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OXFORD BROOKES UNIVERSITY

Oxfordshire County Council

Older People Who Fund Their Own Social Care

An Assessment and Profile of Future Trends in Oxfordshire

May 2010

Contents

Oxfordshire County Council

Older People Who Fund Their Own Social Care

Report

1 Executive Summary

A combination of demographic, social care policy and economic changes has led to the need for a better understanding of older people who fund their own social care in Oxfordshire. However, there is a lack of data about this group both nationally and locally. This study sought to obtain a fuller picture of people who fund their own care and how they can be supported.

Self-funders in care homes

There are an estimated 1,977 people who fund their own care home place in Oxfordshire, representing 54 per cent of the total care home population (one and half times the national rate).

The number of self-funders in care homes could rise to 2,480 by 2020, and will grow as a proportion of residents in care homes (p21). This is due to a combination of demography, rising owner occupation, stable and rising house prices, awareness and availability of alternatives to care homes, and changing government policy on the funding of care home placements.

Threshold cases

Given the high level of home ownership among older people in Oxfordshire and the relatively high value of properties, a self-funder with an averagely priced home to sell is likely to be above the threshold level for nearly six years (p35).

Self-funded home care

An estimated 3,626 older people in Oxfordshire are paying for some or all of their community based care; and between 1,723 and 2,934 are entirely self-funding, depending on the method of estimation. The higher end of the range is likely to be closer to the actual figure given the affluent profile of the county (p25-26).

Survey evidence indicates that three per cent of the older people's population purchase their own home care and a much higher percentage buy services such as help with cleaning, shopping, gardening and repairs and improvements (p26).

Interviews indicate those aged 85 and over are more likely to pay for personal care than other age groups (p29).

Survey evidence indicates that most community based self-funders appear to make private unregulated arrangements for care and other help (p26).

Survey and interview evidence indicates that there is limited awareness of what services are available from SCS, or of entitlement to an assessment. The majority (53%) did not think they would qualify for social services and a similar proportion prefer to manage their affairs independently (p22 & 29-30).

The four self-funders in care homes who were interviewed did not approach SCS for help, and were not aware of their entitlement to an assessment of their needs, corresponding with other research evidence (p22-23).

Impact of the recession and future trends

In terms of future trends, we can be reasonably confident that the number of self funders in care homes will increase, while in terms of home care, it is less clear. Care home fees are largely funded by the sale of a home, while home care is likely to be funded from savings and the interest on them.

The recession is expected to have little impact on the numbers of self-funders in care homes: the high value of house prices in Oxfordshire, levels of owner occupation among older people, and the ageing population will continue to support the upward trend (pp35-37).

Interest on savings was a concern for some self-funding residents in Oxfordshire as elsewhere, but has a limited impact in determining the rate at which assets will depreciate (given the average value of an Oxfordshire property). However, it may affect their readiness to spend on additional care and support (p23).

There is no indication that the numbers of threshold cases will increase in the next couple of years in spite of changes in the economy. Over the next five to ten years and beyond, there may be an increase mainly among people whose partner or spouse remains in the house who run out of savings within a year, and among single people who run out of savings after a much longer stay (pp35-36).

The number of people paying for home care may be affected by the recession where savings depreciate and income from savings is reduced. This could lead to a decline in numbers. However, other important factors which may affect numbers are: rising levels of need in the older population due to increasing life expectancy and increasing numbers of older people who live alone, the availability of informal unpaid carers, changing policy on funding of and charging for home care. All of these factors may drive up the numbers of older people paying for their own home care. The interplay between them makes it difficult to conclude confidently the direction of travel for the self-funding of home care without access to more data on the current position and recent trends (pp37-38).

Continuing care

Changes in the level of NHS continuing care funding and tightening regulations could also have an impact, particularly in Cherwell district, resulting in more people requiring support from OCC (pp20-21 & p32).

Recommendations

People who pay for a care home

- There are a relatively high proportion of people who pay for their own care home place in Oxfordshire, and both the number and proportion are expected to increase. Ensuring that as many people going into a care home as possible are properly assessed, and evidencing that assessment will be of growing importance to ensure that people are not fast-tracked into moving into a care home when they could be enabled to live at home.

- It would seem unlikely that care home managers would be willing to encourage potential self-funders to get a formal assessment prior to admission, however, this might be worth exploring with those care homes where OCC funds a high proportion of the total available places.

- For threshold cases, and particularly the significant proportion of people who become threshold within a year of admission to a care home, steps to maximize income, for example, ensuring take-up of Attendance Allowance will help to delay the move to threshold status. Such an initiative in another county yielded £220k increase in income. A target group are those where the partner remains in the family home.

People who have social care needs in the community

- Given that nearly two-fifths of people who self-fund some care in the community appear not to be aware that these services are available from SCS, there is a need to raise awareness among older people and their carers of what services are available from the local authority.

- Correspondingly, it is also important to ensure that people who are entitled to an assessment of their needs, receive one, whether or not they are eligible for local authority services. At present, current recording practices do not indicate whether or not this is happening.

- Older people are most likely to purchase low levels of help with repairs and improvements, cleaning, gardening and shopping. Establishing an approved provider list of service providers for use by older people and their carers, and available from a variety of sources would be a useful means to ensure a minimum level of quality in self-funded care.

- Given the levels of owner occupation among older people and relatively high house prices, there is scope to explore ways in which housing assets could enable older people to obtain the care and support they need, for example, through buying or leasing extra care housing, Homeshare, and equity release.

Information, advice and support

- Survey evidence indicates that there is considerable scope to improve the provision of information to older people, their carers and 'tomorrow's older people' about the services and support which the council can offer. This could be done both by improving the way in which enquiries from older people are handled and recorded; and by looking at other ways to disseminate information to older people and their carers.

- Based on the interviews with self-funders in care homes, discharge from hospital appears to be a critical point at which social care services have an opportunity to provide information about the services and support available, and if appropriate to conduct an assessment of an older person's needs.

- Evidence from another local authority indicates that older people may require more than information to help them navigate access to the care and support they require. Advocacy and advice services or 'hot handholding' may be a better description of the kind of help required.

Dialogue with 'service providers' who are supporting self funders

- The poor response from home care providers to a postal questionnaire, indicates that there may be limited understanding among home care providers of OCC's strategy and objectives in relation to care and older people. Given the expectation that local authorities will have a role influencing and shaping local care markets, this may be a good time to develop more communication.

- To develop its relationship with the less formal end of the self-funded home care market, OCC may find it most useful to work with the local voluntary sector: Age Concern and carers' organisations.

2 Introduction

2.1 Background

This report presents the results of a study of older people who fund their own care in Oxfordshire which was carried out between May and November 2009. The report was prepared by the Institute of Public Care (IPC) at Oxford Brookes University for Oxfordshire County Council (OCC).

In common with many authorities, Oxfordshire County Council has been concerned that relatively little is known about the self-funding population of older people, their current and potential future activities and anticipated needs, and the relationship of self-funding to wider social care provision during a period of social and economic change.

Self-funding has been described as 'a continuum of arrangements rather than a single state' (Hudson & Henwood, 2009). It operates at a wide variety of levels from people who use friends, neighbours and local contacts to deliver low level community support such as assistance with household tasks, through to those who purchase residential care with nursing. Social Care Services (SCS) need to understand these populations better for a variety of reasons: firstly, the potential to move from self-funding through to state funding in terms of residential care as savings are used up, particularly relevant in the current economic recession when savings and investments may lose value or homes be unsaleable; secondly, there are concerns as to whether the current arrangements regarding assessment and the implementation of eligibility criteria work well; thirdly, there is a wider requirement to support the health and well being of the whole population; and lastly, the need to understand the impact that self-funding has on the wider social care market.

2.2 Objectives

The research commissioned by OCC therefore had three primary objectives:

- **The identifiable population.** Firstly, to provide a numerical picture of those who fund their own care from regulated sources, whether they approached the local authority for help and, particularly in respect of the residential care population, how long their capacity to self-fund might last, and the impact this might have on the local authority.
- **The wider population.** Secondly, a wider view of care and support needs within the population of older people, how these are currently being met, and the balance between self-funded activity and other forms of provision, as well as the reasons why people have not accessed the County's services and what could be done to help them to do so.
- **Impact of the economic recession.** Thirdly, an assessment of the current, as well as likely future, impact of the economic recession on self-funding activity.

2.3 Methodology

The fieldwork undertaken to support this report was undertaken in two parts. The first element (August - October 2009) was concerned with profiling the scale

and nature of regulated self-funding activity within Oxfordshire and drew on national evidence, as well as data provided by the County Council and local service providers. Wherever possible, data were obtained to cover the period prior to the current downturn (i.e. Autumn 2007) up to the present time.

Care home and home care providers were surveyed although response rates were disappointing. The study sought to obtain a profile of self-funding activity through a questionnaire based approach to care home providers. Through direct contact a sample of 22 providers covering 42 care homes (i.e. 43% of the total homes within Oxfordshire) agreed to complete the questionnaire. The sample represented a good mix of residential and nursing home provision across the five districts, of varying size and ownership type. The level of returns was disappointing. Of the six homes that did respond in full, four agreed to further involvement in the study and to facilitate interviews with self-funding residents. The data were supplemented by interviews and discussion with professional staff, the Oxfordshire Carehomes Association, care home managers and four self-funding residents.

The second element (July – December 2009) looked at the wider population. Postal questionnaires were sent to 1,016 addresses selected from 10 types of MOSAIC area in 15 different micro-neighbourhoods across Oxfordshire. Addresses were filtered to include only people of pensionable age. MOSAIC is a demographic profiling and classification system which sorts addresses into post-code-based neighbourhood types. There are 11 different groups and 61 types.

