

# Free personal care in Scotland: recent developments

Findings  
Informing change

July 2007

This study reviewed the Scottish Executive's policy of free personal care for older people, and researched the perceived impacts.

## Key points

- There has been a Scotland-wide increase in demand for care at home:
  - Between 2002 and 2005, the overall number of local authority home care clients rose by 10 per cent.
  - Within this group, 62 per cent more received personal care.
- There is marked variation in the experiences and practices of local authorities. These relate to:
  - Costs: local authorities differ significantly in care costs for older people. For care at home, the highest spending authorities spend £8,000 per client per year, compared to just £1,500 for the lowest spenders, despite evidence that high quality services can still be provided at lower costs.
  - Budgetary control: some local authorities have remained within budget, but others have overspent and report that free personal care has been a significant cause.
- Free personal care continues to have wide public support: 59 per cent of Scots believe that personal care should be paid for by government, and 68 per cent would pay an extra penny in the pound income tax to finance it.
- There is no evidence that informal carers are withdrawing their contributions but they may be withdrawing from personal care to provide other forms of care and support, such as social outings.
- There remain issues around the lack of understanding of free personal care by the general public, with many people surprised that they may be required to pay for some aspects of care.
- For local authorities, and for the Scottish Executive, there is a clear need to improve the collection and recording of data, to permit better understanding of demand and costs.
- There is a case for reviewing spend and the quality of services delivered by local authorities, and for reviewing the allocation of funds to local authorities for care of older people.
- Rising expectations are a key driver for higher quality and wider choice.

## The research

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## Aims of the study

This research updates work completed in 2005, looking at the impact of the free personal care policy in Scotland, with particular reference to issues faced by local authorities. The free personal care policy means that older people who are assessed as needing personal and/or nursing care will not be charged for it. Payments for personal care and nursing care in care homes have been fixed at £145 and £65 per week respectively. There is no specified amount for the costs of care provided at home. Local authorities are responsible for delivering the policy and have been allocated £712m for its delivery since it was introduced in July 2002.

## The demand for care

There has been a Scotland-wide increase in demand for care at home. Between 2002 and 2005 there was a 10 per cent increase in the overall number of local authority home care clients. Within this group, the number receiving personal care increased by 62 per cent. This cannot be explained by demographic trends, higher rates of disability or reductions in informal care. Movement of costs from health to social care and the emergence of unmet need have contributed to increased demand.

Attempts to reduce numbers of older people staying in hospital once inpatient treatment is no longer necessary may have moved some costs from health care to social care, but these are difficult to identify. The emergence of unmet need from those who were not previously local authority clients may have increased demand for care at home.

Figures 1 and 2 illustrate increases in demand.

## The delivery of care

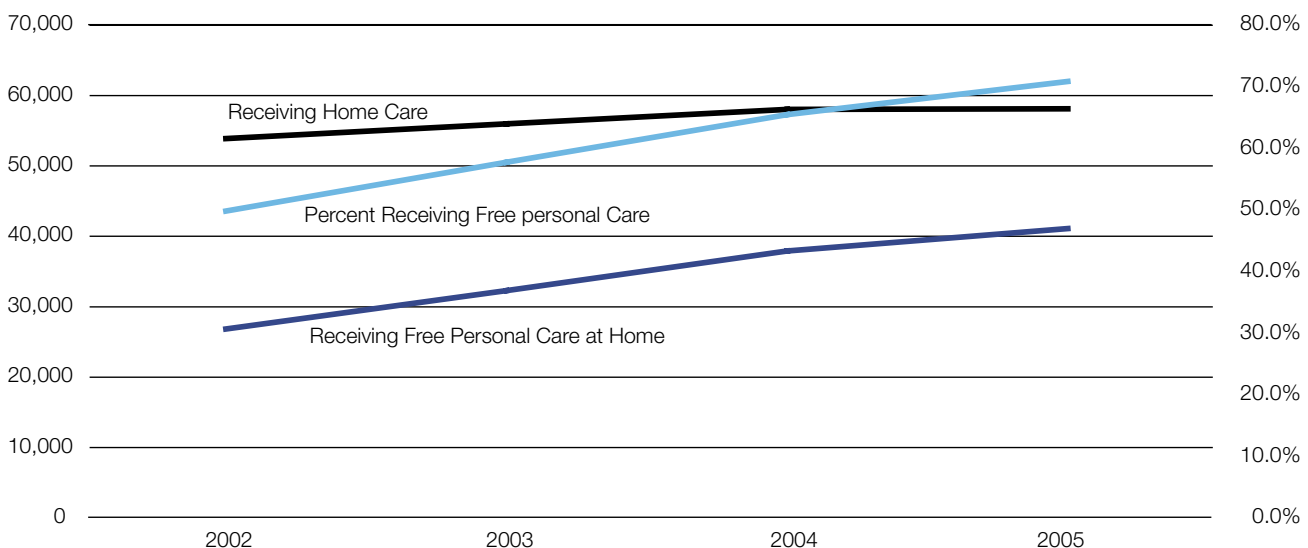
Changes in the behaviour of informal carers in terms of the services they provide may go some way towards explaining the increase in demand for care at home. There is some qualitative evidence that free personal care is changing informal care. Informal carers may be substituting other forms of care and support for personal care tasks where these are provided without charge by the local authority. This effectively increases the amount of care that an older person can receive, and also supports carers in their caring.

