

Housing Learning & Improvement Network

The Health and Social Care Change Agent Team (CAT) was created by the DoH to improve discharge from hospital and associated arrangements. The Housing LIN, a section of the CAT, is devoted to housing-based models of care.



Moving Towards a Home-owning Democracy

The impact of “self-funders” on state policies for care services

By Kerry Stevens, Adult Services Manager at Buckinghamshire County Council. This article first appeared in *Community Care* 4-10 November 2004. Published by permission of the editor of **Community Care**.

Home ownership impacts on Britain's economy. The vagaries of the property market influence Bank of England interest rates, with recent increases aimed at cooling a housing market seen as overheated and out of control.

The sale of council housing in the 1980s contributed significantly to a 40-year trend towards more home ownership and less renting. In 1966, less than half of all properties in England were privately owned; now the figure is above 70 per cent. ¹

As a result, many more older people now own their homes and have capital tied up in bricks and mortar. This in turn means they have a different relationship with the state when it comes to social services.

Against a backdrop of increasing demand generated by an ageing population, the state restricts services to older people to ensure there are enough resources to support those with the greatest need. By means-testing those who access services, the state can effectively ration resources to meet this demand. However, older people who own their own homes can escape this rationing by selling their homes and using the cash.

This situation is a natural progression of the Thatcherite economics of the 1980s. Fewer people are now reliant on the state. The resources locked up in people's homes allow them to commission services directly from providers without first forming a relationship with the state.

You might imagine that the state gains from older people who own their own homes selling up and moving to institutional care on the proceeds. In these circumstances, the cost of care will be met by the resident until their savings drop below £19,500. At this point, the state will have to assess the person's needs and contribute to their care, assuming they fit eligibility criteria.

This may seem an attractive option to the state, until it realises that some older people do not warrant institutional care, or that they have directly commissioned a placement above the cost ceiling that has been put in place to afford some management of the

local residential care market. In these situations the media spotlight often falls on the local authority for moving a “vulnerable” older person into a less plush institution or back into the community.

It is also often the case that a relatively independent older person directly commissions institutional care as a direct result of a lack of support and advice from the state. Nominal ceilings on the provision of community services and eligibility criteria may divert the financially independent older person into an institution because of a lack of such services. For the local authority, the effect of this short-termist approach may be negative media coverage and budget pressures. Yet in many cases an individual could have been diverted from institutional care with additional support or access to advice and information about community services.

The state must begin to consider the impact of the “self-funder”, because the new generation of older people - “Thatcher’s adults” - are more likely to own their properties than their predecessors. What may be a limited financial impact now is going to become considerably greater.

Relationships with private providers and people will need to be redrawn. The state should not always be seen as blameworthy in the case of a privately-owned institution refusing to accept local rates when an older citizen’s funds have dropped below the £19,500 threshold. All owners of residential and nursing homes who charge above the local rate should make the older person and their families aware that, should they outlive their funds, the state may not meet the cost.

The state also needs to consider the potential impact of older people’s direct commissioning of institutional care. The state must influence and control this commissioning to prevent the financial backlash when funds are reduced. It will become a financial necessity for staffing to be diverted to the resource-rich older person to offer them support and advice on the direct commissioning of services to meet their needs.

The range of services available also needs to be considered. The natural choice of service for those unaware of the options available to them will be institutional care. Often extra care housing schemes in which the state is involved are not available to those who possess considerable resources.

The opening up of these resources to the cash-rich, or the partnership development of private schemes, will allow the state to benefit from the freeing up of the person’s resources. These placements may well be more suitable for the older person’s needs and may be within the state’s cost envelope when the person’s funds are reduced.

The empowerment of older people to directly commission services gives a welcome boost to the quality and range of services. But as long as services depend on the micro-influence of individual decisions, they will only evolve slowly to meet the older person’s expectations.

If macro-management of the process were supported by the state in partnership with voluntary organisations operating in this area the advantages would be less hit and miss, achieving quicker benefits for more people.

The state cannot control this process. But it can influence it. The power of the “grey pound” will have a growing impact on the market. And social services departments must accept a new role: no longer that of an agent of social control but as a guide to older people so that they can successfully navigate a complex and often mercenary market.

1. Housing Statistics 2003, Office of the Deputy Prime Minister, www.odpm.gov.uk

Kerry Stevens is a services manager at Buckinghamshire Council’s adult services department. He has been involved in providing, planning and managing services for older people for a number of years. This article represents his personal viewpoint and is not necessarily indicative of the council’s policy.

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For further information on private sector provision, see Factsheet no.7 in the Housing LIN publications listed overleaf.

Other Housing LIN publications available in this format:

Viewpoint no.1: **The Challenge of Providing Extra Care Housing to People with Dementia** *Adapted from a presentation given by Sue Garwood of Hanover HA to a Worcestershire County Council Extra Care conference on 20th July 2004 (06.08.04)*

Viewpoint no.2: **Tenancy Issues - Surviving Partners in Extra Care Housing** *The development of tenancy agreements for couples in Extra Care Housing, based on the experience of an Extra Care project in Southampton (01.06.04)*

Case study no.1: **Extra Care Strategic Developments in North Yorkshire** *A snapshot view of partnership-based strategic planning for extra care in North Yorkshire, highlighting the variety of issues that need consideration in a large and mostly rural area. One recent scheme and one in progress are described.(01.09.03)*

Case study no.2: **Extra Care Strategic Developments in East Sussex** *Some of the key issues involved in partnership-based strategic planning for extra care in East Sussex. A small conversion from sheltered housing and a larger new scheme catering for a range of use. Different management models are briefly discussed.(01.09.03)*

Case study no.3: **'Least-use' Assistive Technology in Dementia Extra Care** *Rowan Court, Eastleigh, Hampshire - An example of provision of extra care facility for older people with dementia, based on a philosophy of promoting and maximising independence.(02.02.04)*

Case study no.5: **Village People: A Mixed Tenure Retirement Community** *An Extra Care facility at Westbury Fields Care Village of St Monica Trust (15.10.04)*

The Housing LIN also publishes a range of Factsheets examining different aspects of Extra Care. These are all available from our website;

www.changeagentteam.org.uk/housing

Factsheet no.1: **Extra Care Housing - What is it?**

Factsheet no.2: **Commissioning and Funding Extra Care Housing**

Factsheet no.3: **New Provisions for Older People with Learning Disabilities**

Factsheet no.4: **Models of Extra Care and Retirement Communities**

Factsheet no.5: **Assistive Technology in Extra Care Housing**

Factsheet no.6: **Design Principles for Extra Care**

Factsheet no.7: **Private Sector Provision of Extra Care Housing**

Factsheet no.8: **User Involvement in Extra Care Housing**

The Housing LIN welcomes contributions on a range of issues pertinent to Extra Care housing. If there is a subject that you feel should be addressed, please contact us.

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