A response rate of 27% was received which is good for a postal questionnaire. More than one-third of responses (38%) came from people in Mosaic category 4; and a quarter (25%) came from people in Mosaic category 53, the two most affluent categories. Both these relatively affluent groups appear to be over-represented in terms of response (see Appendix 1).

From those who were willing to be interviewed, 56 semi-structured telephone interviews were carried out with people of whom 28 were funding some degree of care and/or help.

A limitation of MOSAIC is that it is not possible to target people aged 75 and over – the population most likely to need social care, and in addition it does not appear totally accurate in identifying household profile so that a number of returns were from people under 65.

2.4 Report Structure

This report consists of six sections: an overview of self-funding and the available research; an outline of the demographic and economic context of Oxfordshire; a section on self-funding and self-funders in Oxfordshire care homes; a section on self-funding and self-funders of home care and support in Oxfordshire; an assessment of ex-self-funders and the impact of the recession on the number of threshold cases; and a conclusion and recommendations.[1]

[1] Throughout this report, reference to 'older people' means any person aged sixty-five years or over.

IPC would like to thank the staff of Oxfordshire County Council, together with those service providers and older people, who contributed their time and commitment directly to this review.

3 Self-funded Care – An Overview

3.1 Defining self-funded social care

There are three principal categories of self-funder (Forder, 2007; CSCI, 2008). The following groups generally fund the full costs of their care (with or without any disability-related benefits):

- People who choose not to approach public authorities and make their own private arrangements for a care home place or domiciliary care either through an agency or directly with a care worker. In the latter case, this might supplement reliance on family or other informal or 'non-regulated' care and involve a financial transaction to those informal carers.
- People who approach their local authority in the first instance for help, but have assessed needs below the FACS[2] eligibility criteria operational within their local area.
- People who approach the local authority, and whose needs are assessed as eligible but who have income and assets above the relevant upper assets threshold.

Older people who are not eligible on financial and/or needs criteria will then need to make their own decisions about care and self-fund the contribution to any care they wish to use. This might include people for whom a care home place or domiciliary care is arranged by the local authority, but fully funded by the individual and/or in conjunction with their relatives.

It is these three groups that are the primary focus of this report, i.e. those who meet the full costs of their care. At the same time, it is important to remember that many older people who are classed as 'local authority supported', will still pay a contribution towards the cost of their care (Forder, 2007). These will include:

- People needing residential care (unless their income is below the personal allowance, which should not happen if Pension Credit is claimed).
- People with sufficiently high income to face a charge for non-residential care in areas where councils make a charge.
- People who are eligible for council supported care but feel that the assessed care package is insufficient, requiring them to top-up with privately purchased care.

3.2 What does the research tell us about older people who self-fund?

3.2.1 Factors affecting the demand for care services

The factors that drive demand for social care services are likely to be common to all older people regardless of their funding status, and include (after Darton et al, 2006):

[2] Councils are free to set their own eligibility criteria regarding needs within a national framework called Fair Access to Care (FACS).

- Health and disability-related impairment
- Housing circumstances
- Family and informal carer circumstances
- Availability and accessibility of services
- Ability to pay.

Typically, the greater the level of difficulty experienced by older people, the greater the provision of home-based formal care and care home usage (Forder, 2007; Huber & Hennessy, 2005; Comas-Herrera et al, 2003). Significantly, those who are most likely to need long-term care are also least likely to be able to pay for it (Wanless, 2006).

3.2.2 The pattern of service use

The estimates of service use among older people range from: 3.1% of older people in residential care homes, and 1.7% in nursing homes (Huber and Hennessy, 2005), to 3.9% of older people in care homes (Forder, 2007 drawing on Laing and Buisson data, 2005a) and 2.1% of older people in a care home (Hudson and Henwood, 2009). In Oxfordshire, this would represent a range from a minimum of 2,054 to a maximum 4,694 older people in care homes.

Since 2001, there has been an overall decline of some 10% in England in the total *number* of care home placements, although there is evidence of fluctuation in the *rate* of care home placements.

Looking at home help, Huber and Hennessy calculated that around 4% of older people received local authority supplied home help and 9% bought it privately. Forder (2007) estimated that 9.3% of the *total* population of older people in England were receiving community-based services. These figures are presented in Table 1 as percentages of those receiving a service, rather than as a percentage of the total population.

Thus, using Forder's (2007) figures, an estimated 13.2% (equivalent to 1.068 million) of all older people receive funded care services (care home or community-based care), of whom 25% (263,000) are fully self-funded (See Table 1).

Table 1 - Service recipients aged 65+ by type of care and funding – England

	All LA supported care **A**	Self-funded only, not LA funded **B**	Top-up funding on LA funded care **C (part of A)**	Private pay – any **B+C**	Total % of population receiving a service
	%	%	%	%	
Community based care	81	19	21	40	9.3
Care homes	63	37	22	59	3.9
Total	**75**	**25**	**21**	**46**	**13.2**

Source: Forder, 2007

3.2.3 Data on self-funding

In contrast to publicly funded care, there is a lack of reliable data for the total private expenditure on care homes and self-funded domiciliary care (Wanless, 2006; Hudson and Henwood, 2009). This leaves any estimate of the total self-funding population and associated private expenditure on social care as, at best, an indication.

Whether one accepts the higher or lower estimates of use of care services, the private expenditure committed to fully self-funded social care is substantial, and is likely to form around 30% of the total spend. When local authority charges and top-up expenditure are added, total private expenditure on social care for older people was estimated by Forder (2007) to be in the region of 50% of all expenditure on personal social care for older people.

3.2.4 Self-funded care home places

Forder (2007) estimates that 37% of all care home placements are fully self-funded arrangements (Table 1). This proportion has remained more or less stable over recent years. The Office of Fair Trading's report into care homes for older people in the UK (OFT, 2005) found that 32% of residents were self-funding. Wanless (2006) estimated that between one-quarter and one-third of care home places are wholly privately funded, while Laing and Buisson estimated that 41% of care home places were fully self-funded in 2009.

There is very limited evidence available about the total amount paid in top-up fees: Forder (2007) estimates 22% of local authority placements are topped up by third party payments, compared with the OFT's estimate of 24% (2005). The results of recent surveys undertaken for Laing & Buisson (2009) indicate that rates of top-up funding may be as high as 28%. Broadly speaking, it is likely that nationally about a quarter of care home placements are topped up by third party payments.

Research in 2002 (Netten et al.) on the financial status of older people in residential and nursing homes found that most self-funding residents had enough assets to last for several years before they had spent down to the means-testing capital threshold. Overall, nearly two-fifths had assets *in excess* of £100,000.

However, a smaller group of residents had levels of assets that would be likely to last for a much shorter period. Overall, one-third had total assets of £60,000 or less.

3.2.5 Self-funded home care

There is relatively little information about the market for privately purchased home care, either in terms of hours bought, or amount spent. The data available usually relate to *all* home care, not just that for older people. The data also tend only to include self-funded care provided by local authorities and independent agencies, and not payments to care workers directly employed by the older person. 'Self-funded' in these studies almost always refers only to care which is wholly privately funded; it does not include local-authority funded home care for which the means-tested recipient pays a part-contribution through charges.

Forder (2007) estimated that there were 751,000 older people receiving community based care, of whom: 145,000 (19%) paid for their own care, and 154,000 (21%) topped up local authority provided care. Usually the additional amount of care purchased is modest at around 4 hours a week, although some older people buy a lot more. This contrasts with the OFT report (2005) which indicated that 35% of council supported people also received private third-party payments.

There is uncertainty about whether the volume of home care purchased is growing or declining (Laing and Buisson, 2005b). Two surveys undertaken in 2004 by the UK Home Care Association (UKHCA) found a decline in the number of privately purchased hours of home care in England (McClimont and Grove, 2004). This result was unexpected, given both the ageing population, and the tightening of local authority eligibility and funding criteria, which were expected to increase the amount of privately purchased home care. While there are a number of caveats to the study, UKHCA nonetheless concluded that the survey results could point to a significant downward trend.

3.2.6 Informal Care

The provision of long-term care to older people relies very heavily on the contribution from informal carers provided primarily by a spouse or close relative. It has been estimated that over half of older people needing care receive it from an informal carer (Comas-Herrera et al, 2003), with an additional third receiving a combination of informal and formal care services. The Wanless Review (2006) found that the provision of informal care across the UK varies considerably by region and local authority. There are, nonetheless a number of general trends, two of which are particularly relevant:

- a higher proportion of adults provide informal care within rural areas
- some evidence for lower levels of informal caring in more affluent areas, such as London and the South East and South-Central England.

This latter point is by no means conclusive and there continues to be disagreement over whether a person's wealth and economic status is associated with the level of informal care they receive. Young et al (2005) suggest a correlation between levels of informal caring and levels of deprivation and poor health, with those from less advantaged backgrounds more likely to provide

intensive care, especially to a spouse. In contrast, Leontaridi and Bell (2005) state that wealth is not a deciding factor in the provision of informal care; additional income does not reduce the probability of individuals providing informal care, assuming other factors remain constant. Importantly, increases in mainstream formal services to older people appear to have little impact on how much informal care is provided.

3.3 Looking forward

Forder (2007) concluded that currently:

Around half of the expenditure on personal social care for older people comes from private contributions, either in the form of charges and top-ups on council supported care, or from spending on privately purchased care. This is the case for formal services, before we even begin to add in the private contribution of resources in the form of informal caring.

Three significant pressures were identified concerning the future affordability and costs of social care:

- demographic pressures, and in particular, evidence that the extra years of life are spent in relatively poor health
- anticipated increases in unit costs of care services
- expected reductions in the availability of informal carers.

