward."

Those nine words encompass the hope of meaningful change, not just for those experiencing the care sector today but the many millions who aspire to receiving a good standard of affordable care should they need it later in life. But it isn't the first time that a promise has been made and over the years there has been far more talk than action.

Our research shows that the inability to act has consequences in the minds of the public.

People are interested in the debate about social care. But at the same time they don't know how the system works and are confused by government announcements on the subject. For example, over a third believe that overall care costs are now capped at £72,000, this legislation was passed but never implemented. Four-fifths believe you can be forced to sell your home to pay for care.

Very few people – including those already in later life – make plans for their own care in the future. It is unusual for people to talk to family about their wishes should they need care. Almost nobody has made specific financial plans to pay for care.

As our special focus on 'living inheritances' reveals (pages 4-5), two-thirds (69%) of those who have gifted significant sums to children did not even consider future care costs before handing over the cash and only one in 25 (4%) had an understanding the children receiving the cash would help with future care costs.

If most people's planning consists mainly of crossing their fingers and hoping it never happens to them, it is little wonder that they end up experiencing a system they find confusing and expensive.

To encourage more people to talk about care and to plan for it, they need to understand it. Specifically, they need to know how much they will be expected to pay for their own care and at what point the State is prepared to step in and bear the cost.

We are yet to find out what was in Boris Johnson's mind when, entering Downing Street in 2019, he said that his party would "fix the crisis in social care once and for all, and with a clear plan we have prepared to give every older person the dignity and security they deserve".

Given the events that have impacted so heavily on the care sector, it is difficult to see how the government can't now urgently act. Or how other parties can fail to get behind meaningful changes. Let's make 2021 the year for actions, not words.

Stephen Lowe
Group communications director
Just Group

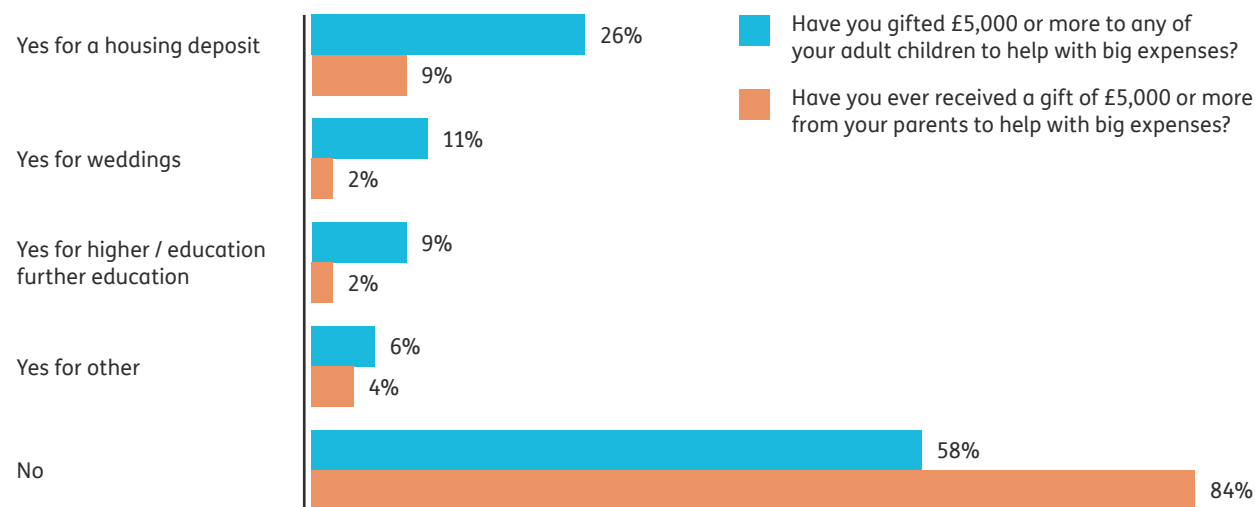


SPOTLIGHT ON LIVING INHERITANCES

Giving and receiving*

Parents are often keen to help their offspring through the financial obstacles of life. Four in 10 (42%) of over-45s with adult children said they had gifted a sum of £5,000 or more to cover major expenses and one in six (16%) said they had received money.

The most common reason for gifts was to help buy a house, pay for weddings or to help cover college or university fees.

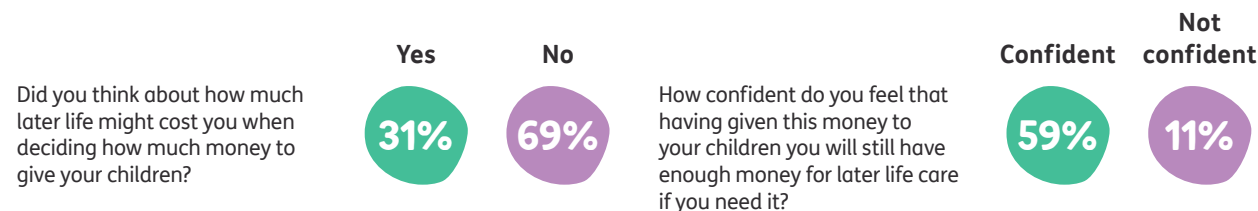


Considering care*

Gift-giving is attractive to donors who want to see the benefits of the gift while still alive and may help reduce inheritance tax in the future. However, it is unusual for people to consider the likelihood of needing to cover care costs in later life before making the gift.

An ageing population is likely to increasingly require professional care. The population aged 90+ years in the UK has tripled since the mid-80s to more than 600,000.³

Fewer than one in three (31%) of those who had made a financial gift to their children said they had considered the costs of later life care. Despite this, nearly six in 10 (59%) are confident they will still have sufficient money to pay for professional care should they need it.



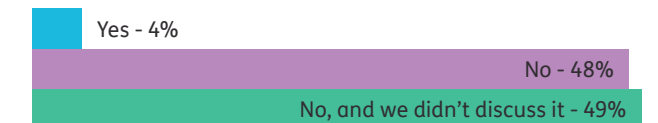
Unspoken rules*

Most families are not very good at discussing how to handle potential future care needs or costs (see page 12). This reluctance to talk about care matters also applies when giving and receiving money.

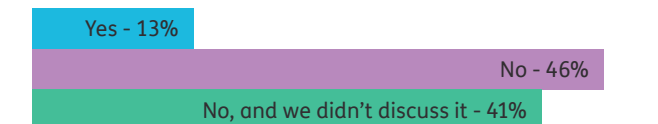
For those giving money, only one in 25 (4%) did so on the understanding the children would be prepared to help with care costs later on. The vast majority either did not have an understanding (48%) or did not discuss it (49%).

A greater proportion of those who received money (13%) did have an understanding they would help fund their parents care later if needed, but still 46% did not have such an agreement and 41% did not discuss it.

Did you give money to your children on the understanding that they'd help you meet the costs of any later life care you may need in the future?



Did your parents give you the money on the understanding that you'd help them meet the costs of any later life care they may need in the future?



The expert view†

Gift-giving significant sums to children requires careful planning to ensure their remaining funds can meet any future costs. That may include care in later life which most people realise may be a substantial cash drain if paid-for carers or residential care is required.

Professional financial planners understand the motivations for giving a living inheritance – nearly half of their clients have already given or aspire to give money – but feel the need to question whether it is the most suitable course of action in about a quarter of cases (26%).

