# United Kingdom

Long-term Care

18 May 2011

## Highlights from
## *Help Wanted? Providing and Paying for Long-Term Care*, OECD Publishing, 2011.


- Flexible working time is found to increase carers' working hours in the United Kingdom and Australia. The United Kingdom also has the highest share of establishments reporting people taking part-time work to care for a elderly or sick people. Similar to Australia and Sweden, the United Kingdom has developed protocols for appropriate assessment of carers' needs. These help professionals to define caregivers daily tasks and identify stressors.

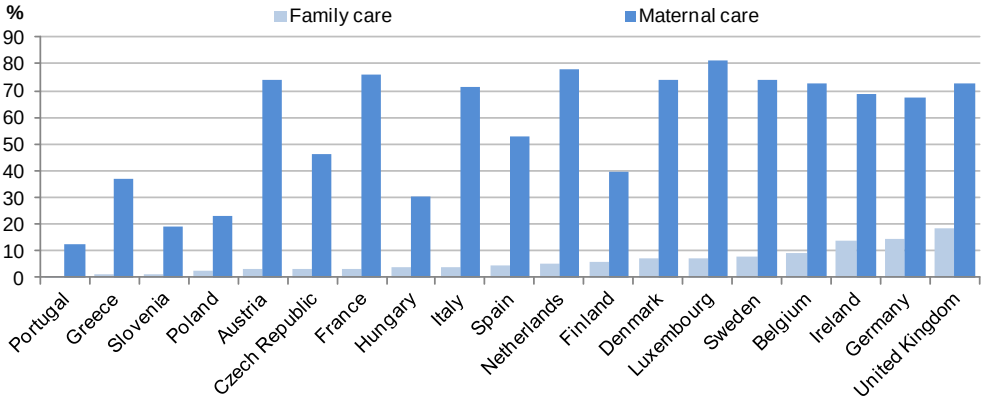
- In several OECD countries, cash benefits have been increasingly used to promote home living for frail and dependent people. Cash benefits, including payments and individual budgets such as in the United Kingdom, help LTC recipients organise home care and promote choice, as in Austria, the Netherlands, and France, among others.

- Current policy discussion about reforming adult care funding in England focuses around changes to the current means-tested arrangements for personal care, which provide a 'safety-net' for those needing LTC on lowest income. The United Kingdom (excluding Scotland) and the United States have "safety-net" or means-tested schemes for personal care costs. Other OECD countries have universal LTC coverage systems or benefits. However, there are also non means-tested benefits for severely disabled people in the United Kingdom. The future shape of adult care funding in England is at present under discussion.

- Average LTC expenditure can represent as much as 60% of disposable income for all those in the bottom four quintiles of the income distribution across the OECD, offering a rational for universal care benefits. Targeting universal benefits to those most in need of care or public-private partnerships have the potential to strike a balance between fair access to care and financial sustainability.

- To avoid inappropriate use of acute health services for LTC needs, the United Kingdom arranges care support outside the hospital, as in Australia, Hungary, Israel[1] and Sweden. The average length of stay for dementia in acute care in the United Kingdom has dropped from 74 in 2004 to 62 days in 2008.

**The United Kingdom has the highest share of firms reporting employees working part-time to care elderly or sick people**




Source: *Help Wanted? Providing and Paying for Long-term Care* © OECD 2011

[1] The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

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## Key Facts

- About 15.8% (OECD average 15%) of the population of the United Kingdom is over the age of 65, with approximately 4.1% (OECD average 3.9%) over the age of 80.
- In 2008, there were approximately 56 beds per 1 000 population age 65 and over available in the United Kingdom, compared to an OECD average of 44 beds (OECD Health Data, 2010)
- In 2008, 2,9% of the adult population was receiving services, compared to an OECD average of 2.3 (OECD Health Data 2010)
- In 2009, it was estimated that there were 5 500 000 informal carers, 3 330 000 of whom were female and 2 220 000 were male (OECD Health Data 2010), which represents 11.7% of the population aged over 20
- In 2009, there were around 97 500 formal personal carers working in local authority run services, and many more working in the independent sector (OECD Health Data 2010). This represents 0.27% of the population aged between 20 and 64 (OECD average for selected countries 1.5%).
- In August 2010, over 550,000 people were receiving Carer's Allowance (5.3 per 100 population aged over 65 years).

## Background

The United Kingdom has a devolved long-term care (LTC) system where Wales, England, Scotland and Northern Ireland manage their LTC systems separately. Considering that 83% of the United Kingdom's elderly reside in England, the majority of service use and expenditure relates to England. A large part of the fiscal responsibility for LTC lies with the individual; but there is also considerable public support for the financing of LTC and the provision of LTC services. The funding of long-term care has been a subject of debate for many years especially since a Royal Commission reported in 1999. The previous Government published major proposals for reform in 2010. The new Coalition Government has set up a Commission on the Funding of Care and Support which is expected to publish its recommendations in July 2011.

## Benefits and Eligibility Criteria

The United Kingdom provides a disability living allowance (DLA) for those who claim before the age of 65, which provides a contribution towards disability-related extra costs. The level of benefit is determined by the amount of help a person needs with their personal care and/or with getting around. DLA is non-contributory, non means tested and entails both a care and a mobility component. The benefit is paid in or out of work. The care component requires that at least 3 months of need has taken place and care needs are expected to continue for at least 6 months determined by questionnaire and further medical evidence. These past and prospective periods are waived in "Special Rules" cases which are fast tracked due to terminal illness. Awards for DLA may be for a fixed or indefinite period, and can be paid in addition to other benefits.