Countervailing these affordability pressures is the expected real terms increase in pensioner wealth and rising levels of owner occupation among older people.

Determining the overall consequences of the interplay between these factors is not straightforward. However, there is a broad consensus that as a result of the effects of increasing income, expanding rates of owner occupation amongst older people, and means-testing, the percentage of self-funded expenditure will increase significantly over the next 20 years (Wanless, 2006; Laing & Buisson, 2009).

Summary

- Most older people do not use regulated services and rely on informal support to meet additional care needs. This might or might not involve a financial transaction. Informal care will continue to provide a very significant input to social care.
- Of the 13% of older people who use regulated services, one in four (25%) fully self-funds.
- The proportion of self-funded places in care homes is estimated to be 37%, nearly double the rate of self-funding for community-based care (19%).
- The estimated contribution of self-funding to overall spend on social care services in 2007, was about one half of all expenditure when private pay top-ups for community-based and care home placements are included.
- Wealth and income are positive correlates of self-funding activity and therefore influence the use of formal care services. The relationship of wealth and income to informal care activity is less clear-cut.

- The proportion and overall contribution of self-funded activity to total expenditure on social care services for older people is expected to grow quite significantly over the next five to ten years.

4 Demographic and Economic Assessment

4.1 Population

Oxfordshire has an ageing population: the numbers of older people are projected to increase both absolutely, and relative, to the total population between 2009 and 2030 (see Table 2). The growth in the number of households, particularly single person households and those headed by people over 65, is a key demographic driver for the county.

Table 2: Projected population of people aged 65+ in Oxfordshire (thousands)

Age group	2009	2015	2020	2025	2030	% increase 2009-2030
65-69	27.2	33.8	30.3	33.3	37.7	39%
70-74	22.9	25.9	31.6	28.4	31.4	37%
75-79	18.9	21.0	23.7	29.1	26.3	39%
80-84	14.5	16.0	18.2	20.8	25.7	77%
85+	14.3	17.1	20.2	24.6	30.0	110%
Total (65+)	97.8	113.8	124.0	136.2	151.1	54%
% total population	**15.1%**	**16.7%**	**17.6%**	**18.7%**	**20.1%**	

Source: Mid-year 2006 population estimates, POPPI
Figures may not sum due to rounding. Crown copyright

The fastest growing cohort of older people in the next 20 years is projected to be those aged 85 years and over, which is expected to more than double between 2009 and 2030 in all districts apart from Oxford.

4.2 The pattern of need for care in Oxfordshire

The estimates for the number of people by district aged 75 years or over, who are living alone with a self reported long-term limiting illness in 2009 indicate variations across the county with the highest rates of potential need in South Oxfordshire, Oxford and Cherwell districts, where they constitute more than one-fifth of the population aged 75 and over (Table 3). The numbers in this group are projected to increase in all districts between 2009 and 2025, although in Oxford, this increase is relatively slight.

The increase in the number of older people living alone is mainly driven by the overall increase in the number of older people. Factors, such as rising divorce rates may also contribute to the rise in the number of older single person households.

People who live alone with a long-term limiting illness are a good proxy indicator for vulnerable older people who may have an emerging or imminent need for an intensive level of home care and/or be at highest risk of admission to care home provision (Extra Care Housing Strategy, 2008).

Table 3: Living alone and long-term limiting illness (LLTI) for 75+ by district 2008 - 2025

	Living alone & LLTI 75+ (2009)	Living alone & LLTI 75+ (2025)	% change 2009-2025
Cherwell	2,439	4,258	74.6%
Oxford	2,552	2,776	8.8%
South Oxfordshire	2,542	4,142	62.9%
Vale of White Horse	2,359	3,906	65.6%
West Oxfordshire	2,100	3,710	76.7%
Total	12,039	18,792	56.1%

Source: Mid-year 2006 population estimates, POPPI
Figures may not sum due to rounding. Crown copyright

An alternative approach is to apply the national prevalence rates identified by Forder (2007) to the Oxfordshire population of older people of 97,800 in 2009 (ONS 2008 projection based on mid-year 2006 population estimates). This would indicate that:

- An estimated 10.5% of the population aged 65 and above has high levels of need in terms of their ability to perform a range of activities of daily living (ADLs) such as dressing, feeding, washing, toileting and so on. This is equivalent to 10,269 older people with high levels of need in Oxfordshire.

4.3 Wealth and Housing Assets

Oxfordshire is an affluent county with a diverse, historically resilient and adaptable economy. The proportion of older people receiving pension credit in Oxfordshire (21%) is almost half the England average (40%) indicating the relative affluence of older people in the county. Although levels of social exclusion are low compared with England as a whole, there are some pockets of deprivation, particularly in Oxford and Cherwell districts.

Owner occupiers can normally afford to pay care home fees. This means that the rate of home ownership among older people has a potentially big impact on the number of self-funders and the resources available to them. Overall, levels of owner occupation among older people in Oxfordshire are above the England average for all age groups. In each of the five districts, between three-fifths and three-quarters of the retired population are now owner-occupiers (see Table 4).

Table 4: Proportion of population aged 65-74, 75-84, and 85 and over by tenure in Oxfordshire (2001)

	People aged 65-74	**People aged 75-84**	**People aged 85 +**
Owned	78.5%	70.5%	65.7%

Social rented	16.5%	22.2%	23.6%
Private rented or living rent free	5.0%	7.3%	10.7%

Source: POPPI accessed 8/12/09

Oxfordshire is the seventh highest priced area in England and Wales (Land Registry, accessed 31/8/09). District and county house prices are consistently above the national average. Property prices for all housing types are highest in Oxford (Table 5). Of the remaining four districts, prices generally tend to be higher in the south of the county compared to the north and west of Oxfordshire, with an average differential of about 40% between Cherwell and South Oxfordshire districts.

Table 5: District house prices by type (£s)

Authority	*Detached*	*Semi-detached*	*Terrace*	*Flat*	*All*
Cherwell	313,814	171,949	172,963	130,070	212,844
Oxford	537,652	308,955	267,773	201,568	303,145
South Oxfordshire	428,542	247,891	219,275	179,525	292,446
Vale of White Horse	419,501	242,124	193,040	172,714	273,243
West Oxfordshire	356,166	219,193	181,901	139,711	245,772
Sales based Oxfordshire average	**342,159**	**199,792**	**182,634**	**151,990**	**229,625**
UK average	**235,552**	**143,408**	**118,717**	**143,528**	**153,046**

Source: Land Registry for England and Wales (HPI June 2009) accessed 28/07/09

Over the past ten years, the movement of average house prices in Oxfordshire has been broadly in line with UK house price movements. The rate of decrease since 2007 has been below both regional and national averages, reflecting the relative buoyancy of the local housing market (Land Registry data).

Although completed just before the current deterioration in market conditions, the 2007 Housing Market Assessment assumption of a relatively cohesive and resilient housing market area in Oxfordshire looks likely to hold over the next 5 to 10 years. The limited supply of dwellings coming on to the market and the lack of sufficient new building combined with the effects of a strong economy and continuing demand, driven primarily by a backlog of need and newly forming households (including the 85+ cohort) are likely to sustain the high house prices in the county.

Summary

- The overall growth of smaller households, including single person households and those headed by people over 65, is a key demographic driver for the county.

- The fastest growing cohort of older people is expected to be people aged 85 years or more: the greatest rates of increase will be outside Oxford city.
- Across Oxfordshire, an estimated 10,269 older people have a high level of need and 12,039 people aged 75 and over live alone with long-term limiting illness. They are likely to have an emerging or imminent need for care.
- Oxfordshire is an affluent county overall, and only 21% of older people receive pension credit compared with 40% in England overall indicating their relative prosperity. There are some areas of deprivation particularly within Oxford city and Cherwell districts.
- Home ownership rates for older people are higher than the national average and above 70% for those aged 65-84. House prices for all types of property are consistently well above national averages.
- The overall fall in house prices has been less in Oxfordshire than the regional or national averages. The longer term strength of the local economy and the increased demand coming from projected demographic changes are strong indicators that the pressures on the housing market are likely to continue, over the short to medium term (ie, up to 10 years). The demand-supply imbalance, evident throughout much of the south-east region, will continue to be an important factor in maintaining house prices.
- Given the levels of owner occupation among older people and relatively high house prices, there is scope to explore ways in which housing assets could enable older people to obtain the care and support they need, for example, through buying or leasing extra care housing, Homeshare, and equity release.

5 Self-funding in Oxfordshire – Care Homes

5.1 Current care home provision in Oxfordshire

CQC data indicate that there are currently 48 residential care homes and 49 nursing homes within Oxfordshire providing just under 4,000 residential and nursing home beds in the county (Table 6). Figures provided by the Oxfordshire Care Homes Association indicate a lower number of nursing homes within Oxfordshire (40 at October 2009). The difference may be more a matter of definition given the close approximation in total beds (ie, residential and nursing) provided by the CQC and the local Association.

This represents a relative decline in overall care home provision, particularly residential provision, which would be consistent with the objectives of the OCC Service Model (2008) and ECH strategy (Concept Management Solutions 2008). This capacity, which equates to 41.3 beds per 1,000 people aged 65 years or more, is below the England average of 47.7 per 1,000 (Kings Fund, 2005).

Within Oxfordshire, the average size of residential care homes is 29 beds, and for nursing homes is 51 beds. This differential is consistent with the national picture (CSCI, 2008) although the overall county average of 41 beds (for both forms of provision) is above the England average of 34 beds.