In about two-thirds (67%) of those cases, that is because they feel clients haven't considered how long their retirement might last. In nearly half (48%) of cases the client hasn't considered care and in four in 10 (40%) the adviser feels the client doesn't have enough money to give away.

One in four men are predicted to live to age 92 and one in four women to 94.⁴ Wealthier people live longer than average and planners need to ensure their clients do look into the future and are prepared should they need help with their daily activities in later life.

The proportion of UK IFAs' clients who have already given or plan to give a living inheritance

Given	Planning
22%	23%

26% The proportion of clients that IFAs feel they need to challenge about giving a living inheritance

Top 3 reasons why IFAs feel they need to challenge clients about giving living inheritances.

67%	They haven't considered how long they will live and how long they'll need an income for
48%	They haven't considered how they might pay for care in later life
40%	They don't have enough money to give away

PUBLIC CONFIDENCE

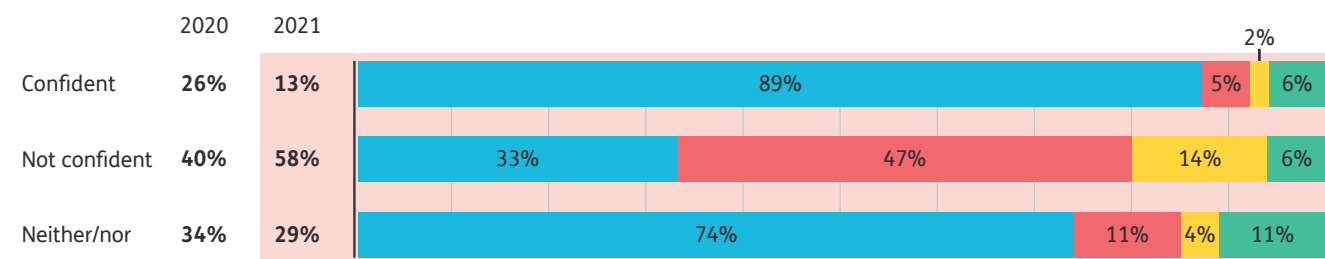
The global financial crisis, austerity, Brexit, the coronavirus pandemic – it never seems a good time to reform social care policy.

How confident are people that the Prime Minister will now produce and implement a plan? The answer is that they are around half as confident this year than they were a year ago in the wake of Boris Johnson's election win, but with clear division across the supporters of different political parties.

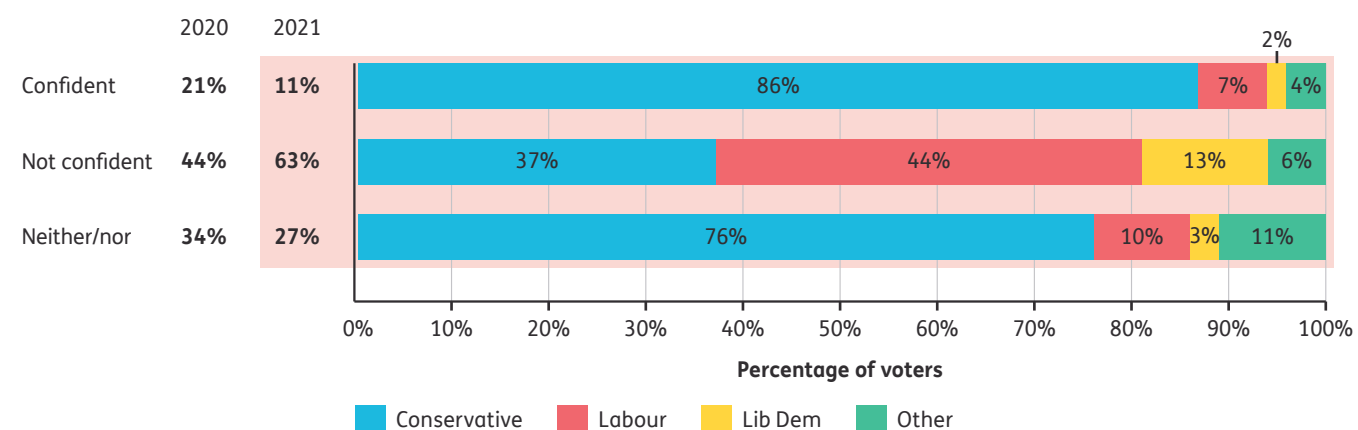
Not surprisingly, Conservative voters make up the lion's share – nine in 10 – of those who are confident he will produce a policy in this Parliament, but also a large proportion of those who are not confident (33%).

Decades of plans and proposals have so far failed to come to fruition (see pages 10-11), damaging people's ability to plan. Among over-45s, more than half (54%) agreed that they will delay making financial plans for any residential care they might need until the government has introduced its reforms, a figure that has barely shifted since 2014.

How confident are you that Boris Johnson will produce a social care policy in this Parliament?



How confident are you that Boris Johnson will put into practice a social care policy in this Parliament?



“We need to have a system to give every person the dignity and security that they deserve... So we will build a cross-party consensus to bring forward an answer that solves the problem, commands the widest possible support, and stands the test of time. That consensus will consider a range of options but one condition we do make is that nobody needing care should be forced to sell their home to pay for it.”⁵

PUBLIC UNDERSTANDING

Many people's first contact with the adult social care system is when they need to organise care for themselves or for a loved one. That makes for a very steep learning curve and decisions made in haste.

The first step is usually a care needs assessment with those requiring support subject to a financial assessment to decide who should pay. Funding rules vary between different parts of the UK.

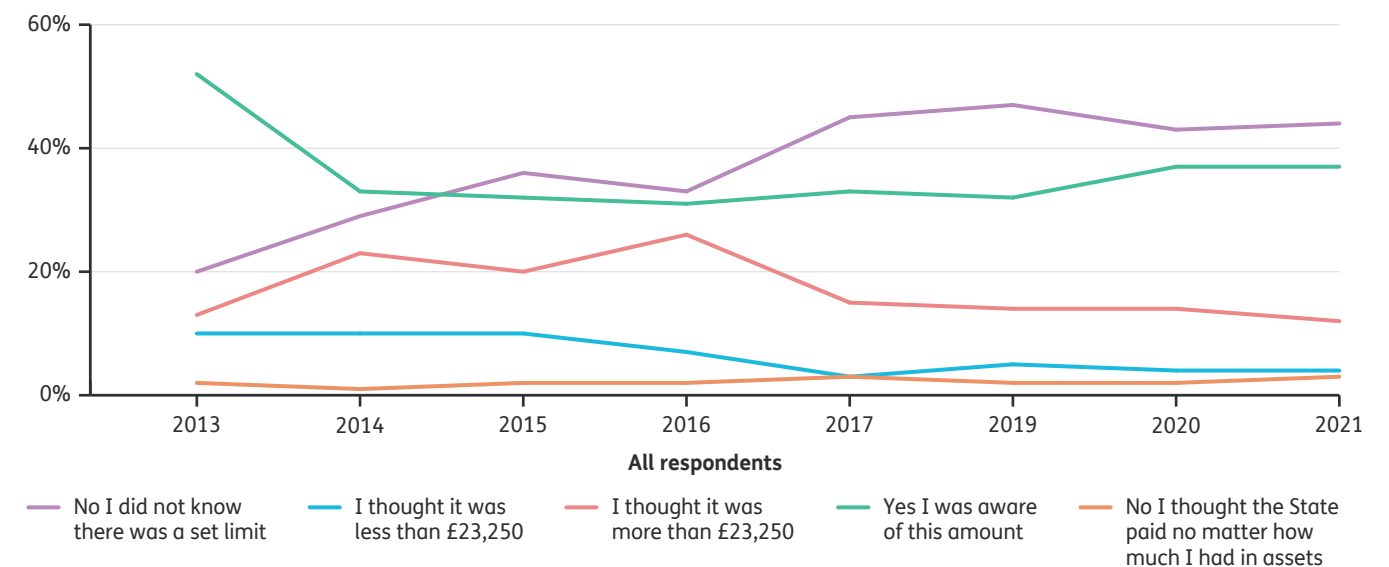
In England, the council will meet the full cost of care for those with savings and assets of less than £14,250 while those with more than £23,250 are expected to meet their own costs in full. Between the two thresholds, the cost is split.

