

# Pick of the bunch

*In response to the ageing population and increased demand for elderly care, providers are offering a much wider range of care services. Oliver Stirk outlines the options, and how private client practitioners can help*



**Oliver Stirk** is the director of Carefound Home Care, a provider of specialist home care and dementia care services to elderly people in Yorkshire

**A**lthough most people are now well aware of the population's increased life expectancy, the process of considering elderly care is all too often reactive rather than proactive, triggered by an accident, illness or significant decline in health, leaving many individuals and families having to make life-changing decisions at short notice. Individuals and families should consider their future needs as early as possible, so they can remain in control of decisions about care to the greatest extent possible. Solicitors who advise the elderly (or their next of kin) can help by making sure that they are aware of all the options, and highlighting those options when discussing planning in relation to wills, asset protection and powers of attorney.

## THE CONTEXT

The demographic shift taking place in the UK and the impact of an ageing population on elderly care services are now well documented, but they bear repeating to emphasise the extent of the issues. Below, I highlight some of the most important points.

### Demographics

The population of people aged over 65 in the UK is now 11.2 million, and the elderly form the fastest growing demographic group; although this is set to be a lasting trend, it is exacerbated by the demographic blip known as the 'post-war baby-boom' generation, which is now reaching retirement age.

Although life expectancy is improving, there is a concurrent increasing need for assistance, as the period of ill-health in old age lengthens; the 85+ age group is the fastest growing segment of the elderly population, of whom more than two-thirds have a disability or limiting longstanding illness. There are over 1.5 million people in this age group today; by 2033, that will grow to over 3 million.

There is also an increasing prevalence of conditions such as dementia. There are approximately 800,000 people with dementia in the UK, and this is expected to increase to over 1 million by 2025. One in six people aged 80 or over, and one-third of people over 95, have dementia.

### Funding

The elderly population retains the highest proportion of net assets and the lowest proportion of debt within the UK population. The means-testing for care services therefore leaves an increasing number of the elderly having to self-fund their care. Meanwhile, more stringent eligibility criteria have made it harder for some people to access local authority care funding. However, where funding is provided, people are being given greater choice and control, through the use of personal budgets / direct payments. Families and individuals are therefore being given greater responsibility in funding, organising and making decisions regarding long-term care and lifestyle needs.

Looking forward, there will be further changes to the funding of adult social care, as the new Care Act 2014 is implemented. This will

impose more duties on local authorities, introduce a cap on 'eligible' care costs, and increase the current means-testing threshold from £23,250. However, it is not yet clear what the impact of this change will be, and whether or not it will actually reduce the number of people having to self-fund or contribute to the cost of their own care.

### De-institutionalisation

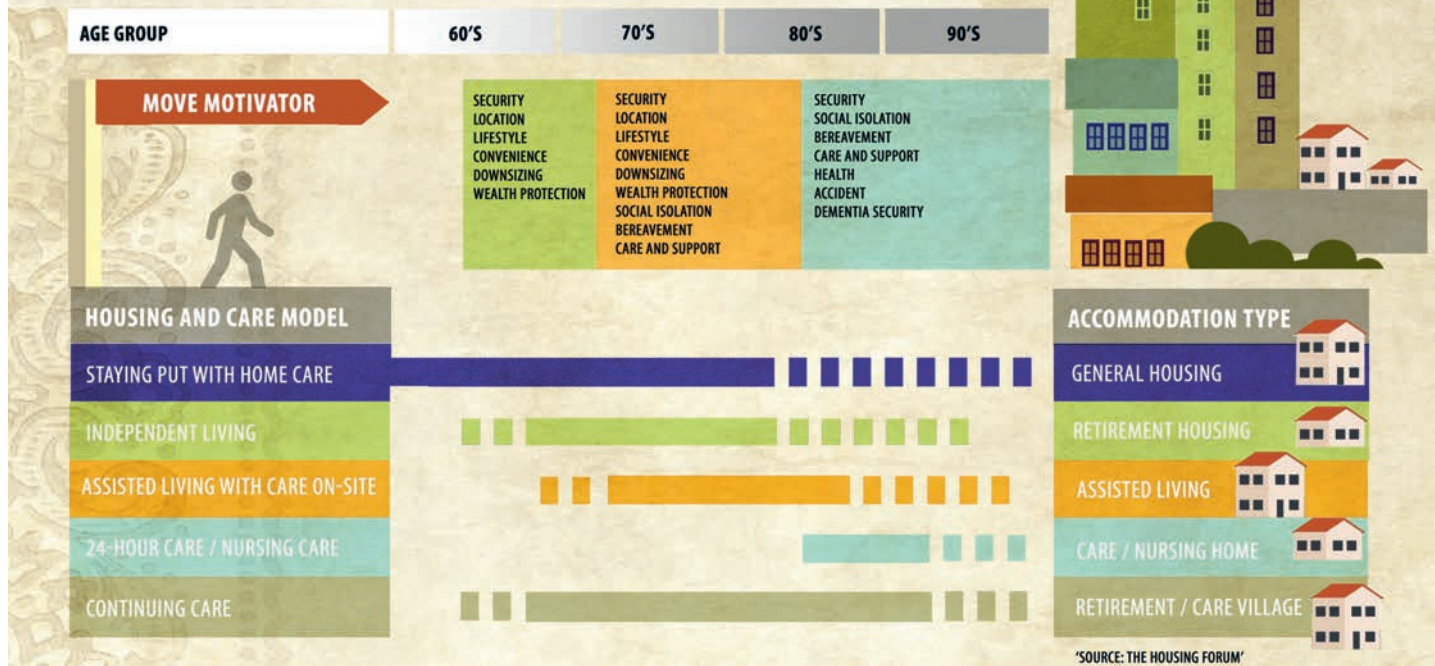
Historically, the model of health and social care has focused on delivering episodes of acute health care in hospitals, or providing permanent care in institutional accommodation. However, there is now a growing shift towards 'de-institutionalised' accommodation that enables people to remain part of the community for as long as possible (either in their own home or in specialist accommodation).