For those who claim at age 65 or older, Attendance Allowance is available to those who need help with their personal care. This allowance has a care component payable at 2 rates with the requirement that the recipient has had care needs for at least 6 months. This qualifying period is not required in "Special Rules" cases which are fast tracked due to terminal illness. Needs assessments are made through questionnaires and further medical evidence. The attendance allowance is tax free and non means tested. Awards can be made for a fixed or indefinite period and it can also be paid in addition to other benefits.

There is also an Independent Living Fund (non-statutory) operating in partnership with Local Authorities as a discretionary trust providing direct cash payments to enable severely disabled people to live independently in the community. The fund is managed by a board of trustees and eligibility criteria is laid out in a trust deed.

## Social Services Provision

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Access to publicly funded social services is mainly through an assessment of care needs managed by the local authority social services department. Assessment and care management aim to match people's needs to the services available, with an emphasis on targeting services to the more disabled. People can also approach directly private sector home help providers or care homes. A care manager may be involved with co-ordinating the assessment and organisation of care. The care manager may have a devolved budget with which to purchase services. Eligibility criteria, arrangements for assessments and budgetary arrangements are determined locally and vary between local authorities.

Care services are provided by voluntary organisations, local councils, health authorities and private agencies. The Care Quality commission regulates health and social care services and monitors care homes, domiciliary care agencies and nurse agencies. In-kind benefits include residential care, day care, meals on wheels, home help, home adaptations, professional support. Direct payments (cash benefits) may be taken instead of services.

There are three types of institutional care in the United Kingdom: residential care homes, nursing homes and long-stay hospital provision (though the formal distinction between residential care and nursing homes was removed from April 2002). Some residential homes are run by local authorities, but most residential care homes and all nursing homes are in the independent sector.

Currently, there are national rules on charging for residential care and national guidelines setting out principles for charging for home care ("Fairer Charging" guidance) but local authorities have the freedom to be more generous in the case of home care. Hence, there is a great deal of diversity in the systems operated by local authorities.

In the United Kingdom, local authorities negotiate the fees that are paid to the providers of publicly subsidised residential care and home-care services. As local authorities are in many areas the main purchaser of care from local providers, they have considerable market power to negotiate fees at relatively low levels. Along with a general policy shift towards maintaining people's independence in the community, these fee levels seem to be one of the reasons for the decline in around 1998 to 2000 in the numbers of residential care and nursing home places. As well as low fees, the reimbursement and contract arrangements, which consist of a lot of spot contracts, can present a problem for providers. Private residential care and nursing home providers often charge higher fees to individuals who fund their own care. This means that, effectively, privately funded residents may be subsidising the care of publicly funded residents.

**Funding and Coverage**

Local authorities receive a finite amount of funding and they determine how to distribute and set budgets for expenditure on adult social care. Funding comes from a combination of central taxation (formula and specific grant to local authorities-block grants), local taxation (council tax) and user charges for social care services. The majority of central government grants received are not earmarked for particular services and local authorities can decide how to allocate the overall budget to various public services including social services.

Health services provided under the National Health Service (NHS) are free at the point of delivery, irrespective of the financial means of the user. Social services arranged by local authorities attract user charges depending on the user's financial means. The means test takes account of the person's income and assets (savings up to GBP 23 250, around EUR 26 000). The income and assets of spouses, children and other relatives are not taken into account, though spouses may be asked to make a contribution. Those with assets below this level will get help to cover LTC costs mainly according to their incomes. In response to the Royal Commission, the Government funds a part of the nursing home fees that is meant to reflect the nursing input in the care provided. In Scotland, there is no means test for home care or for personal care for older people in residential care and nursing homes. The means test in Scotland relates only to "hotel" costs. In the United Kingdom, private long-term care insurance is minimal.

**Workforce**

Social workers are required to register with General Social Care Council, which is responsible for setting standards of conduct and practice. The training scheme, "Care First", has offered professional training

since 2002. Social workers must either have National Vocational Qualifications (NVQs) or university-level qualification and are required to renew their registrations every three years. Domiciliary care workers are not required to register. There is a migration policy against non-EEA migration for low-skilled employment. There are potential fines for illegal workers. Most migrant LTC workers study the NVQ, which includes a job placement. Since 2008, a Tier 2 visa scheme for skilled workers with a job offer has been in place but this is restricted to workers with a NVQ 3 qualification or above. However, there is reported abuse of the scheme as it has been used for less skilled jobs.

Informal carers may be eligible for Carer's Allowance. Eligibility for this allowance is based on at least 35 hours of caring per week for a severely disabled person who receives a suitable qualifying benefit (Attendance Allowance, DLA care component at the middle or highest rate, or a specified rate of Constant Attendance Allowance). Carer's Allowance is not means-tested but it does have an earnings limit of GBP 100 (EUR 114) a week after deduction of allowable expenses such as income tax. Carer's Allowance is taxable and most recipients are awarded Class 1 National Insurance credits.

**References**

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OECD Social and Labour Demographics Database 2010