A contribution is also expected from most sources of income. The value of a house is disregarded in the financial assessment in some circumstances, for example, where the care is being received at home or if it is the home of a spouse or dependent.

Our research found that only a small minority (3%) of over-45s thought the State would pick up the bill regardless of their wealth. The proportion who said they did not know there was a set limit above which they would have to use their own money to pay for care has been trending higher over the years, with more than four in 10 (44%) recorded in this year's report.

Legislation was passed to enable the government to cap the amount of care costs paid by an individual but was never implemented. Despite this, one-third (36%) think a cap on care costs of £72,000 already exists.

Where the value of 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 residential care fees. Were you aware of this?



Government plans to introduce a cap on care costs in April 2016 were postponed because it was “not the right moment to be implementing expensive new commitments”⁶. Despite this, one-third of over-45s think a cap on care costs of £72,000 already exists.

PUBLIC ATTITUDES

Three-quarters (77%) of over-45s support the State being a “safety net” paying the care costs of those who cannot afford to pay for themselves. There is less agreement around the level of that safety net.

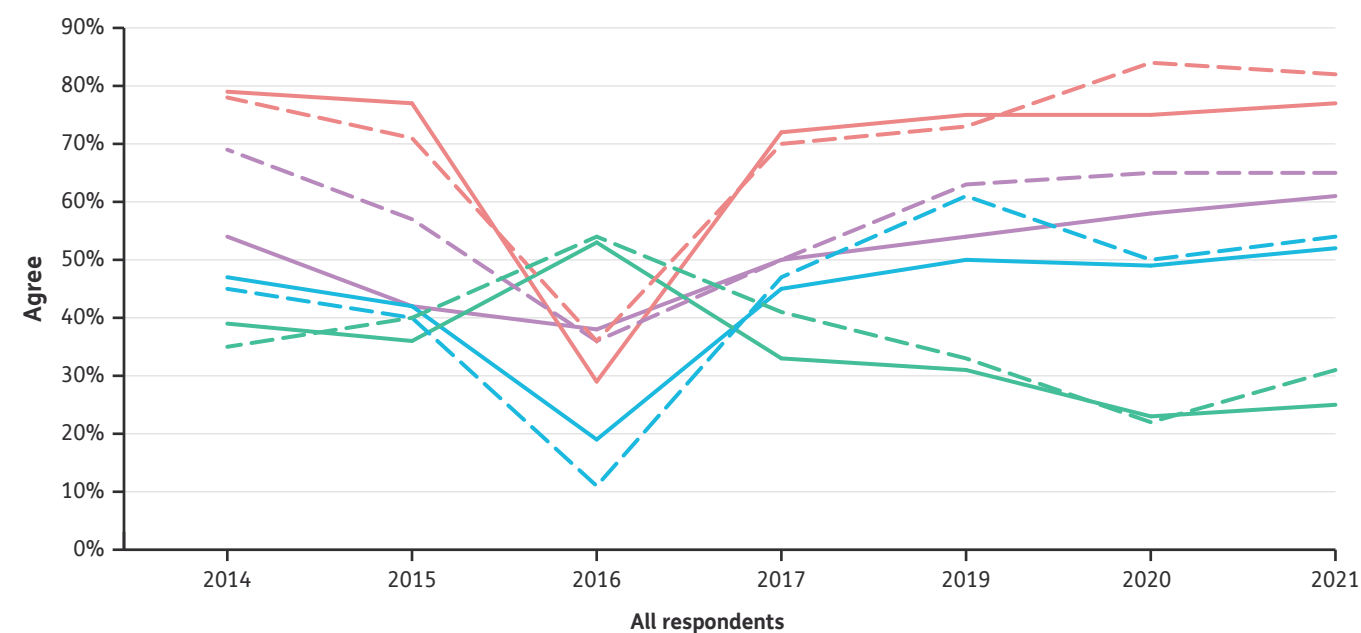
Just over half (52%) said they thought the State should fund the full cost of long-term care for everyone who needs it. The billions of pounds it would cost to extend free personal care to everyone is likely to rule this out as a practical option.

Older people are more likely to own their own homes than other age groups so there is clear self-interest in the low level of agreement (25%) and high level of disagreement (39%) that the State should not pay the care costs of those who could tap into their property wealth.

There seems to be a growing attachment to keeping the home out of the care cost calculation - although this is not seen among renters who are nearly twice as likely to think the home value should not be protected.

The option for paying care costs that receives the most support is that there should be a cap on care costs, proposed by the Dilnot Commission as a way to limit the huge amounts spent by those unlucky enough to need the most care. Legislation for a cap of £72,000 was passed but never implemented. Support for this idea reached 61% in 2021, its highest level and a higher proportion even than the State picking up the entire bill.

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



— All	— Over-75s	The State (taxpayers) should pay for care once the person has paid up to a set limit (eg, £72,000)?
— All	— Over-75s	The State (taxpayers) should fund the full cost of long-term care for everyone who needs it
— All	— Over-75s	If someone is unable to pay for care, the State (taxpayers) should pay
— All	— Over-75s	The State (taxpayers) should not pay for those who could use the value in their house to pay for themselves

PUBLIC EXPERIENCE

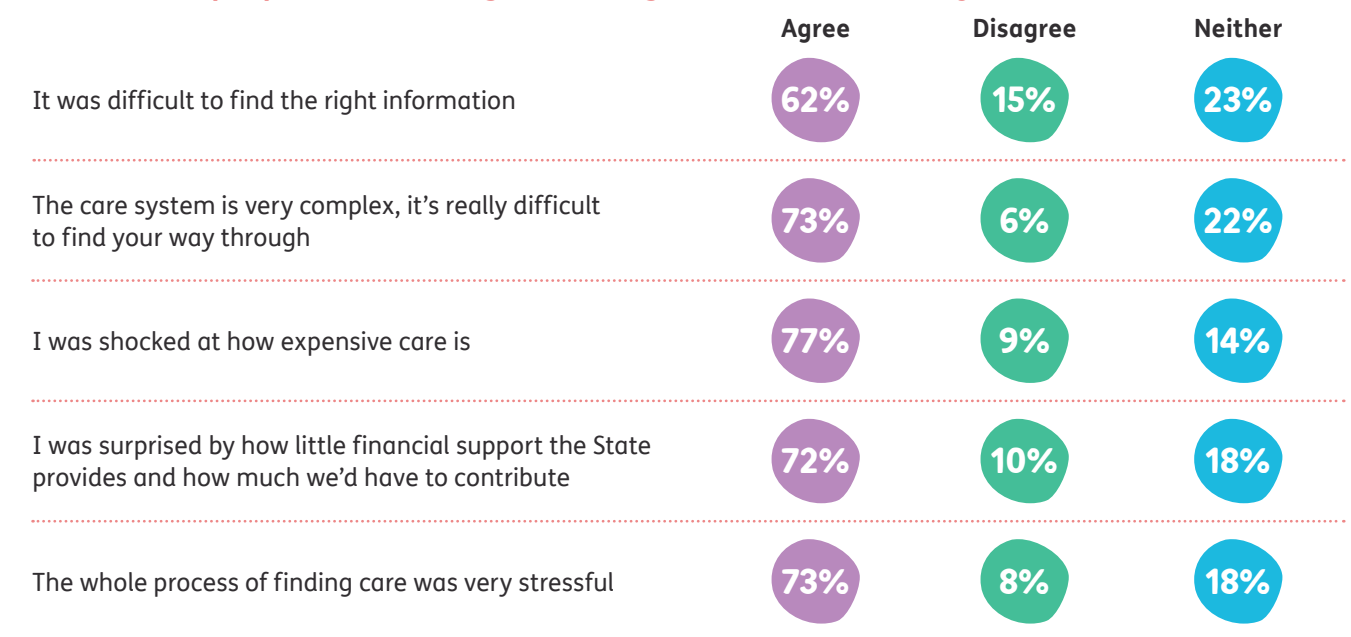
Every year many thousands of people go through the process of organising formal care for themselves, a partner, family member or friend. More than one in five over-45s (23%) have experience of helping to find a care home and the research shows that up to half (50%) of the remainder may have to in the future.