There are two key drivers behind this. First, there is a need to reduce the demand for 'formal' services and place greater priority on accommodation that promotes independence, in order to sustain the health and social care system in the UK as the population ages and the number of people with long-term conditions, frailty and multiple illness increases. Second, as individuals and families take on greater responsibility with regards to their care and lifestyle needs, they are demanding better quality, more suitable living environments and services.

## THE OPTIONS

The living options available to elderly people today can be split into two groups: 'home care services' (hourly home care or live-in care) and 'specialist residential accommodation'. The latter can be divided into two categories: 'institutional accommodation' (nursing homes and care homes) and 'specialist housing' (retirement housing, assisted living and retirement villages). I explore all these options below. The figure (opposite) also presents these options, and what motivations people may have to use them.

# DRIVERS OF ACCOMMODATION CHOICE



## Hourly home care

With an increased focus on enabling elderly people to remain in the comfort of their own home for as long as possible, hourly home care is growing in popularity. An individual or a couple can receive the support of a home carer, which may include anything from basic domestic support, companionship, personal care and medication help, through to support for more complex conditions such as dementia or Parkinson's. Some providers will offer visits for anything from 15 minutes upwards; however, organisations striving for the highest standards don't tend to offer visits of less than one hour. Home care providers are required to be registered with the Care Quality Commission if they offer personal care.

The cost of hourly home care can vary significantly, reflecting the wide range of quality of providers. The mean hourly rate for the UK is £13.35, but the charge for many private providers will be £17-£20 per hour.

Because the service can be tailored to each individual (according to a bespoke care plan), a wide range of care needs can be supported effectively. However, there are instances where either practicalities or costs can result in live-in care or specialist residential accommodation being more appropriate – such as where there is a need for full-time nursing or dementia care.

Key benefits of an hourly home care service may include the following.

- It facilitates a personalised service of care, specifically tailored to the needs of the individual.
- The individual can retain full control over

their daily routines: what to eat, drink and do during the day; when to socialise; when to pursue hobbies; and when to wake up or go to bed.

- The individual can enjoy the comforts of home and continue to be surrounded by the things with which they are familiar and treasure, including both objects and pets.
- Friends and family can visit at any time.
- Couples can remain together, in each other's company, for longer.
- The individual can retain the maximum amount of independence possible in daily life, enabling home carers to promote mental and physical well-being.
- It is often a flexible, affordable alternative to residential care options.

## Live-in care

As the name suggests, a live-in care service provides the support and assistance of a home carer living with an elderly person or couple on a 24-hour basis in their own home. Typically, a client will be assigned a minimum of two home carers, who will live with them on a one- or two-week on / off basis. The type of care provided, like hourly home care services, can range from basic domestic help, through to more complex support such as dementia care, Parkinson's care and even nursing care. However, because the home carer is present 24 hours a day, a more extensive, consistent level of support can be achieved, enabling people with higher needs to remain at home for longer.

The cost of live-in care generally depends on whether the care provider employs their home carers or simply acts as an 'introductory agency', whereby the client employs the home carer directly. It is typically considered preferable that a provider employs the home carer, to ensure that it takes full responsibility for training, supporting and managing staff, while also providing cover in the event of sickness or holidays. For a fully managed service, the cost of live-in care starts at approximately £850 per week. Where the client employs the home carer directly, the cost starts at approximately £500 per week (excluding any introductory fees). In the case of a couple, live-in care can result in significant savings versus residential accommodation, since the weekly fee is typically fixed and not based on the number of beds being used.