Statistical data indicate no withdrawal from informal care. However, there is no systematic data available on what tasks informal carers actually do and on the choices that may be made in the context of the availability of free personal care.

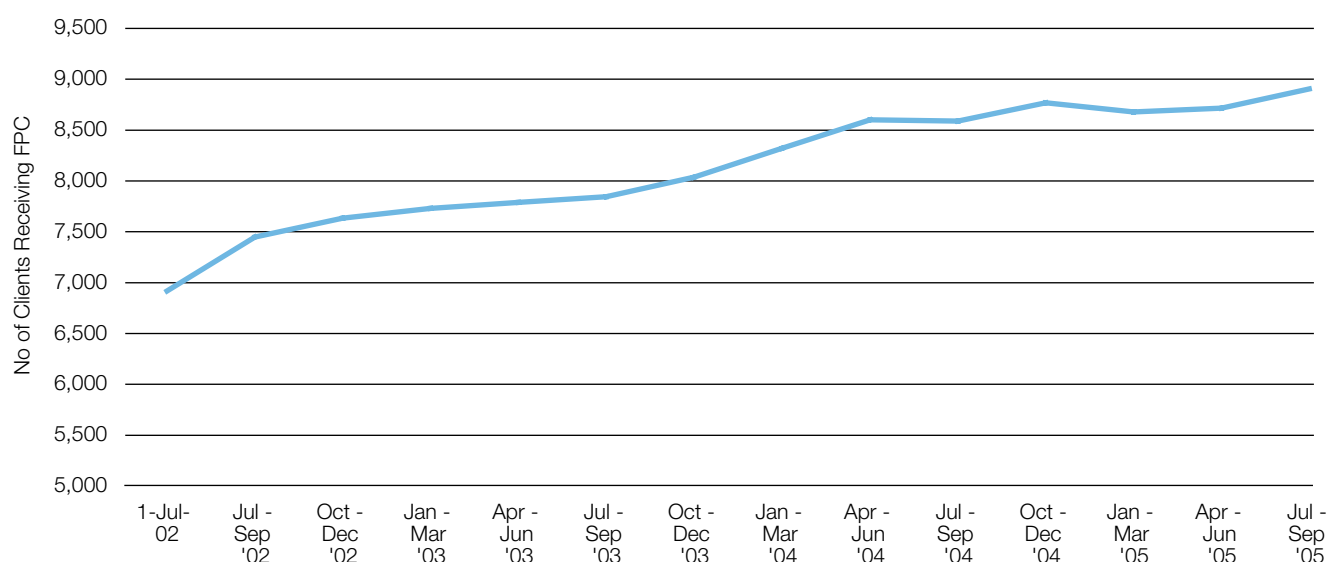
There is a widely reported trend towards increases in the private sector provision of care at home, permitting speed and flexibility in service delivery, as well as filling gaps in supply resulting from increased demand.

Choice and control for service users have been increased by greater flexibility for informal carers and

**Figure 1: Number of clients receiving free personal care at home**



**Figure 2: Number of clients receiving free personal care in care homes**



Source: Scottish Executive Community Care Statistics

the increased range of providers, as well as by the availability of free services.

### Perceptions of free personal care

Local authorities report that free personal care is still not widely understood. Members of the public and elected members frequently take it to mean that all care is free and this leads to complaints about legitimate charges, including ‘hotel’ charges. ‘Hotel’ charges can be thought of as the normal costs of living, such as accommodation, food and utilities, and specifically excluding nursing and personal care. In Scotland, care home residents are required to pay for ‘hotel’ charges out of their own resources, subject to a means test.