Nearly three in four (73%) of those who had experience of helping to find a care home agreed the system

is complex with the same proportion saying it was stressful. Six in 10 (62%) thought it difficult to find the right information.

Then there is the cost. More than three-quarters (77%) were shocked at how expensive care is and nearly the same proportion (72%) were surprised how little financial support was provided by the State.

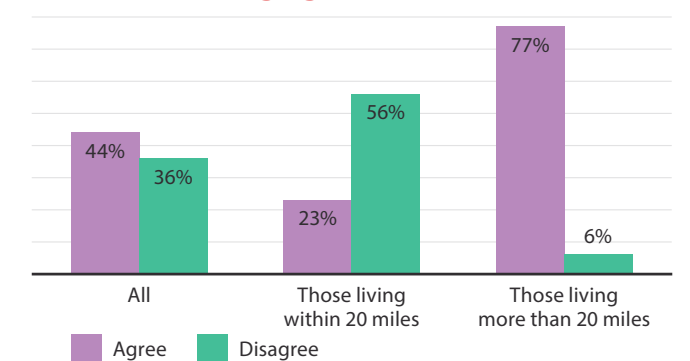
The views of people who have organised long-term care for a family member



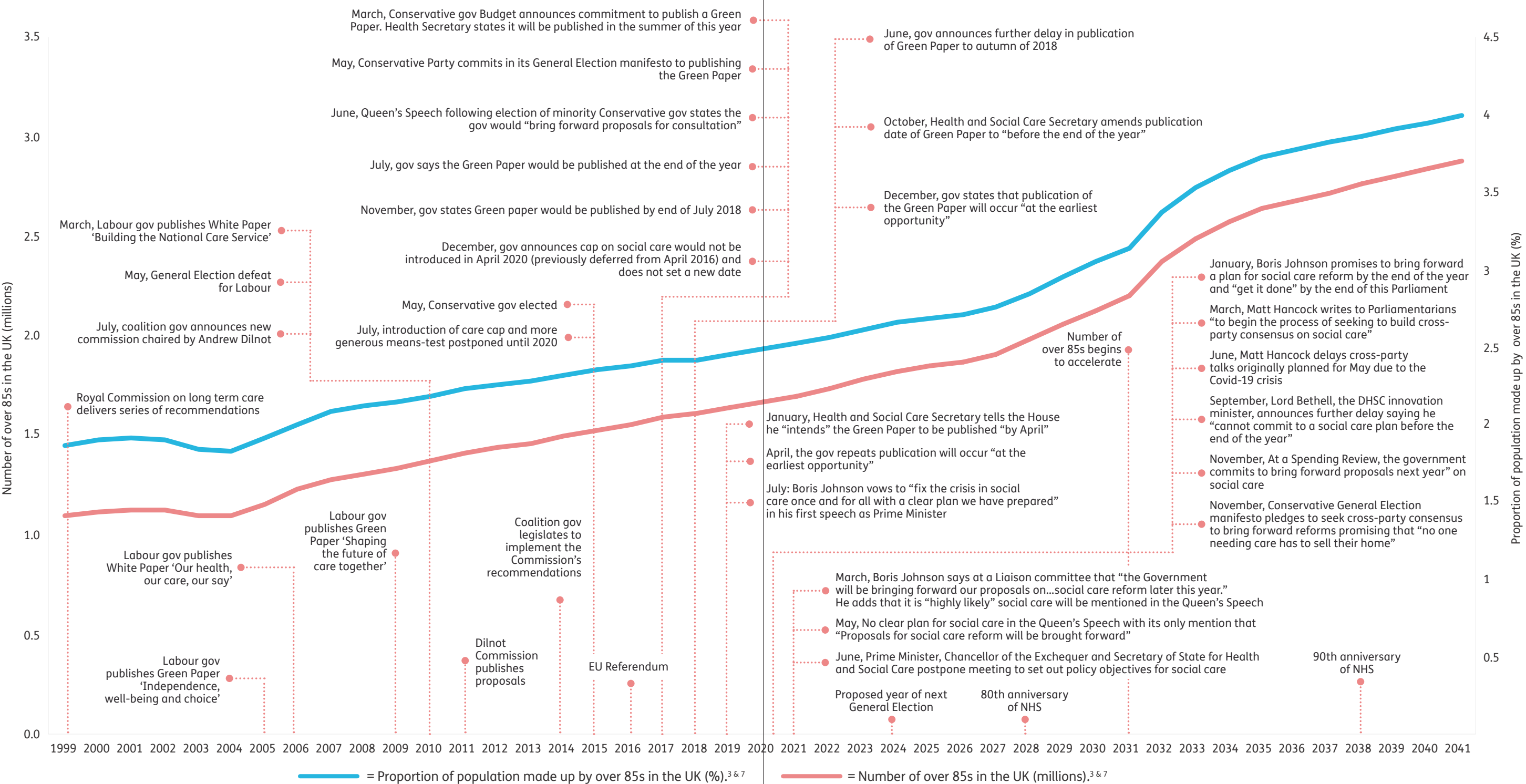
Distance from the relative or friend appears to be a headache for those arranging care and one likely to worsen as people migrate away from the areas where they grew up.

Four in 10 (40%) lived more than 20 miles away from the person they had helped to find care for, with half of those (21%) living more than 100 miles away. Those living more than 20 miles away were three times more likely to say distance had made organising care more difficult (77%) than those living closer (23%).

