

NEWS RELEASE

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Care home ‘self-funders’ charged £12,500 a year more than council-funded residents

Just Group calls for urgent social care reforms to tackle unfairness

Residents of care homes in England who meet their own fees are charged on average £12,500 a year more than those whose bill is picked up by their local authority, analysis by **Just Group** reveals.

The average annual fee for self-funders is £44,252, far higher than the average fee paid by councils - £31,720. The difference between the two groups is £12,532 or more than £1,000 a month extra for the self-funder¹.

“These figures start to explain why people think care fees are unfair when those footing their own bill are charged many thousands of pounds a year more than another person who could be in the same home and receiving the same care but paid for by the local authority,” said **Stephen Lowe**, group communications director at **Just Group**.

Average annual Local Authority fees for Council-funded residents and self-funders¹

Region	Average Local Authority fee per year per resident	Average Local Authority fee per year per self-funder	Average fee differential (£)	Average fee differential (%)	Median fee differential (%)
<i>England</i>	<i>£31,720</i>	<i>£44,252</i>	<i>£12,532</i>	<i>43%</i>	<i>41%</i>
South East	£36,920	£55,276	£18,356	52%	49%
Greater London	£38,116	£54,652	£16,536	49%	47%
East of England	£30,368	£44,512	£14,144	50%	49%
North West	£28,288	£40,352	£12,064	45%	44%
West Midlands	£31,460	£43,108	£11,648	45%	46%
South West	£34,164	£45,552	£11,388	37%	36%
East Midlands	£30,472	£40,612	£10,140	35%	34%
Yorkshire & Humber	£27,716	£37,544	£9,828	37%	36%
North East	£29,536	£34,788	£5,252	23%	23%

“The proportion of care home firms operating this differential pricing has also increased markedly, according to the Competition and Market Authority (CMA), with about 90% of homes now charging self-funders more than they charge councils compared to about 20% back in 2005.”

The CMA’s report found that the fees paid by councils are below the costs of running care homes leading them to hike prices to self-funders to prop up their finances. This subsidy is highest in homes with a fairly even mix of places between the two groups.

Stephen Lowe said that a lack of government progress on reforming the later life social care market is putting more financial pressure on those needing care and their families. It’s also a material factor in people waiting before putting any plans in place for themselves – more than half (51%) of over 45s are delaying making plans until new policy is clarified according to **Just Group’s 2019 Care Report**².

“For many people, planning for later life care consists of crossing their fingers and hoping it doesn’t happen to them,” he said, “but when it does, the cost is a real eye-opener, as our 2019 Care Report reveals.

“Three-quarters of over 45s who had been involved in arranging care said they were surprised by how little financial support the State provides and nearly nine in 10 (88%) were shocked at how expensive care is.

“With the care crisis deepening, the government must take the lead and be clear that reforms are on their way.”

Only a few weeks ago, Boris Johnson on his Conservative leadership campaign trail said: “It is inequitable, some families having to raise hundreds of thousands in order to pay for the costs of care, others are getting those costs met, or at least partly met. There is a real sense of anxiety this is causing and we need to address it³.” But no timetable for the green paper has been set, although the Prime Minister indicated in an interview published at the weekend that there would be money for social care in Wednesday’s spending review.

“The public isn’t fooled by promises and no action – more than half (52%) agree that social care policy is being neglected because of Brexit.” said Stephen Lowe. “Brexit is undoubtedly a big issue but the parlous state of today’s social care system is letting everybody down – councils, care homes, care workers and of course the residents who are most vulnerable of all. The promise of more funding is welcome but it doesn’t address the total absence of any long-term policy to address the fundamental problems within the social care system.”

Enquiries

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Notes to Editors:

Research

1 - CMA: Care homes market study: final report - "Average fee levels and price differentials by region."

<https://assets.publishing.service.gov.uk/media/5a32947be5274a1fee16bb9b/appendices-and-glossary-care-homes-market-study-final-report.pdf>

2 - Just Group Care Report 2019 - Care reform: what reform

https://www.justgroupplc.co.uk/~/_media/Files/J/JRMS-IR/news-doc/2019/2019%20Care%20Report%20-%20what%20reform.pdf

3 - Boris Johnson's PM vision: 'Nobody should have to sell their home for dementia care costs' (*Daily Express* exclusive)

<https://www.express.co.uk/news/politics/1155184/boris-johnson-news-tory-leadership-latest-dementia-cost-brexit-news-no-deal>

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