Table 6: Number of Care Home Beds – Oxfordshire

District Council	Nursing	Residential	Total
Cherwell	522	247	**769**
Oxford	345	303	**648**
Vale of White Horse	339	360	**699**
South Oxfordshire	672	168	**840**
West Oxfordshire	664	331	**995**
Oxfordshire	**2,542**	**1,409**	**3,951**

Source: CQC accessed 16/09/09

Data made available by Oxfordshire SCS indicate that at the year-end 2008-9, there were 691 publicly funded beds in nursing care and 749 publicly funded beds in residential care, 1,440 altogether or 36.4 per cent of the total. The percentage of publicly funded beds has slowly but steadily declined for both forms of provision over the past 5-7 years.

5.2 How many self-funders in care homes?

In order to estimate the total number of self-funding residents in Oxfordshire at the beginning of the research period, an occupancy rate of 93% was assumed which represents the average in vacancy rates reported by the Oxfordshire Carehomes Association (OCA) for the past eight quarters, together with their figure for continuing care placements. The number of beds purchased by Social Care Services and those funded by NHS continuing care in the county were then deducted from the total available beds for the County (see Table 7 below).

This indicates that an estimated 1,977 or 53.8% of all care home beds were occupied by full self-funders in 2008-2009. This is likely to be an over-estimate as the figures do not take into account beds purchased by other local authorities and PCTs which will take up some of the available capacity in Oxfordshire. Data on the number of beds purchased by other local authorities in Oxfordshire and the number of people moving into care homes from outside the county were not available.

The number of partial self-funders (ie, SCS funded with a third party top-up) was reported to be low by the Oxfordshire Carehomes Association, but a reliable figure was not available.

Given the growth in the older population, the growth in the number of older owner occupiers and the resilience of the local housing market, it is anticipated that the number of self-funders in residential care will increase.

Table 7: Type of care home funding at year-end 2008-09 – Oxfordshire

	Number of beds	Number at 93% occupancy	NHS continuing care *	SCS funded	Self-funded	% Self-funded
Nursing	2,542	2,364	257	691	1,416	**59.9**
Residential	1,409	1,310	-	749	561	**42.8**
Total	**3,951**	**3,674**	**257**	**1,440**	**1,977**	**53.8**

Source SCS (Oxfordshire Care Homes Association – 24/11/09)*

The self-funding rate of 53.8% is lower than an earlier estimate of 61% provided in a County Council briefing paper *Support to people who fund their own care* (June 2008), but markedly above Forder's national figure of 37% (2007), OFT's 32% (2005) and Wanless' (2006) range of one quarter to one third. However, these national rates are not weighted for key local socio-economic factors. They are therefore likely to under-estimate the actual numbers of self-funders in Oxfordshire because of the high proportion of older owner occupiers, relatively high house prices in the county, and the possible lack of alternative services in some rural areas.

Applying the estimated number of self-funded places in care homes to the current projected population indicates 2% of the older population in Oxfordshire is paying to be in a care home. Applying this to the projected population for 2020 indicates that all things being equal, the number of self-funders will increase to 2,480 older people fully funding their own care home place in 2020. Given the number of people aged 75 and above who live alone with a long-term limiting illness is projected to increase by more than 30% by 2020, this is likely to be a conservative estimate.

Although continuing care is a small proportion of the total, figures from OCA indicate that NHS continuing care funds approximately one-third of nursing home beds in Cherwell district (33%) and between four per cent and 15 per cent of beds in the other four districts.

5.3 Average length of care home stay

Oxfordshire County Council data on placement duration were not available for this study. The picture in Oxfordshire is likely to reflect national trends for average life expectancy in homes, ie, self-funders are not staying longer than publicly funded residents (Netten et al, 2002).

The research evidence (eg, Rothera et al, 2002; McCann et al, 2009) suggests higher median stays for residential care than for nursing home care, although the range of survival rates identified is wide, and will be linked to a number of factors including: age at admission, morbidity and gender (Dale et al, 2001). McCann et al found average placement stays of 2.33 years for nursing home residents and 4.51 years for residential homes. An analysis of self-funding activity in another county with a similar socio-economic profile to Oxfordshire by IPC found the majority of placement stays below five years with around 60% being 2.5 years or less. Length of stay for the very frail and elderly will be much shorter than this, and likely to be one year or less.

From the interviews with care home managers, it appears that the age of self-funders at admission has increased, and the differential in age of admission compared with publicly funded residents has narrowed significantly.

5.4 Self-funding care home residents – experience and use of SCS

There was a lack of data available to the researchers on the application to and receipt of an assessment by SCS of people who are self-funders in care homes. Therefore it is not possible to be clear to what extent this group were previously known to SCS; how much information they had received; and about what types of care.

Four self-funding residents were interviewed for this study. All were female and aged seventy-five years or more and had been admitted from their family home in Oxfordshire within the past two years. With one exception, all were surviving spouses. The other resident had moved into residential care with her husband who died just a few months later. Although there were clearly differences in their social and economic backgrounds and life experiences, the following themes emerged:

- Admission to permanent care tended to happen quite rapidly following a significant event in the family home – usually a fall or sequence of falls resulting in admission to hospital.
- Discharge from hospital back to the family home was accompanied by some short-term intervention and support. Neither in the period during which this support was provided or at the point of its conclusion could any resident recall being involved in a comprehensive assessment of their needs which involved identifying the full range of available options and an effective plan to meet these needs – *"Had I had this I would have stayed at home…I could have carried on for a year or two".*
- Two residents had purchased relatively small amounts of domiciliary care to help their identified needs and supplement informal arrangements. Two of the residents were, on reflection, able to envisage a more comprehensive package that would have enabled them to remain in their homes for a longer period of time. The emphasis here was very much on

practical tasks such as housework and shopping. Although each one of the residents was comfortable within their current placement and felt that the placement was now appropriate for them, this expressed desire to remain at home appeared to be very strong, even when they had been lonely and isolated at home.

- There was little or no awareness of their rights and entitlement to an assessment of need and most identified a need for additional support to assemble a good package of care in the community. Some, but not all residents had received this support from their immediate family. This lack of awareness, the idea of 'entitlement' stems in part from a set of expectations about the help that is available from public agencies – *"I don't suppose we ever thought there would be anything for us".* This lack of contact with statutory services was confirmed by care home managers who thought that the significant majority of self-funders have no contact with social care services in the period prior to their admission, and appear to be largely unaware of their rights to information, advice or entitlement to an assessment of need.
- Where self-funders were managing their assets, some appeared anxious about the continuing impact of lower interest rates on their assets, although they were not immediately concerned about any risks to their placements. In all cases there was evidence of cutting back on additional personal expenditure.

This last point was corroborated by care home managers who mentioned an increase in anxiety among some, but by no means all, self-funders concerning the impact of lower interest rates on savings. In addition, those residents who had recently sold their homes to pay for care home fees had experienced lower sale prices consistent with market trends, but this had not altered their decision to move into a care home.

The low response rate to the survey of care home providers means that their views need to be treated with some caution, although they tend to correspond with existing reports on older people who self-fund. For example, the key findings of the CSCI report (2008) *The state of social care in England 2006-07 pp142-3* concerning outcomes for self-funders:

- *People had low expectations and modest desires about what help they might get…or were simply trying to find their own way in the system with little or no help.*
- *People are resourceful and find ways of getting help from a combination of informal sources alongside privately organised support but these arrangements are fragile and likely to break down at any time.*
- *People funding their own care …risk being fast-tracked into residential care before other options have been properly explored; the decision to move into residential provision is rarely planned and well considered, but often seems to be the only option.*
- *Any contact with social services by people funding their own arrangements is the exception rather than the rule; none of those people interviewed for this study had experienced a social care assessment prior to entering a home.*

- *People paying for their own care in a home… are often fearful about their savings running out…*
- *There was a pervasive view among social services staff that people do not 'need' support with simple tasks…Our study shows this is not the case.*

Summary

- **There are an estimated 1,977 care home beds occupied by full self-funders in Oxfordshire**, nearly 54% of the available care home beds. The rate of self-funding is nearly one and a half times the national rate.
- There has been a relative increase in self-funded care home placements in Oxfordshire, coinciding with the decline in publicly funded residential provision. All indicators suggest that the proportion of self-funded beds is likely to increase further. **All things being equal, the number could rise to 2,480 by 2020.**
- It appears that the age of self-funders at admission has increased, and the difference in age of admission compared with publicly funded residents has narrowed significantly.
- It is not clear to what extent self-funders in care homes were previously known to SCS, but it appears that most have little awareness of their right to an assessment and have had little or no contact with social care services prior to going into a care home.
- Ensuring that older people are made aware at an earlier stage of the options that are available to them (including alternatives to care home provision) and better supported to plan for their current and future needs is a key service improvement area.

6 Self-funding in Oxfordshire – Community Based Care and Support

6.1 Current community based care provision

There are currently about seventy domiciliary care agencies within Oxfordshire providing services to older people. Through direct contact with these agencies a sample of 14 agencies (i.e. 20% of the total) agreed to take part in the questionnaire-based research. However, the returns were not sufficient to inform any assessment of the extent and nature of self-funding activity.

Figures from CCS/RAP/POPPI show that 11,568 people were receiving community based care in 2008 in Oxfordshire; and of these 4,436 older people were receiving domiciliary care.

An alternative approach is to apply the national prevalence rates identified by Forder (2007) to the Oxfordshire population of older people of 97,800 in 2009 (ONS 2008 based on mid-year 2006 population estimates). This indicates that:

- 9.27% or 9,066 of the total population of older people in Oxfordshire, (slightly lower than the 10,269 older people estimated to have high levels of need in Section 4.2) are in receipt of community based care.

6.2 How many people self-fund community-based care?

Due to the poor response rate to the survey of home care providers and lack of data available on domiciliary care provision from OCC, the number of people paying for community based care has been calculated by applying the national prevalence rates identified by Forder (2007) (see Tables 1 and 8) to the projected Oxfordshire population of older people of 97,800 in 2009.