Living some distance from the person whose care I was arranging made it more difficult



POPULATION AND POLICY



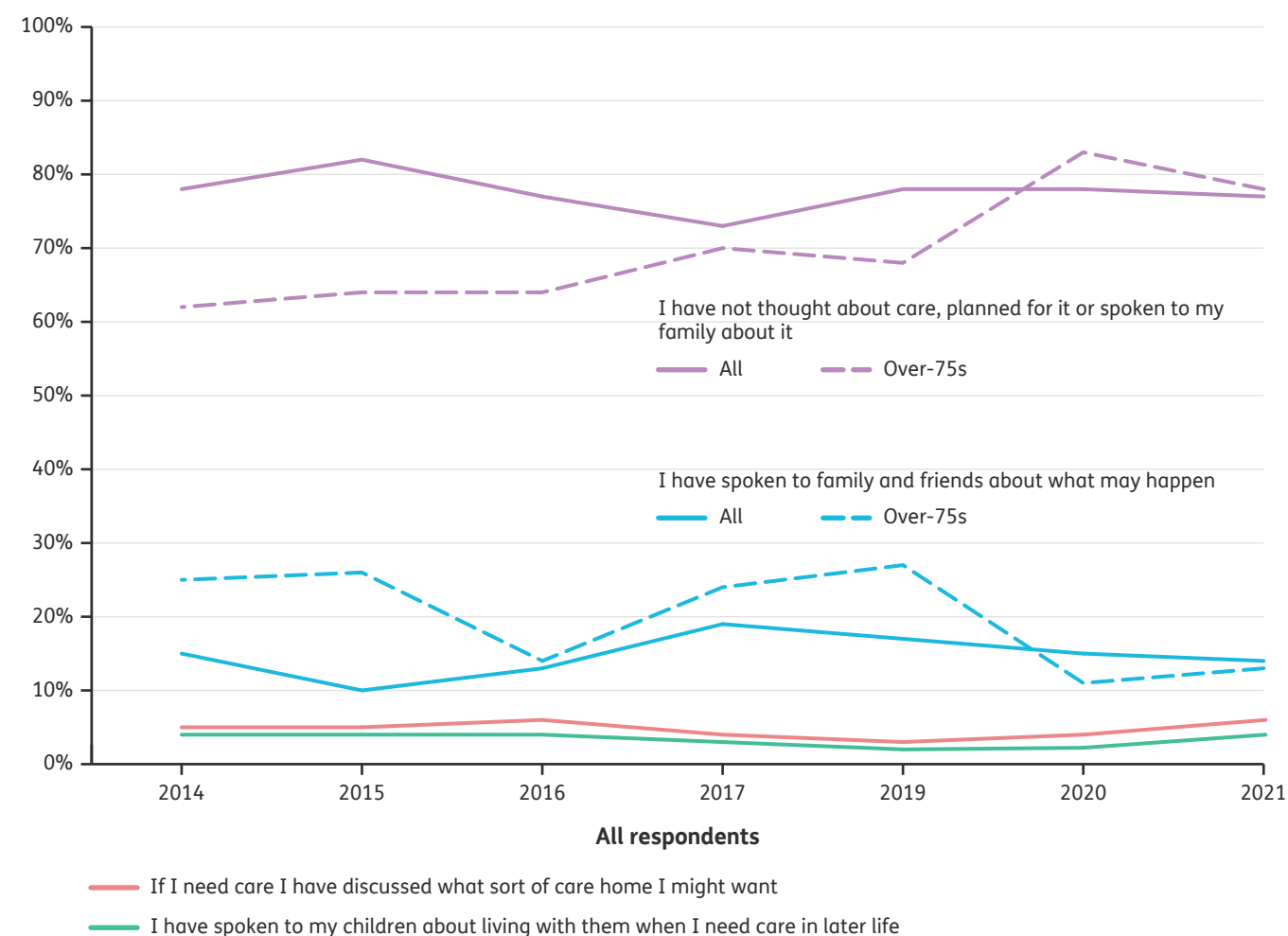
PLANNING AND HOPING

Our 2017 Care Report titled 'We need to talk about care' called for a national debate on how care is delivered and funded. This was aimed not just at policymakers and the industry, but at families too in order to encourage discussions about the 'what ifs' of future care.

This year's research shows that, despite the shocking impact of the coronavirus pandemic on the residential care sector, this conversation is still not happening, even among the over-75s who may be within a few years of needing to organise care.

Nearly four in five (77%) of over-45s have not thought about care, planned for it or spoken to family about it. Only about one in seven have spoken to family or friends. The main reasons given is that they found it too depressing (28%), that they were too young to think about care (17%), that it costs too much to think about (12%) or they are waiting for the government to clarify its plans (12%).

Which best describes the kind of conversations you've had about any of your future care needs?

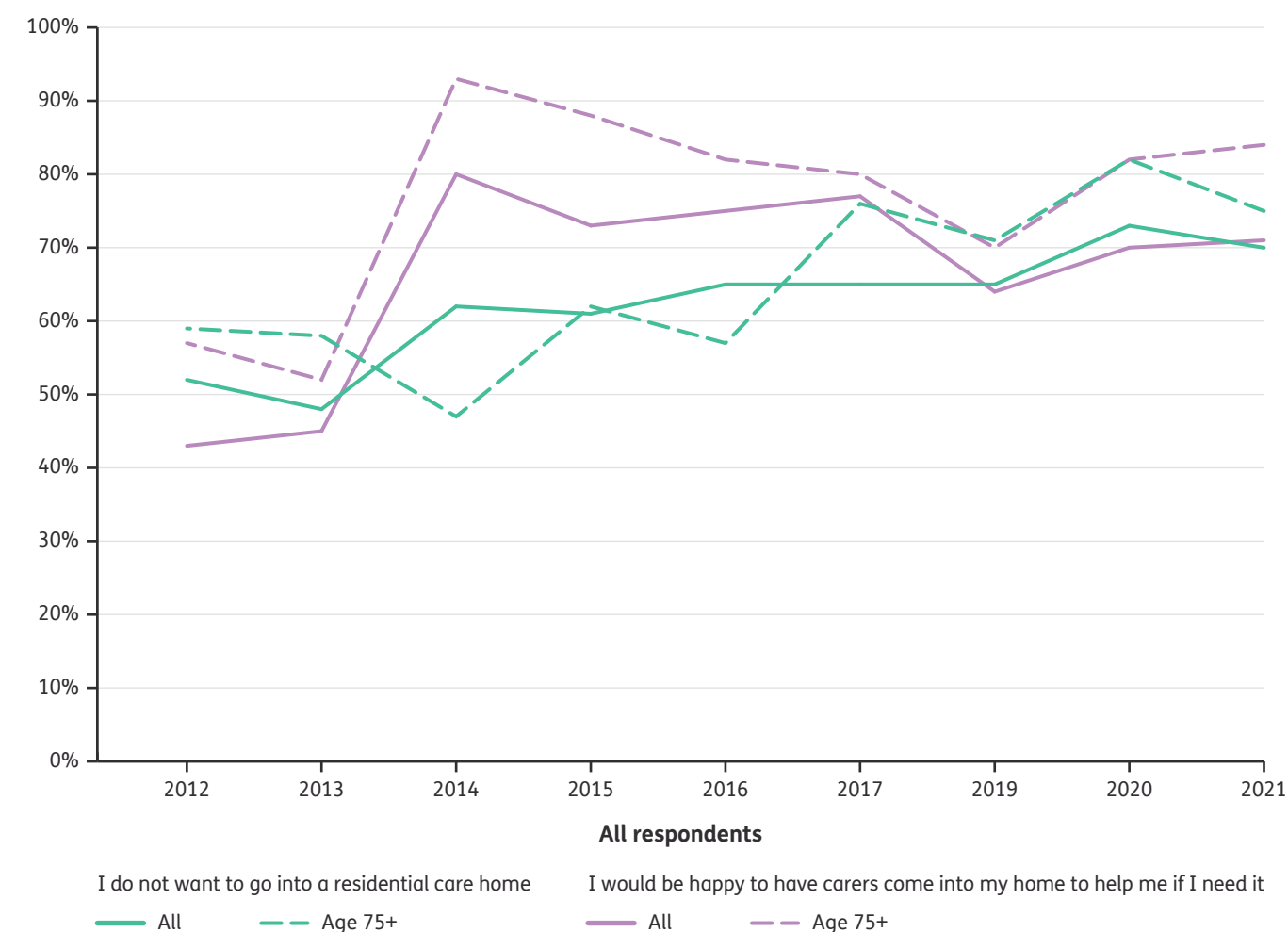


Policy proposals are likely to focus on helping people keep sufficiently fit and active to keep living in their own homes for longer, perhaps aided by informal support from family or professional domiciliary care.

