

**Response to the consultation by the Welsh Assembly Government  
prior to a Green Paper on  
*Paying for Care in Wales: creating a fair and sustainable system***

Submission by the Joseph Rowntree Foundation  
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The Joseph Rowntree Foundation (JRF) is pleased to submit the following response to the Welsh Assembly consultation on *Paying for Care in Wales: creating a fair and sustainable system*.

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The Joseph Rowntree Foundation is one of the largest social policy research and development charities in the UK. For over a century JRF has sought to understand the root causes of social problems, identify ways of overcoming them, and show how social needs can be met in practice.

We aim to influence policy and practice by searching for evidence and demonstrating solutions to improve the circumstances of people experiencing poverty and disadvantage, the quality of their homes and communities, and the kind of services and support available to them.

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**Introduction**

JRF's search to understand and improve the experiences of older people and disabled people in society is central to our work on social policy and practice. We have a unique perspective through our research (including research with and by service users) and our operation as a provider of housing and social care through the Joseph Rowntree Housing Trust (JRHT).

JRF welcomes the review on paying for care in Wales. We have a body of evidence to support our submission which we have referenced throughout. We hope that our response will be informative and would be delighted to help further.

**Q1: Who should contribute more for care in future?**

Our evidence suggests that the current social care funding system is unfair, unclear and unsustainable. There needs to be clarity and transparency around entitlements, the 'state offer' and the differing roles and contributions that all parties make for individuals, families and carers to contribute to care costs (1).

Evidence from the 'Caring Choices' consultation (a consultation carried out in England and Scotland in 2007 by a partnership of 15 organisations, including JRF) also suggests that 90 per cent of older people and their carers wanted clarity on the 'state offer' in connection with care costs. Additionally, respondents expressed willingness to contribute to care costs if such clarity was evident. Such contributions could be made in a variety of ways, including housing with care schemes, and through using housing assets to pay for supplementary care at home (2).

**What else would make a difference to contributing to care costs?**

Alongside clarity and transparency about entitlements and contributions, our evidence on obstacles to 'equity release' products has highlighted

the need for the state to offer more than financial help towards care costs and robust advocacy. Advice and information would be welcome and necessary. For example financial advice on the impact of benefits, including pension credit, or on taking out an equity release product to pay for additional help at home (3). It will also be important to increase confidence in, and promote the development of, accessible and appropriate products that enable people to contribute to care costs.

JRF is currently working with a cross-sector task group in England to take a medium term view on a) increasing consumer confidence in equity release and on b) how the equity release market can be encouraged to develop the kind of products older people on low incomes could use without putting their benefits at risk (by finding their drawing down from an equity release product is treated as adding to their income). This task group is due to complete the first phase of its work in Autumn 2009 in partnership with three local authorities in England who are working towards piloting such schemes. JRF would be delighted to provide further details as this work progresses.

## **Q2: If the current system is reformed, in which general direction should changes be made?**

Based on updated potential costed reforms to the current system (4) JRF highlights a number of measures that could be implemented straight away. These would immediately put the current system on a fairer footing while paving the way for future and more radical reforms.

Fairer and more sustainable methods of funding include:

- **equity release**, allowing older homeowners to pay for home-based care by deferring the costs until their home is sold;
- **higher capital limits for care home fees** to help those with modest assets;
- **doubling the personal expenses allowance** for people living in care homes supported by local authorities; and
- **restructuring help for people in nursing homes**, breaking down the barrier between health and social care by re-distributing the current 'continuing care health care contribution' to *all* older people

who live in residential care so that everyone has an entitlement to a small amount of personal care.

JRF evidence suggests that those who are least well off would continue with some form of state support. People who come just above benefit and other asset thresholds, who currently feel most aggrieved by the current system, would benefit from these reforms.

Re-packaging of Attendance Allowance as a clear co-payment from the state towards care costs would serve to clarify the current state offer and address the high levels of confusion around the function of Attendance Allowance. JRF evidence suggests that £6.7 billion pounds per annum is currently spent in the UK on Attendance Allowance.

In 1997, JRF recommended setting up a social insurance model of payment for care, managed independently from government (5). This important principal of cost sharing or co-payment is one that JRF demonstrates in practice through JRHT and Hartrigg Oaks – a continuing care retirement community in York.

More recently JRF has recommended a similar approach to that taken in Japan - where there is an 80/20 split between the state and individuals (6). JRF estimates that the cost of introducing this approach in the UK would be £2.2 billion per annum (7). This would be the fairest way to simultaneously clarify the state offer and ensure that all members of society make a contribution to care costs, irrespective of use.

### **Demonstrating funding models in our own practice**

JRHT provides a number of care services for older people and people with disabilities in York and the North East of England. JRHT has concluded that pooling risk in relation to care costs is an effective funding mechanism. The continuing care retirement community Hartrigg Oaks, based in York, demonstrates how this works in practice – using a social insurance model imported from the United States. Service user satisfaction is high in this scheme and shows that older people wish to plan for their later life, and not be a ‘burden’ on families and neighbours (8). More recently, in partnership with local stakeholders, JRHT has opened an extra-care mixed-income community in Hartlepool, called Hartfields. This scheme demonstrates how mixed income communities work in practice. At Hartfields 55 per cent of the accommodation is for rent, with the remaining units are split equally between part ownership and full ownership. Although it’s still early days JRHT knows that, as with

Hartrigg Oaks, there is a clear willingness for older people and their carers to plan for later life.

JRHT also uses a 'loans, stock and bonds scheme' which demonstrates the principle of using an equity release mechanism to keep the fees lower for residents in some of our residential care homes. By using capital appreciation to pay for major repairs the overall service charge can be lowered. This has the net effect of freeing up more disposable income for residents. Therefore, older people and their carers are more in control of their care, and commissioners have clarity about better outcomes for older people. A barrier between care and support has thereby been removed, creating a flexible pot of money that can be used to achieve the outcomes older people want.

### **Wider issues: equalities, training and support for unpaid carers**

Whilst the focus of the consultation document is on *paying for care* in Wales, JRF would like to highlight three areas where greater attention, and in some cases more funding, will be required to improve adult social care in Wales.

#### An equalities perspective

The consultation document makes little mention of what a response to the specific needs of 'minority' groups should look like. The 'Caring Choices' consultation highlighted the importance of any new system taking into account diverse needs (2).

#### Training needs

Implicit within the consultation document is an assumption that the social care workforce supply side will be adequate to meet both current and future needs. JRF would stress the importance of the need for a diverse, flexible workforce fit for a future Wales. Our experience as a provider of care and our evidence from research on supporting care practices, for example on supporting night time care practices in care homes (9), highlight the need for quality and training standards across the adult social care workforce to be moved forwards to take account of choice, control and personalisation. Funding regimes need to be increased to take account of the additional difficulties posed by the geographical remoteness of some areas of Wales.

## Support for unpaid carers

Finally, evidence from the 'Caring Choices' partnership's consultation suggests that unpaid carers should be better remunerated than at present. A much more flexible 24 hour package of help, advice and information would make a real difference to the carers' (2).

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