This indicates that of the 9,066 older people predicted to be receiving community based care:

- 3,626 (or 40%) of those in receipt of community based care will be paying for all or some of their care.
- 7,343 (81%) will be local authority supported of whom 1,903 will be topping up their package of care privately (partial self-funding).
- 1,723 (19%) older people receiving community based care will privately purchase all their home-based care requirements.

Table 8 - Service recipients aged 65+ by type of funding – Oxfordshire

	LA supported care **A**		Self-funded only, not LA funded **B**		Private pay – any **B + part of A**		Total
	N	%	N	%	N	%	N
Community based care	7,343	81	1,723	19	3,626	40	9,066

Based on Forder, 2007

An alternative approach is to apply the percentages from the postal survey of older people to the projected population which found that 3% of older people pay for personal care. This indicates that there are 2,934 older people who fully fund their personal care in Oxfordshire. **Thus the possible range of full self-funders for personal care at home is 1,723 to 2,934.** Given the relative affluence of the county discussed in Section 4.3, it seems likely that the higher estimate will be closer to the actual figure.

Should data become available on the breakdown of how many people pay towards the cost of care provided by SCS, it will be possible to refine the current estimate.

6.3 Self-funders of community based care – experience and use of SCS

The postal survey of older people provided information about the activities and perspectives of self-funders living in their own homes. The survey included questions to establish what kind of help older people have in the county.

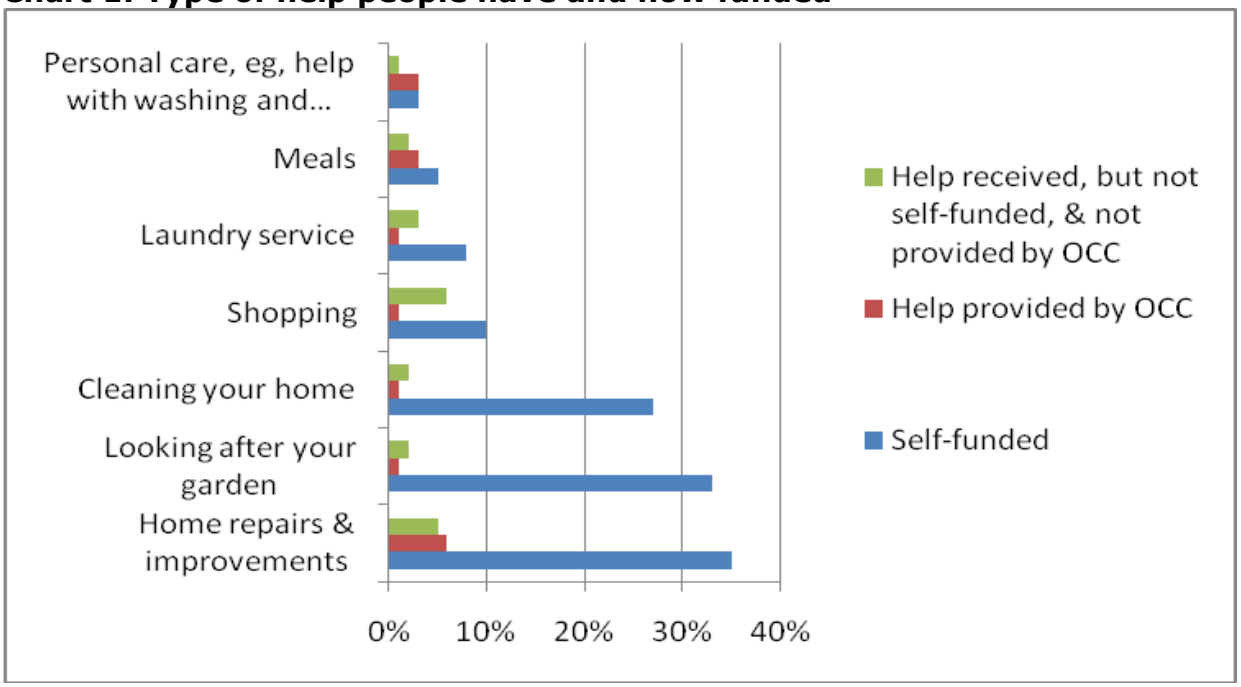
6.3.1 Personal care

Nine per cent of survey respondents had help with meals and six percent with personal care (Chart 1). Of these, three per cent reported self-funding personal care and five per cent reported self-funding meals and a much higher percentage reported paying for other kinds of help such as gardening, cleaning and help with repairs and improvements. There were four interviewees who paid for varying amounts of personal care: from a fortnightly bath to four visits a day. All of those paying for personal care also received some informal care. One respondent provided rent free accommodation to a nurse in return for help with some aspects of personal care. The other types of help or care which interviewees paid for were: meals, being taken to the doctors or the shops, laundry and help with lifting.

Most community based self-funders appear to make private unregulated arrangements for care and other help.

Charts 1 and 2 include a bar for help or services received but not paid for or provided by OCC. This was obtained by deducting self-funded services and OCC provided services from help received to estimate the proportion of help or care that people receive on an unpaid basis from friends and family. Levels of this kind of informal help and care are highest for shopping (6%) and home repairs and improvements (5%). The survey responses indicate that only 1% of older people receive unpaid personal care from friends or family and no other kind of personal care or help. Fuller details of the survey responses are in Appendix 2.

Chart 1: Type of help people have and how funded



Using the survey data to calculate the proportion of people who were provided with care and support by OCC and also paying for care and support (either paying an OCC charge or paying for a separate service privately) indicates this group was less than one percent of the total.

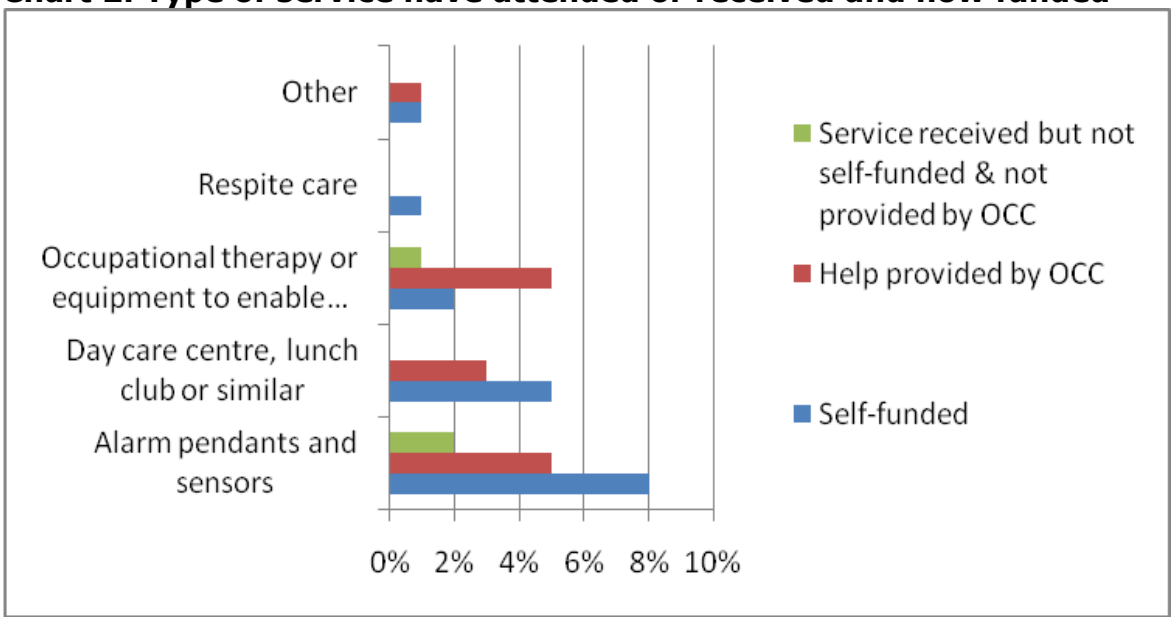
6.3.2 Other types of help and support

Half of the respondents (50%) said they have help with home repairs and improvements; nearly two-fifths (39%) have help with looking after their garden; and 30 percent had help with cleaning (Chart 1). This kind of help is not necessarily associated with a need for care, but research does indicate that older people value it highly as they become frailer. In the telephone interviews, the most common types of help that people paid for were: cleaning, gardening and shopping. It was not clear that paying for cleaning and gardening were services which the person had previously carried out themselves.

Interviewees were asked about other types of help that they had received. Ten people mentioned a range of help which they had received from the Council or the NHS: aids and adaptations, equipment such as a walking frame, telecare, dial a ride, and Warm Front insulation.

People were asked if they attended or had ever received a number of other services. Nearly one-fifth (18%) had an alarm pendant or sensor, and nearly one in ten (9%) attended a day centre or lunch club and had received occupational therapy or equipment to enable them to live independently (Chart 2). The response to the question about having an alarm seems high and may indicate some people included burglar alarms as well as alarm pendants and sensors.

Chart 2: Type of service have attended or received and how funded



6.3.3 Attitudes to and experiences of using SCS

Most of those interviewed did not think that they needed or wanted any help from SCS. For many people this was because they did not have a need for care or support; although a couple of interviewees thought they would not be entitled to help. Other reasons included: *haven't got round to it, don't know where to go; not come to a crisis but thinking about it; have coped and have help; poor quality of care.* One interviewee commented that they *speak to lots of people that don't know where to go for help, eg, can the claim council tax (sic)*.

However, there were 12 interviewees who had contacted SCS. Five of whom had been refused care by SCS on income grounds in two cases and on FACS criteria in two others. In the fifth case, it was not clear what the reason was.