The UK population aged 85+ is growing more rapidly than any younger age group and is expected to double from 1.6 million to around 3.2 million over the next 20 years.⁸ That suggests demand for residential care looks set to rise sharply for the increasing numbers who can no longer manage at home.

Seven in ten (70%) of over 45s, rising to 75% of those aged 75+, do not relish the thought of going into a residential care home, numbers that have increased over time. Similar numbers say they would be happy to have carers come into their own homes to help if needed.

Trend over time of people who have said they did not want to go into a care home and who have said they would be happy to have carers come into their home



FAMILY MATTERS

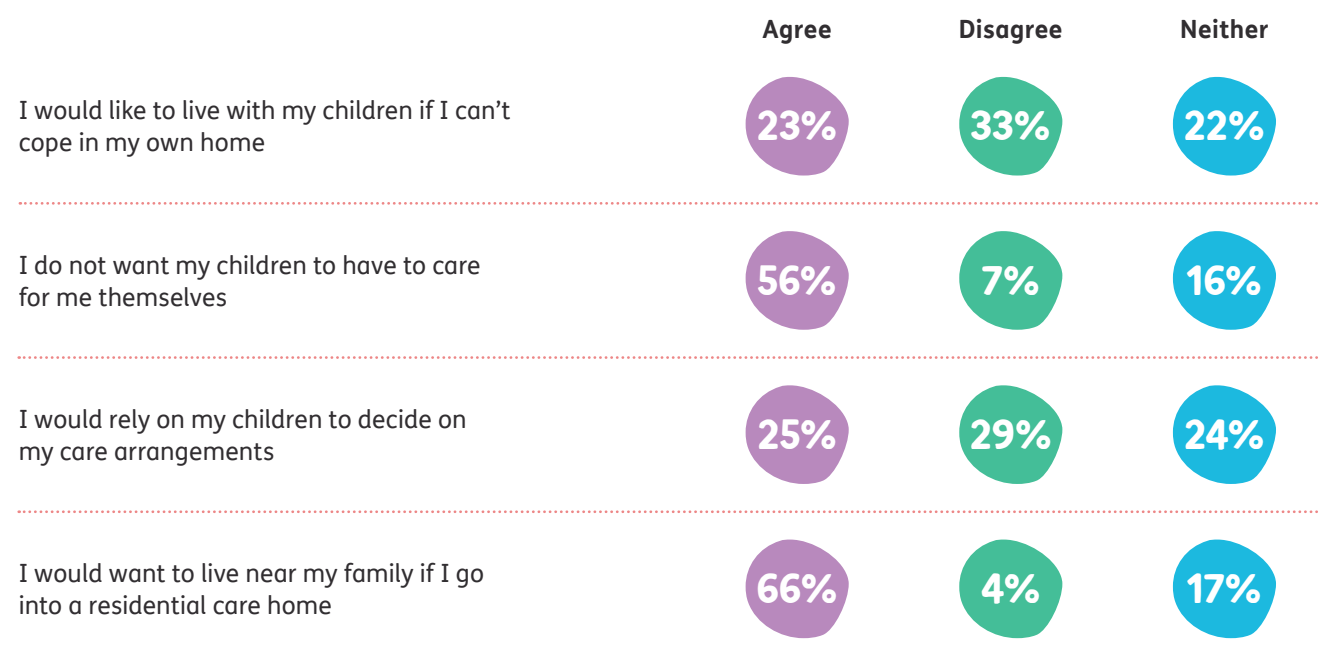
This lack of willingness to discuss the care issue with family is not because people do not have thoughts about their options should they need care.

There are mixed feelings about moving in with children if care is required. About a quarter (23%) agreed they would like to live with children compared to a third (33%) who disagreed. This is despite only about one in 25 of the over-45s having discussed this option with their children.

Given the difficulties that come with living far away from the person receiving care (see page 9), it is no surprise that two-thirds (66%) would like to live near family if they did have to go into a care home.

But there is reluctance to rely on children. More than half (56%) of people do not want their children to have to provide the care themselves while only a quarter (25%) said they would rely on children to decide care arrangements.

To what extent do you agree or disagree with the following statements about going into long-term residential care?



PAYING FOR CARE

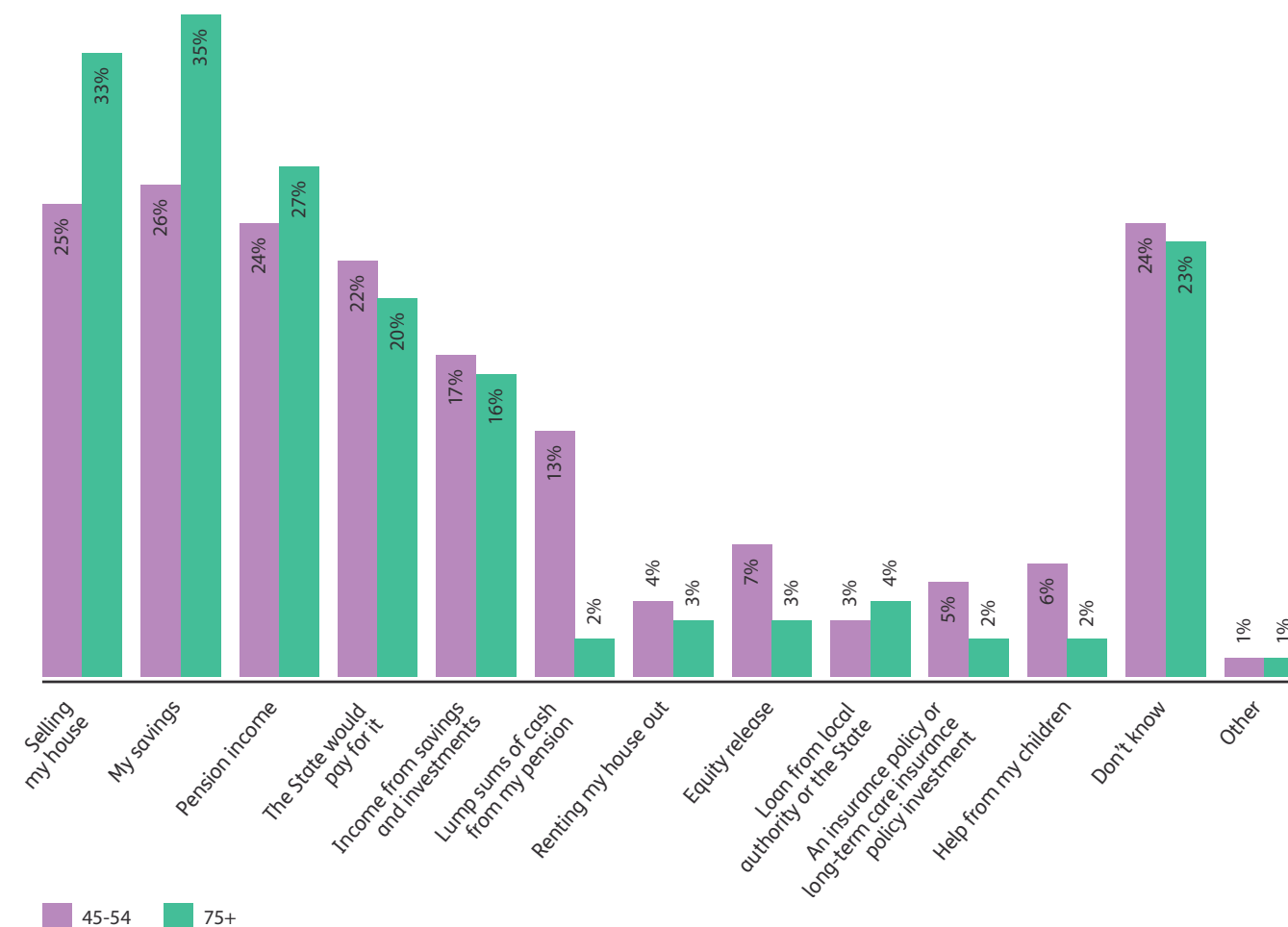
It is impossible to talk about care without mentioning the cost. Industry figures suggest more than £17 billion is spent in the care home sector each year. About 160,000 care home residents are self-funders and a further 42,000 pay top-ups, together making up 54% of all those in care homes.⁹