### Nursing homes

Nursing homes offer suites of bedrooms in which care and/or nursing needs are met on a 24-hour basis. They generally have a minimum of 60 beds (although older properties may be smaller) and include additional communal facilities, such as a residents' lounge. Levels of care include personal care, nursing care and medical care under the supervision of professionally qualified nursing staff. Nursing homes may also include specialist facilities designed for people with dementia. Key drivers for moving into a nursing home may be a significant decline in health, the need for 24-hour care (including during the night), or an advanced specialist condition such as dementia.

The average weekly fee for a nursing home in the UK is £764, although many higher quality facilities can cost over £1,000 per week. Residents pay a fixed, all-inclusive rent for their room, food and up to 24-hour care, by way of a license or short-term lease agreement.

### Care homes

Care homes offer the same type of accommodation as nursing homes, but do not include medical or nursing care, and are often not well-suited to supporting people with dementia.

The average weekly fee for a care home in the UK is £531, although higher quality facilities are, again, set at a premium, and generally cost over £850 per week. Like nursing homes, residents pay a fixed, all-inclusive rent for their room, food and up to 24-hour care, by way of a license or short-term lease agreement.

### Retirement housing

Retirement housing typically comprises a block of apartments with a warden on-site and a communal residents' lounge. Residents live an entirely independent lifestyle, and no care service is available on-site. Apartments are typically purchased on a long leasehold basis, and residents pay a small weekly service charge to cover estate management and maintenance costs.

Retirement housing can bring significant benefits for residents, as the accommodation is better designed to suit their lifestyle and they have a smaller household to maintain. However, these benefits can be limited by the following potential issues.

- Many buildings have been developed with inadequate space and accessibility standards.
- The apartment may not be designed to cater for the increasing needs of residents as they age.
- Support services are not easily available on-site, should they be required.

### Assisted living

Assisted living, also referred to as 'extra care housing', is evolving as a successful and popular alternative to both retirement housing and the traditional institutional care home. It seeks to combine the benefits and attractions of independent living, with your 'own front door', with the need for 24-hour support and a bespoke menu of care for each resident. Rather than simply focusing on care and support, assisted living can address a range of needs: quality of accommodation; opportunities for social interaction; affordability; and continued independence.

Where people do develop higher care needs over time, they may be able to remain in an assisted living facility well beyond the point where they may have had to leave their own home and been admitted to a care home or hospital. This is because the care team is based within the facility and can offer a high level of support. The term frequently used is 'ageing-in-place' – the idea that this should be an older person's last home, however frail they might become.

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Typically, an assisted living building will include a block of 50+ apartments or bungalows, plus communal facilities including a residents' lounge, cafe / bistro, hair salon, assisted bathroom, library and landscaped gardens. There will also be an on-site, 24-hour home care service, registered to provide personal care, from which care services can be purchased on a flexible basis. Apartments are typically purchased on a long leasehold basis, and residents pay a weekly service charge to cover estate management and maintenance costs, basic catering costs of the cafe / bistro, and the core costs of maintaining an on-site care team. A rough guide to the service charge cost of an assisted living property would be £120-£150 per week.

### Retirement villages

Retirement villages / care villages are larger schemes (often over 100 units) which can encompass a mix of retirement housing, assisted living and a care / nursing home. Close care is a similar concept, whereby retirement apartments are located adjacent to a care / nursing home, from which care services can be provided.

### LOOKING AHEAD

The trend of families having to take greater responsibility for funding and/or organising the care of their elderly relatives will continue. The concept of early intervention and helping people to remain in their own homes for longer will also become increasingly important. Demand for care at home services is therefore expected to increase, particularly as families become more aware of the respective benefits of hourly home care and live-in care.

In terms of specialist residential accommodation, the nursing home and care home sectors will continue to see the replacement of older, poorer quality homes with more suitable modern facilities, including those that specialise in supporting people with complex conditions such as dementia.

At the same time, the 'de-institutionalisation' shift is expected to advance, and the market for specially designed assisted living accommodation where people live in their own home, but have support on-site when needed, will grow rapidly – as has already happened in the US.

All these changes will mean private client practitioners can, and should, have a role in supporting elderly clients and their families to make the right decision for them from the wealth of options available.

*Data in this article is taken from sources including Age UK, The Alzheimer's Society, Carefound Home Care, Census (2001), Community Care Statistics, Elderly Accommodation Counsel, Housing LIN, Laing & Buisson and the Office for National Statistics.*