When asked if there was other help that SCS could provide, most did not think so. A few specific types of help were mentioned was: home help, transport, handyman for minor repairs and decorating, grabrail, a walk in shower, gardening (*not for me but I wish there was some facility to help older people with their gardens*) and taps.

6.3.4 Who pays for care and other help

The interviews provided some information about who paid for care and other help. However, it is important to bear in mind that the interviews were focused on people who paid for care or other help, or had a need for care.

Just over thirty percent of those interviewed were aged 85 and above; and 40% were aged between 75 and 84. The higher proportion of people paying for home based care and support aged 75 to 84 may reflect an age bias in the sample, although those aged 85 and over are generally less well off than the more recently retired and thus less likely to be able to afford care and support. Some people were receiving a combination of informal care (mainly from family) and paid for care.

Table - Profile of interviewees

Age group	Lived alone	Need for care or help	Paid for care or help	Total No.
Under 65	1	3	2	3
65-74	3	6	4	7
75-84	9	14	11	14
85+	9	10	11	11
Total	22	33	28	35

Of those paying for care and support, a high proportion were in the two older age categories (75-84; 85+) and were living alone, possibly reflecting the greater likelihood of living alone in advanced old age and/or the greater need to pay for care and support without the support of a partner.

Those aged 85 and above tended to be paying for higher levels of care, such as personal care and meals, reflecting the higher levels of need that are experienced as people grow older.

6.4 Why people pay for care or other help

People were asked in the postal survey why they paid for help. The most commonly cited reasons were that they preferred to manage their own affairs independently, or thought that they would not qualify for social services (Tables 9 and 10).

Table 9: Reasons why pay for help (all)

Reasons why pay for help (all)	
Prefer to manage your affairs independently	35%
Think that you would not qualify for social services	32%
Did not know that the County Council could provide this	21%
Prefer not to use social services because other people need it more	19%
Do not want to reveal personal information	7%
Prefer no to use social services because you think the quality of service is poor	5%
Have been refused help from social services because you were told you needs were not high enough	5%
Have been refused help from social services because you are above the income threshold	3%

For those paying for social care (Table 10), only 8% said that they were paying because they had been refused help. In nearly two-fifths (38%) of cases, people said they were not aware that the County Council could provide the help they were paying for. This corresponds with the interviews of care home residents who also appeared unaware of what help might be available from statutory services. It indicates that there is considerable scope to raise awareness of the

services available and to ensure that people receive a proper assessment of their needs.

Table 10: Reasons why pay for care or help (either: laundry, meals, personal care, day care, respite care, alarm or occupational therapy)

Reasons why pay for care or help (where pay for either: laundry, meals, personal care, day care, respite care, alarm or occupational therapy)	
Think that you would not qualify for social services	53%
Prefer to manage your affairs independently	53%
Did not know that the County Council could provide this	38%
Prefer not to use social services because other people need it more	33%
Do not want to reveal personal information	18%
Prefer no to use social services because you think the quality of service is poor	10%
Have been refused help from social services because you are above the income threshold	3%
Have been refused help from social services because you were told you needs were not high enough	5%

More than half of the 60 people who are paying for considerable levels of care or support replied that this was because they did not think they would qualify for social care; and a similar proportion (53%) said that they prefer to manage their affairs independently.

The results of the postal survey indicate that there are a striking number of older people who are self-funding community based care and support, because they are unaware of what help might be available, or whether they might be eligible.

The quality of services does not appear to be a serious concern.

Summary

- An estimated 3,626 older people in Oxfordshire are paying for some or all of their community based care, of whom between 1,723 and 2,934 are entirely self-funding.
- Survey results indicate that the main kinds of help that older people pay for are: home improvements and repairs, gardening, and cleaning.
- Survey results indicate that 6% of older people in Oxfordshire receive personal care, and 3% pay for this care themselves. Only 1% of older people receive unpaid personal care from friends or family and no other kind of personal care or help.
- Most community based self-funders appear to make private unregulated arrangements for care and other help.
- Survey results indicate that the highest proportion of help or care that people receive on an unpaid basis from friends and family are shopping (6%) and home repairs and improvements (5%).

- The greater the level of care required, the higher the proportion provided by SCS.
- 38% of those paying for social care said that they were not aware that OCC provided the kind of help they were purchasing; and 53% said they did not think they would qualify.
- Lack of awareness of what services are available is a barrier to asking SCS for help and support.

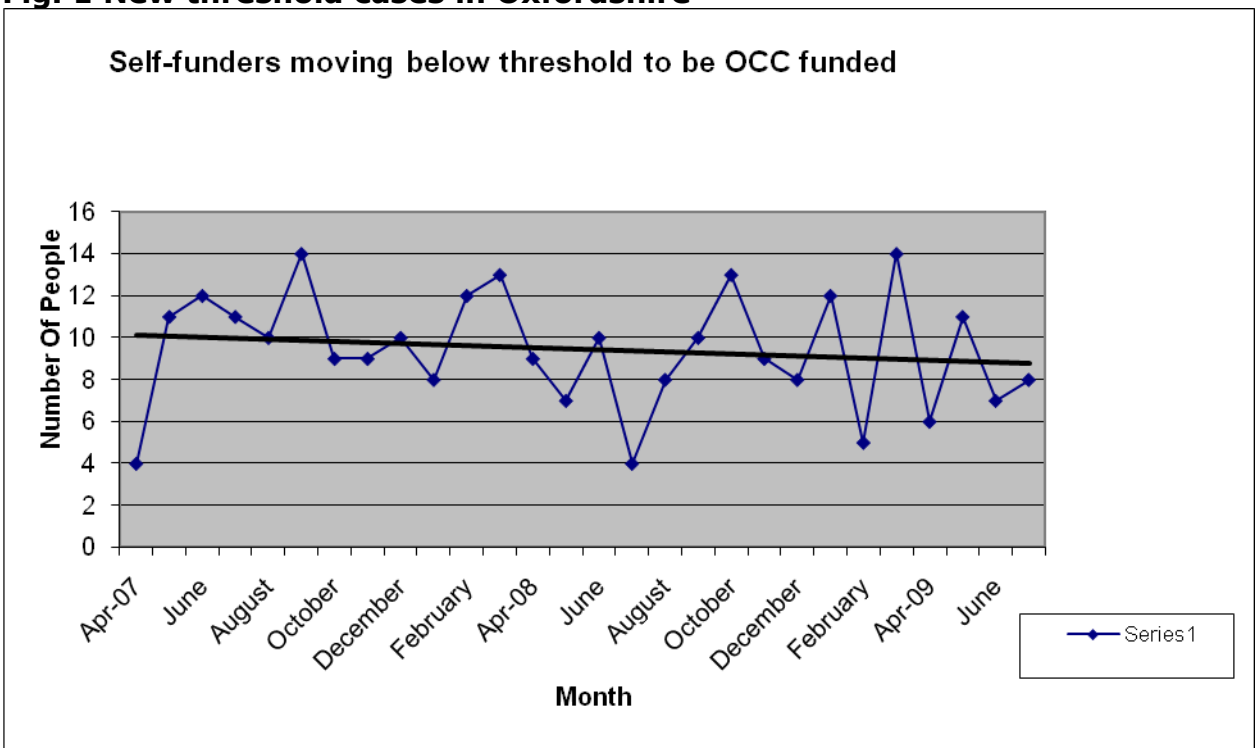
7 Threshold cases and the impact of recession on self-funding

7.1 The number of self-funders falling below the income threshold

SCS data indicate that the number of self-funders falling below the threshold to be OCC funded has fallen from 123 in 2007-2008 to 109 in 2008-09, although the rate of decline appears to be flattening for the year 2009-10 (see Fig. 1 below).

Members of the Oxfordshire Carehomes Association confirmed that a key factor in people becoming threshold cases was whether or not their spouse remained in the family home, and they had used up their non-housing wealth. The Oxfordshire Carehomes Association members were not experiencing an increase in self-funders becoming threshold cases, although they did report that the recent tightening of continuing care criteria in October 2009 had resulted in more people becoming self-funders.

Fig. 1 New threshold cases in Oxfordshire



Source: OCC

Data confirming the total number of former self-funders who are threshold cases were not available to the researchers, but it seems reasonable to assume that this profile would closely follow the trends for admissions given the evidence for placement length. The average rate of admission to threshold funding is at present more or less the same for both residential and nursing home placements.

Over twice as many women than men qualify for threshold funding, although men qualify for threshold funding at an earlier age than women. This may simply reflect the higher proportion of women than men aged 85 and above in the county.

7.2 Time to progression to threshold funding

The average period from admission to a care home to reaching threshold status for all placements has fluctuated slightly over recent years at around 80 weeks. The average figure masks a considerable variation in the number of individuals who reach the threshold and the time that elapses before they do so (Table 10).

There is a clear inverse correlation between age of original admission and the period of time that elapses between admission and moving to threshold status: for the period in excess of five years, the average age on admission is 74 years; in excess of three years the average age is 83 years; for the period of one year or less, the average age is 87 years. Thus, if the age of admission continues to rise, it is likely that people will require threshold funding sooner in the duration of their stay in a care home. This is because as people age after retirement, their assets tend to decline.

Table 10: Distribution of threshold numbers

	Total of threshold admissions	Number (% of total) reaching threshold (more than 150 weeks)	Average period (weeks)	Number (% of total) reaching threshold (less than 150 weeks)	Average period (weeks)
2007-08	123	21 (17%)	290	102 (83%)	41
2008-09	109	19 (17%)	246	90 (83%)	43
2009-10*	31	6 (19%)	311	25 (81%)	34

Source: SCS data (April-July figures only)*

More than 60% of the threshold cases arose within a year of admission. It seems likely that these are mainly spouses whose partner has remained in the family home and whose non-housing assets have fallen below the threshold. Care home managers referred to this phenomenon as 'spouse in the house' indicating that it is a familiar situation resulting in the need for threshold funding. Changes in life expectancy and the demographic profile for Oxfordshire both suggest that this group will increase steadily in size over the next 10 years and beyond.