Our research found over-45s expected the cost of a year in a residential care home to be £30,625 compared to an actual cost of £35,000. Self-funders or those needing specialist nursing care would pay much more.

Very few people – only around one in twenty – have made provision to pay care costs either for themselves or their parents. With little financial planning specifically for care, there is a spread of ways people think they might pay if they needed to go into a care home. Most commonly they think they will pay by selling their home (32%), by cashing in savings (31%) or through pension income (29%).

About one in five (21%) think the State will pay while a similar proportion (23%) admit that they don't know.

If you went into residential care at some point in the future, how do you think you are likely to pay for it?

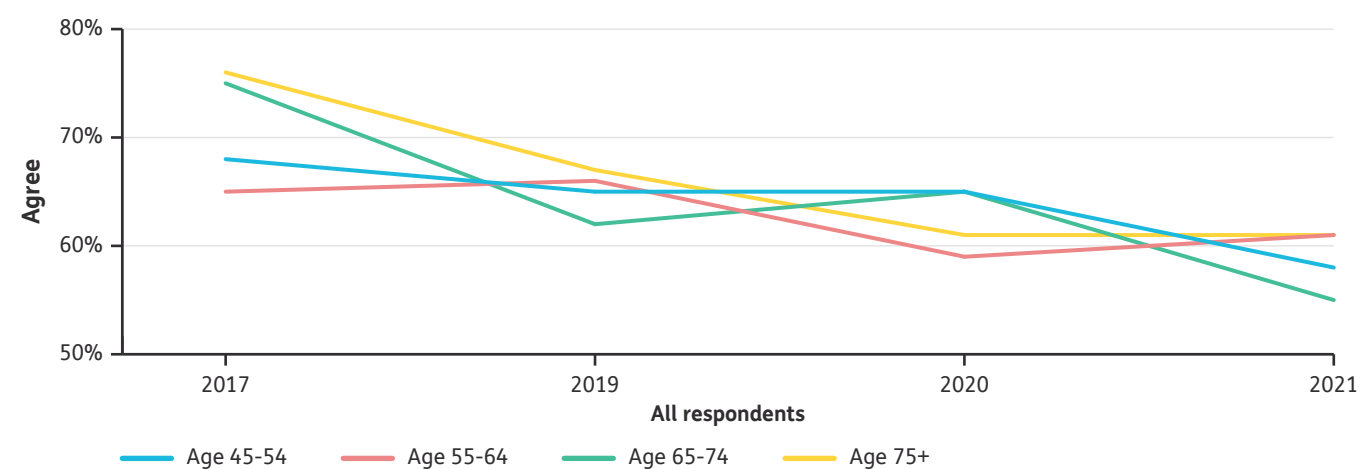


PROPERTY AND PAYING FOR CARE

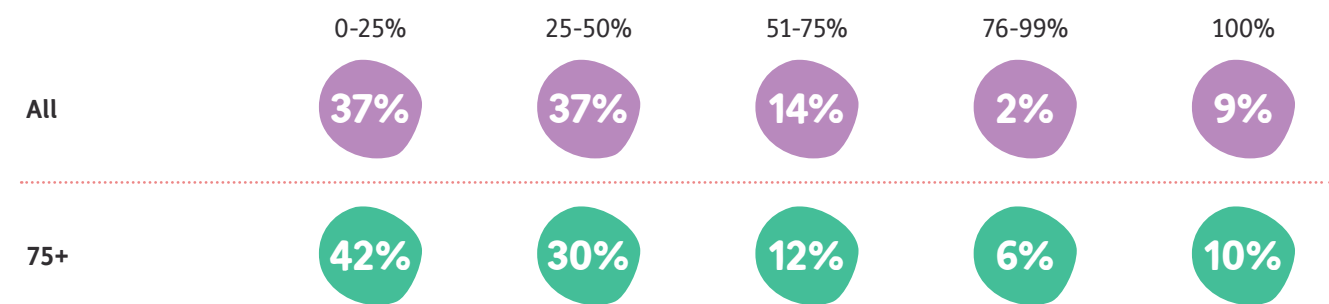
‘Home’ is a four-letter word when it comes to creating policy around the funding of adult social care. Selling the home to pay for care isn’t considered a vote-winner. An example is Boris Johnson’s pronouncement on the steps of Downing Street: “My job is to protect you or your parents or grandparents from the fear of having to sell your home to pay for the costs of care.”¹

In the real world, people in all the age groups seem more supportive of care costs being reclaimed from the value of a home to some extent although that support has slipped in recent years.

Do you think it is fair that if someone owns a house worth £500,000 but has no other savings or investments – then the cost of the care they receive at home or long-term residential care should be reclaimed from the sale of the house after they die?