There has been persistent confusion over which tasks associated with meal preparation should be regarded as personal care tasks and therefore provided without charge. This issue is the focus of potential court action. Local authorities reported that there is still significant uncertainty as to how charges should be levied for some tasks, and several reported that they would welcome a judicial decision to guide their actions.

The free personal care policy is perceived to have benefited many older people with care needs, but also to have either directly or indirectly disadvantaged certain groups of people, such as the under 65s. It is widely regarded as inequitable and discriminatory in limiting eligibility to those with care needs aged 65 and over. Budgetary constraints experienced by authorities are seen as limiting further community care service development for other client groups.

Recent evidence on public opinion (2005 Scottish Social Attitudes Survey) shows that 59 per cent of Scots believe that personal care should be paid for by government, and 68 per cent would pay an extra penny in the pound in income tax to finance spending on personal care.

### The impact on local authorities

There is continuing variation at a significant level between local authorities, and developments are inconsistent across the country, with some authorities apparently increasing overspends and others controlling expenditure more successfully.

The particular situation in each local authority depends on a culmination of previous decisions on care policies. Before free personal care, authorities had a variety of different ways of charging for care. Under the free personal care policy, authorities faced new expenditure. The impact of this varied according to previous charging practices. For example, where authorities had not previously charged for personal care, the financial impact of the policy was not large. Elsewhere, many older people previously charged for care-related services are now entitled to free personal care. This affects the balance of funding local authorities receive.

Nearly all local authorities report that they are under-funded for the delivery of free personal care. They welcome the fact that evidence of numbers receiving personal care is now emerging. Prior to the introduction of free personal care, personal care was not distinguished in data collected by local authorities and the Scottish Executive, and therefore its costs could not be ascertained.

Nevertheless, variations in spending now provide evidence that some local authorities have had more success than others in controlling expenditure. Indicators also show that the highest spenders do not necessarily provide the best quality services. There is evidence that whole system reform at local authority level can contribute to success in this area.

There are large differences between local authorities in expenditure on delivering care at home.

## Key conclusions and implications

The present study sheds light on the consequences for local authorities and service users of delays in addressing frequently identified problems with the implementation of the free personal care policy. The main problems are:

- data collection issues;
- local authority financing by the Scottish Executive;
- a general need to share and learn from good practice; and
- a need for improved information and clarity about the policy at all levels.

Data collection issues need to be addressed. Statistical data about the provision of free personal care in the context of the wider universe of care provision is now starting to appear. It is imperative to set out clearly what such data should cover and to collect data systematically, in order to reduce local authorities' uncertainty in completing returns, facilitate robust analysis and provide a new baseline from which future monitoring and analysis can proceed. Attention should be focused on the key indicators of demographics, disability rates and overall costs.

The financing of free personal care at the local authority level needs to be reviewed. Many of the difficulties in implementing and delivering services under the policy of free personal care are linked with issues concerning local authority finance. These in turn are the outcomes of a cumulative history, whereby existing local variations in service arrangements had unforeseen outcomes when free personal care was introduced. A review of

financing arrangements might enable some of these historical problems to be addressed.

It is important for good practice to be identified and for lessons to be shared and implemented by all local authorities. Some authorities are able to provide high quality services with low relative expenditure and these examples of good practice should be widely shared. With demand for care at home increasing since the introduction of free personal care, it is in the interests of both local authorities and service users that all authorities understand how this can be achieved and, where possible, emulate best practice elsewhere.

Finally, the quality of available information on the free personal care policy needs to be improved. Local authorities, service users and the general public could all benefit from clearer guidance and sufficiently detailed information to develop a fuller understanding of what the policy entails.

## About the project

The researchers explored perceptions of the impacts of the free personal care in Scotland from 2002 to 2006, primarily from a local authority perspective. Interviews were carried out from August to October 2006 with representatives of eleven local authorities and with the Scottish Commission for the Regulation of Care. In addition, there was quantitative analysis of available data, including the Scottish Executive Community Care Statistics and the Family Resources Survey, as well as data held by the Government Actuary's department, General Register Office Scotland and the Department for Work and Pensions.

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## For further information

The full report, **Free personal care in Scotland: recent developments** by David Bell, Alison Bowes and Alison Dawson, is published by the Joseph Rowntree Foundation. It is available as a free download from [www.jrf.org.uk](http://www.jrf.org.uk)

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