Single people who may have been widowed or divorced are probably the main element of the smaller group (17%) who do not become threshold cases for at least three years after admission to a care home. These people will probably have been owner occupiers (given that an estimated 65% of people aged 85 and over in Oxfordshire are owner occupiers, and 58% of care home placements are occupied by self-funders). Both groups could potentially benefit from income maximisation measures, such as the promotion of Attendance Allowance.

7.3 The depreciation of assets for self-funders

It is possible to provide a reasonable assessment of the average period of time that will elapse before the assets of a self-funder in a care home reduce to the upper capital threshold (£23,000 in 2009/10). Using the average sale price of a property in Oxfordshire (£230,000 in September 2009), a weekly care home fee

of £750 and the assumptions set out in Appendix 3, Table 12 indicates the balance of assets at the end of each full year following placement start.

Table 12: Asset depreciation assuming average property sale price

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Balance of assets	180,253	151,782	121,510	89,356	55,240	19,082

Source: IPC model

In this case, the upper capital threshold will be reached in year 6 (5.89 years) of the placement. It is important to emphasise in this case (and the further three examples below) that the model excludes any private pension payments or funded nursing care (or FNC) award, Attendance Allowance or Disability Living Allowance (care element). Any such additional income would clearly slow the rate of asset reduction.

The impact of property value can be seen by applying the same assumptions but to a property sale price of £330,000. This produces the levels of depreciation set out in Table 13.

Table 13: Asset depreciation assuming above average property sale price

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Balance of assets	272,503	246,340	218,432	188,701	157,069	123,457

Source: IPC model

In this case, the upper capital threshold will not be reached until year 9 (8.67 years) of the placement. Broadly speaking, every £100,000 difference in sale price, either above or below the average sale price of £230,000 will respectively increase or decrease the period of time taken to reach the threshold by 2.78 years.

Residents who were interviewed did express concern at the recent falls and relatively low-level rates of return on savings and investments. The figures in Table 14 retain all the assumptions used in Table 12 above, but modify the net interest rate on savings to 5% for an averagely priced property.

Table 14: The impact of higher interest rates on asset depreciation

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Balance of assets	185,034	160,901	134,459	105,556	74,035	39,736

Source: IPC model

In this instance, the upper capital threshold will be reached in year 7 (6.44 years). Assuming all other factors remain constant, every 0.5% increase in interest rates only equates to an additional 5.72 weeks before the threshold is reached.

By way of contrast, the impact of entry-level fees is more central to the rate of asset depreciation. The figures in Table 15, retain all the assumptions used in Table 12, but modify the care home fees to £850 per week.

Table 15: The impact of higher-level fees on asset depreciation

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Balance of assets	174,982	140,956	104,825	66,497	25,877	-

Source: IPC model

In this case, the upper capital threshold will be reached in year 6 (6.07 years). Therefore, every £100 increase in the weekly fee payable at admission will accelerate the rate at which the upper threshold is reached by about 0.8 years.

7.4 The impact of the recession

7.4.1 Self-funders in care homes

The main factors driving the numbers of people paying for their own care home place now and in the future are: the rising population of older people, especially the very old, living alone with a limiting long-term condition; the growing numbers of older people who are owner occupiers (and therefore with a considerable housing asset); stable and rising house prices in Oxfordshire; and the narrowing of eligibility for local authority or continuing care funded places in care homes. These factors are likely to provide a steady upward pressure on the number of self-funders in care homes in Oxfordshire. Placement data confirm this with the proportion of self-funded placements increasing in recent years.

However, it would be surprising for an economic downturn not to impact on self-funding activity, particularly where this is associated with a period of public sector retrenchment and evidence of a continuing tightening of eligibility for council funded services (CSCI 2008). The difficulty lies in identifying reliable indicators for gauging that impact, allowing for other underlying factors that might produce similar results, and understanding the interaction between these different factors.

From interviews with care home residents, it appears that the decision to move into a care home is very likely to be influenced by the information and alternatives that are made available and discussed with them in the period following a critical incident, and therefore unlikely to be delayed due to a depreciation in assets. The one group for whom this may be an issue are those where there is a partner who will be remaining in the family home and therefore available assets are limited to income and do not include a property. The availability of alternatives to care homes, such as extra care housing which enable both partners to continue to live together are clearly important for this group.

7.4.2 Threshold cases

As noted in section 7.1, it does not appear that the number of self-funders becoming threshold cases in care homes is increasing, although the downward trend in the number of threshold cases has flattened over the course of the downturn. Given the high average value of properties in Oxfordshire, and the average length of stay in a care home, it seems likely that for self-funders in

care homes who were previously living alone, the recession will have little impact. However, it does seem likely that the number of threshold cases of one particular group will increase over time. This group is composed mainly of couples where the other partner remains in the family home and seeks to fund the cost of a care home and their own living expenses out of savings and income. The possibility of accessing the value of the property to fund care costs through equity release, downsizing or other approaches may help to delay the need for threshold funding. Extra care housing could also help to avoid the need for threshold funding.

7.4.3 Community based care

It is not possible to establish whether the number of older people using local authority community based services has been affected by the recession and there was no data on the level of, or changes to, the amount of domiciliary care services purchased by top-up funding; or the number of previously self-funded older people approaching SCS for domiciliary care. It is possible that the numbers of people approaching SCS for community based, including domiciliary, care will increase as a result of the recession and the decline in income from savings.

The postal survey indicated that 2% of older people received SCS funded equipment or occupational therapy services, and 5% self-funded this service. Information concerning the trends of this specific activity was not available to the research team, but it is possible that as a result of the recession and a decline in income from savings requests for equipment services will increase.

The likely decline in income from savings could also impact on SCS in terms of a reduction in the number of people willing or able to meet local authority charges for services.

7.4.4 Carers

It is possible that the impact of the economic downturn will introduce an increased level of stress on informal carers leading to earlier breakdown in family support arrangements and an increase in demand for regulated services including care home placements. So far as the latter is concerned, this is not currently indicated by care homes admission data. Information concerning levels and trends of general referral activity to SCS, and specifically requests for carer support were not available to the research team.

Higher rates of unemployment could produce an increase in the numbers of people entering the informal social care workforce. This might be indicated by an increase in the number of family members acting as paid personal assistants via direct payments provision. Information concerning the level and trends of this specific activity were not available to the research team.

7.4.5 The market

Constraints on development and/or commercial failure of external care providers as a result of the recession could increase levels of service disruption and a reduction in choice of care services for older people and carers. This might be expected to produce an increase in the number of older people approaching SCS for an assessment of need as the result of a breakdown or shortfall in externally

provided support packages. However, information concerning the level and trends of this specific activity were not available to the research team and there is no evidence to suggest that services have been disrupted.

The information made available to this study by care home providers suggests that there is currently a balanced market with demand by self-funders being met by current capacity. Demographic, rather than economic, changes will see an increase in demand over the longer-term with a concomitant need for the market to deliver increased capacity within the care homes and alternative sectors as identified, for example, within the Extra Care Housing strategy for Oxfordshire (2008).

7.4.6 Data availability

The availability of data to assess the impact of the recession on self-funders was limited. OCC might want to consider what steps could be taken to refine data specification, collection and analysis to support robust monitoring of trends over the next two to five years.

Summary

- There has been a decline in the numbers of admissions to care home placements via threshold funding, although the rate of this decline appears to have flattened during the economic downturn.
- The value of house price sales together with the level of care home fees are the most critical factors in determining the length of time that elapses before people run out of money and become eligible for local authority funding. Given (i) the average price of housing in Oxfordshire (and the factors that look likely to sustain this market within the county), (ii) typical care homes fees (and anticipated uplift over the medium-term) and (iii) the evidence for placement duration, the overwhelming number of single older people are unlikely to reach the upper assets threshold.
- A large majority of residents accessing threshold-funded placements will do so in six months or less of their admission to a care home. It seems likely that these comprise individuals who are married with their spouse remaining in the family home ('spouse in the house') and therefore relatively cash poor. Unless or until the rules concerning disregards of shared assets are changed, it would seem prudent to assume continuing pressure on pooled budgets. Changes in life expectancy and the demographic profile for Oxfordshire both suggest that this cohort will increase steadily in size over the next 10 years and beyond.
- The proportion of beds funded by the revised Continuing Care arrangements from October 2007 will have increased. Reviews of these placements, together with any tightening of eligibility following implementation of the revised guidance in October 2009, and reductions in the PCT budget will result in a number of residents reverting to self-funding status. Countywide, the numbers are likely to be relatively small, but some parts of the county (Cherwell district) may be vulnerable.
- Interest on savings is a concern for self-funding care home residents in Oxfordshire as elsewhere, but has a limited impact in determining the rate at which assets (eg, from the sale of a house) will depreciate. It may however affect the readiness of people to spend on additional care and support.

- The limited data and survey information made available to this review do not indicate any measureable impact of the economic recession, either positive or negative, on self-funding to date. It is important to emphasise that the data cover only a few of the potential indicators, and therefore represent a partial assessment only. It should be expected that there will be a delay in the fuller consequences of this downturn on individual circumstances and decision-making becoming apparent.
- No single measure will be adequate to provide a robust assessment on the impact of the economic downturn on self-funding activity. The current specification for data collected by SCS may not be adequate to provide a satisfactory framework for the assessment and monitoring of the economic downturn on social care provision, including those older people who self-fund. The framework that is established should allow for multiple sources of information and local intelligence, including local providers and service users.