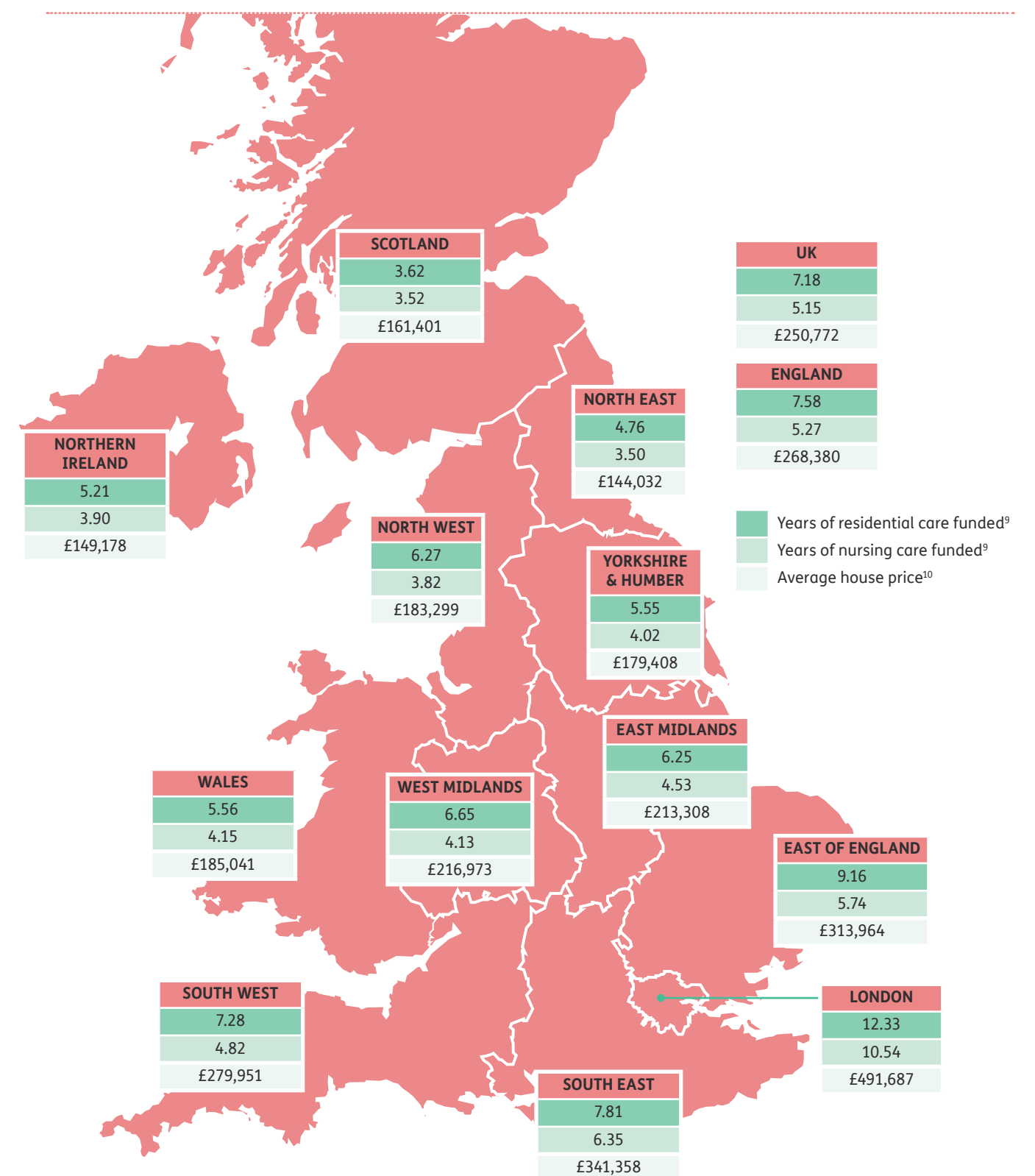
How much of the property value do you think should be taken to pay for someone’s long term care?



Presented with a hypothetical situation where someone has a home worth £500,000 but no other savings or investments, nearly a half (48%) of over-45s said they thought costs up to a limit should be reclaimed.

One in 10 (10%) said the full costs should be recovered even if it used up all the value of the property. On average, people thought it fair to reclaim up to 39% of the value of the property.

PROPERTY AND PAYING FOR CARE



CONCLUSION

It feels like make or break time. We've been through austerity, Brexit and a coronavirus pandemic. As society starts to open up, care services are facing a deluge of new requests for support. Can we afford any more delays?

There is mounting pressure for proposals to be delivered sooner rather than later. The key sticking point appears to be how to source the billions of pounds needed to deliver meaningful change with the national finances already under such strain.

The findings of the 2021 Care Report can help inform the funding debate.

Most people agree that the State should act as a safety net for those who cannot pay for themselves but should not be expected to pick up the tab for everyone. It then comes down to agreeing where the line should be drawn between those who are paid for and those who must pay for themselves.

There have also been calls to use the resources we do have in a more effective and transparent way. Competition watchdogs pointed out in 2017¹¹ that self-funders were paying £12,000 a year more on average than local authorities paid for residents in the same care home, raising concerns about hidden subsidies.

Part of the debate is being clear about the role of property. Levels of home ownership are at their highest among the older age groups, accounting for trillions of pounds of wealth. Protecting the value tied up in the homes of voters has become a 'red line' for many politicians.

That's a shame because our research shows over-45s to be more relaxed about using – at least some – property wealth to help pay for their care. Half said they thought it fair to use some of that money up to a limit compared to four in 10 who thought it should be protected.

The reforms need to address the widespread lack of knowledge among those aged 45+ about how the care system works and the reluctance to talk to their own families or make any financial plans for their own future care needs. It is unusual for people gifting money to children to consider their own potential care needs.

Implementing change is likely to cost billions. But delays have a cost too, in terms of extra pressure on hospitals, low rates of pay for professionals in the care sector, increased costs and stress for families providing care themselves, and unsatisfactory levels of support for those reliant on care being delivered.

By promising to fix social care, the government has raised expectations but the plans are yet to materialise. Scepticism is growing that the government will act. Confidence in Boris Johnson to deliver change in this Parliament is at half the level it was a year ago.

Ultimately, reforming care comes down to our leaders having the political will and courage to act. So our call is: Let's end the waiting – it's time to 'Get Social Care Done!'

PRINCIPLES FOR REFORM OF SOCIAL CARE

Proposals to reform social care must address these key points:

- Draw a clear line between State support and individual responsibility
- End the unfairness of self-funders subsidising care costs for others
- Enable people with the greatest care needs to avoid open ended costs through cost caps and/or risk-pooling
- Ensure information and support is provided at the right time and in the most effective way
- Encourage and incentivise better planning and financial advice for later life
- Promote a competitive market that supports innovation and shares best practice

ABOUT JUST

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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.

THE RESEARCH FOR THIS REPORT

This report is the ninth 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 consumer polling with around 17,000 people.

Unless a footnote references an external source, the data we use in this report is taken from our own online research conducted in 2021.

Where we have used our own historical research data from 2012 - 2020 we mark which year's data we reference.

We conducted research in 2012-2021 as follows.

- 2021** – online survey among 1,000 adults aged 45 years and older in England and Northern Ireland, conducted 7-13 April 2021 by Opinionium.
- *2021** – supplementary data: online survey among 1014 adults aged 45 years and older in the UK, conducted 13-18 May 2021 by Opinionium.
- †2021** – supplementary data: online survey among 214 IFAs in the UK conducted 14-17 May 2021 by Opinionium.
- 2020** – online survey among 1,002 adults aged 45 years and older in England and Northern Ireland, conducted 30 January-3 February 2020 by Opinionium.
- 2020** – Covid-19 supplementary data: online survey among 1,000 adults aged 45 years and older in England and Northern Ireland, conducted 4-7 May 2020 by Opinionium.
- 2019** – online survey among 1,001 adults aged 45 years and older, 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.

1. Boris Johnson's first speech as Prime Minister (24 July 2019)
2. Public Health England - Excess Mortality in England (17 June 2021)
3. ONS, National population projections
4. ONS life expectancy calculator
5. Conservative Party 2019 General Election manifesto
6. Cap of care costs statement July 2015
7. ONS, Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland
8. Age UK, Later Life in the United Kingdom 2019
9. LaingBuisson Care Homes for Older People, UK Market Report, 31st Edition
10. For average house prices: UK HPI, April 2021
11. Competition & Markets Authority, Care homes market study, November 2017



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