8 Conclusion and Recommendations

The findings from the study provide a fuller picture of people who fund their own care both in the regulated and the informal sector, and illustrate some of the challenges in obtaining information on self-funders.

The findings lead to a number of conclusions which are summarised below:

The identifiable population

- There are an estimated 1,977 older people who fund their own care home place in Oxfordshire, representing 54% of the total care home population. The number of self-funders in care homes could rise to 2,480 by 2020, and will grow as a proportion of residents in care homes if the number of OCC funded places continues to decline.
- The four self-funders in care homes who were interviewed did not approach SCS for help, and were not aware of their entitlement to an assessment of their needs.
- Given the high level of home ownership among older people in Oxfordshire and the relatively high value of properties, a self-funder with an averagely priced home to sell is likely to be above the threshold level for nearly six years.
- An estimated 3,626 older people in Oxfordshire are funding all or part of their community based care; and between 1,723 and 2,934 are entirely self-funding, depending on the method of estimation. The higher end of the range is likely to be closer to the actual figure given the affluent profile of the county.

The wider population

- In 2009, there were an estimated 12,039 people aged 75 and above living alone with a limiting long-term illness in Oxfordshire and an estimated 10,269 older people with high levels of need.
- Survey evidence indicates that 3% of the older population pay for help with personal care in Oxfordshire, and much higher percentages receive help with home repairs and improvements, gardening and cleaning.
- Survey evidence indicates that half of those receiving help with personal care in Oxfordshire pay for it themselves and half are provided with personal care by OCC. Data on social care services provided by OCC but paid for by clients themselves were not available.
- Survey and interview evidence indicate that most self-funded community based care and support in Oxfordshire is with unregulated providers.
- Survey evidence and interviews indicate that a minority of people receiving care or other help contacted SCS, while more than half (53%) who pay for care and support, do so because they do not think they would qualify for social care services, and more than a third (38%) did not know that OCC could provide this service.
- There was no SCS data available about the number of people requesting assessments who were refused help and the reasons for this.

Impact of the recession

- The numbers of people becoming threshold cases has been falling, although it has recently levelled off during the economic downturn.
- The value of house price sales along with the level of care home fees are the most critical factors in determining the length of time that elapse before people run out of money and become eligible for local authority funding. The overwhelming number of single older people are unlikely to reach the upper assets threshold. People with a partner in the house may be affected by the depreciation of their savings.
- Interest on savings is a concern for self-funding care home residents in Oxfordshire as elsewhere, but has a limited impact in determining the rate at which assets will depreciate. However, this may affect their readiness to spend on additional care and support.
- Although changes in the economy are not expected to have a sudden impact on the numbers of people becoming threshold cases in the short-term, there may be some increase in the next five to ten years as assets from a house sale are unable to cover care home placements over a long period of time.
- Changes in the level of NHS continuing care funding and tightening regulations could also have an impact, particularly in Cherwell district, resulting in more people requiring support from OCC.

The key findings from the study lead to the following recommendations:

People who pay for a care home

- There are a relatively high proportion of people who pay for their own care home place in Oxfordshire, and both the number and the proportion are expected to increase. Ensuring that as many people going into a care home as possible are properly assessed, and evidencing that assessment will be of growing importance to ensure that people are not fast-tracked into moving into a care home when they could be enabled to live at home.

- It would seem unlikely that care home managers would be willing to encourage potential self-funders to get a formal assessment prior to admission, however, this might be worth exploring with those care homes where OCC funds a high proportion of the total available places.

- For threshold cases, and particularly the significant proportion of people who become threshold within a year of admission to a care home, steps to maximize income, for example, ensuring take-up of Attendance Allowance will help to delay the move to threshold status. Such an initiative in another county yielded £220k increase in income. A target group are those where the partner remains in the family home.

People who have social care needs in the community

- Given that nearly two-fifths of people who self-fund some care in the community appear not to be aware that these services are available from

SCS, there is a need to raise awareness among older people and their carers of what services are available from the local authority.

- Correspondingly, it is also important to ensure that people who are entitled to an assessment of their needs, receive one, whether or not they are eligible for local authority services. At present, current recording practices do not indicate whether or not this is happening.

- Older people are most likely to purchase low levels of help with repairs and improvements, cleaning, gardening and shopping. Establishing an approved provider list of service providers for use by older people and their carers, and available from a variety of sources would be a useful means to ensure a minimum level of quality in self-funded care.

- Given the levels of owner occupation among older people and relatively high house prices, there is scope to explore ways in which housing assets could enable older people to obtain the care and support they need, for example, through buying or leasing extra care housing, Homeshare, and equity release.

Information, advice and support

- Survey evidence indicates that there is considerable scope to improve the provision of information to older people, their carers and 'tomorrow's older people' about the services and support which the council can offer. This could be done both by improving the way in which enquiries from older people are handled and recorded; and by looking at other ways to disseminate information to older people and their carers.

- Based on the interviews with self-funders in care homes, discharge from hospital appears to be a critical point at which social care services have an opportunity to provide information about the services and support available, and if appropriate to conduct an assessment of an older person's needs.

- Evidence from another local authority indicates that older people may require more than information to help them navigate access to the care and support they require. Advocacy and advice services or 'hot handholding' may be a better description of the kind of help required.

Dialogue with 'service providers' who are supporting self funders

- The poor response from home care providers to the postal questionnaire, indicates that there may be limited understanding among home care providers of OCC's strategy and objectives in relation to care and older people. Given the expectation that local authorities will have a role influencing and shaping local care markets, this may be a good time to develop more communication.

- To develop its relationship with the less formal end of the self-funded home care market, OCC may find it most useful to work with the local voluntary sector: Age Concern and carers' organisations.

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Appendix 1 – Response by MOSAIC Categories

Area Type	Key features	Questionnaires sent	Responses
4	Semi-rural locations, Imposing houses, Grandchildren, Abundant wealth, Professional careers, Arts and heritage, Retirement, Grown up children, Wealthy older people	32%	38%
39	Lowest ownership of PCs, Network of friends, Independent children, Low rise developments, Traditional, Low car ownership, House proud, Pensioners, Low income couples	1%	0%
43	Football matches, Working class values, Grown up children, Traditional gender roles, Remnants of old proletariat, Heavy viewers of TV, Some retired, Poor older people	6%	3%
48	TV popular, Grandchildren, Small rented flats, Low income, Low savings, Crosswords and puzzles, Low debt, Many widowed, Very frail	4%	4%
49	Bingo and puzzles, TV viewing, State pension, No savings, Low rise flats, Grandchildren, Struggle to get by, Empty nesters and pensioners	13%	8%
50	Live in the Past, Coach tours, Modest savings, Purpose built bungalows, Meals on wheels, Lowest Internet use, TV popular, State pension, Old age pensioners	6%	5%
51	Enjoy life, Busy Comfortable homes, Close to sea, Wardens closeby, Treats affordable, Mentally alert, Living alone, Pensioners	4%	5%
53	Golf, Bridge circles, Wealthy, Coast or countryside, Active lifestyles, Cruises, Good diet and exercise, Pensioner couples, Early retirees	20%	25%
54	Common sense, Traditional values, Large gardens, Slower pace, Health checks, Pets, Healthy eating, Seaside bungalows, Retired elderly couples	1%	1%

Area Type	Key features	Questionnaires sent	Responses
55	Local outlook, Mainstream tastes, Savings, Seaside resorts, Pleasant homes, Bird-watching, Enjoy gardens, Low/middle incomes, Pensioners	14%	11%
Total number		1016	278

Appendix 2 – Type of help people have and how funded

Type of help people have and how funded

	Help received	Help received, but not self-funded, & not provided by OCC	Help provided by OCC	Self-funded (% applied to pop. estimate)
Home repairs & improvements	50%	5%	6%	35% (34,230)
Looking after your garden	39%	2%	1%	33% (32,274)
Cleaning your home	30%	2%	1%	27% (26,406)
Shopping	17%	6%	1%	10% (9,780)
Laundry service	12%	3%	1%	8% (7,824)
Meals	9%	2%	3%	5% (4,890)
Personal care, eg, help with washing and dressing	6%	1%	3%	3% (2,934)

% do not sum due to rounding

Type of service have attended or received and how funded

	Type of service attended or received	Service received but not self-funded & not provided by OCC	Provided by OCC	Self-funded (% applied to pop. estimate)
Alarm pendants and sensors	18%	2%	5%	8% (7,824)
Day care centre, lunch club or similar	9%	0%	3%	5% (4,890)
Occupational therapy or equipment to enable independent living	9%	1%	5%	2% (1,956)
Respite care	2%	0%	<1%	1% (978)
Other	1%	0%	1%	1% (978)

% do not sum due to rounding

Appendix 3

ASSUMPTIONS BEHIND FUNDING MODEL

Mortgage		No mortgage	
Cost of sale	10%		*(Note (a))*
Other assets		No other assets	
Return from capital	Net 2.5%		
State pension	£ 95.25	Basic state pension 2009/10	
Private pension	0%	None	
Attendance allowance	£ 70.35	Assumed receipt of higher rate attendance allowance as self-funder	
Personal Expenses Allowance	£ 21.90	Assumed all income less personal allowance goes into paying for fees	
Annual Increase in state pension, personal & attendance allowance	1.7%		*(Note (b))*
Annual Increase in home fees	3%	Assumed higher rate of increase because of staffing costs etc	

Capital allowance	Upper Limit	£23,000
	Lower Limit	£14,000

Notes

(a) Charging for residential accommodation guidance (CRAG) 2005

(b) RPI October 2009 = 1.7%